

Judge tells Lou Pearlman's lawyer to release records

Contributed by Lou Pearlman Writer
Tuesday, 23 October 2007

Jim Leusner | Sentinel Staff Writer October 16, 2007

An Orlando-area lawyer must produce records and answer questions under oath about business dealings of jailed music executive Lou Pearlman or face "severe sanctions," a U.S. bankruptcy judge ruled Monday. The case involving Recca Rene Chamberlain of Gotha came to a head after attorneys for the bankruptcy trustee attempting to trace and liquidate Pearlman assets accused Chamberlain of repeatedly stonewalling their inquiries.

Chamberlain has argued that she could not disclose the materials or answer most questions about Pearlman because of attorney-client privilege. On Monday, Miami attorney Greg Garno, an attorney for bankruptcy trustee Soneet R. Kapila, accused Chamberlain of engaging "in a pattern of conduct to frustrate, impede and delay" inquiries into Pearlman's finances. He said she ignored several letters, subpoenas and three judge's orders to produce mail she collected for Pearlman while he was in hiding overseas -- along with other paper and electronic records she kept as one of his business attorneys.

Pearlman was arrested June 15 in Guam after Indonesian authorities and the FBI tracked him to the resort of Bali. Two weeks later, a federal grand jury in Orlando charged him with scheming to defraud banks of \$100 million. He pleaded not guilty and is being held without bail at the Orange County Jail. One major issue for the bankruptcy trustee was Chamberlain's previous admission that at Pearlman's direction, she turned over a box of financial records in May or June to a mysterious man with a British or Australian accent on the side of a road.

This occurred after Pearlman -- former manager of 'N Sync and the Backstreet Boys -- and his companies were forced into involuntary bankruptcy by creditors, and after the trustee sought records from Chamberlain, Garno said.

Another issue was Chamberlain's account of losing her laptop computer while traveling around the state Aug. 9.

She did not file a police report for fear that she would be charged with filing a false report, according to Garno. She did not file an insurance claim either and also has resisted turning over 15 or 16 computer backup discs with laptop information stored on it, the lawyer for the trustee said.

"We are seriously considering making a criminal referral" so federal prosecutors can consider filing charges, Garno said. "She has been an obstructionist and may have perjured herself."

Robert Feinstein, a New York attorney representing nearly 2,000 of the creditors who claim to have lost \$467 million in Pearlman-related ventures, urged the judge to jail Chamberlain.

"This absolutely is an appropriate case for incarceration now and sanctions now," Feinstein said.

When Chamberlain's lawyer, Alan Perlman of Fort Lauderdale, tried to argue that his client was unaware of all of the developments in the case involving her, Judge Arthur Briskman became incredulous.

"She knew what was going on," Briskman snapped. "It was in the paper. She never acknowledged to this court she didn't know what was going on."

Ultimately, Perlman offered to present his client to answer questions and to produce the computer data. He reserved Chamberlain's right to raise client-privacy issues with files on the jailed music executive or other clients.

The data are to be surrendered by next Monday to a court-appointed data-recovery expert.

After objects from Chamberlain are sorted out and the records analyzed, she will then be questioned in detail under oath.

Originally posted at <http://www.orlandosentinel.com/news/local/orange/orl-pearlman1607oct16,0,6882678.story>