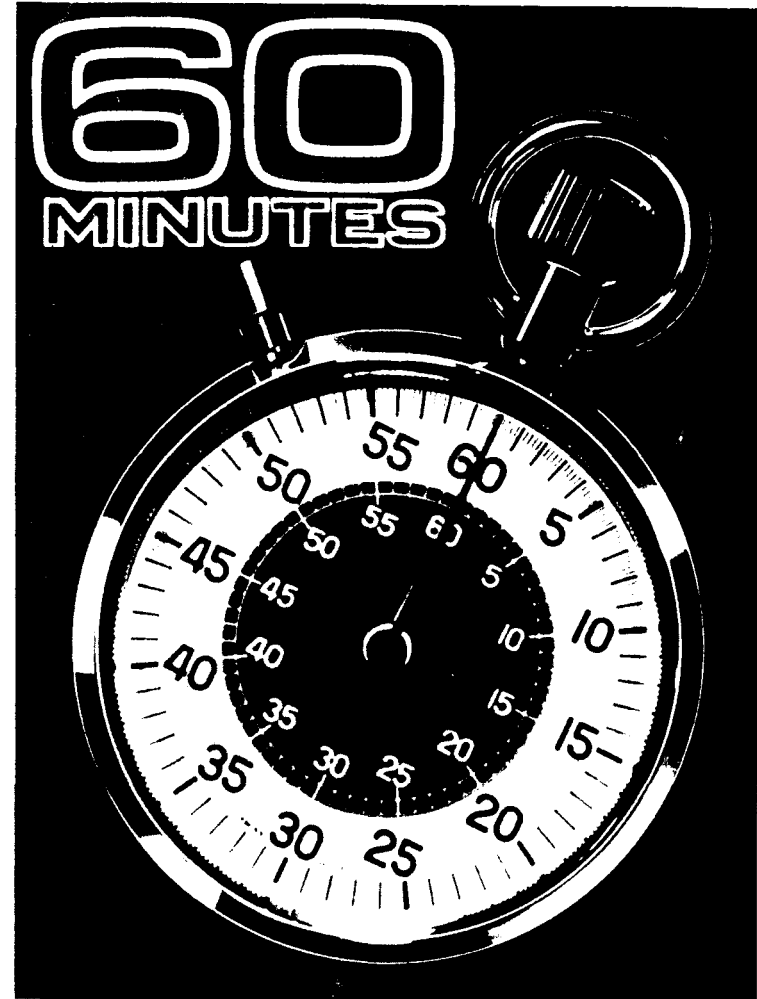


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provide information to the DEA. And I think we try to take care of people that do help us.

(Footage of the Dariases)

BRADLEY: *(Voiceover)* But Darias says the DEA hasn't taken care of him. Since 1984, he has been supported by his wife--she works--and help from her family. He's worked only occasionally, and still lives in seclusion in Florida.

Robert, you feel that the government let you down?

Mr. DARIAS: Yes. I would like them to--to pay what they owe me. But even if I--they don't, I don't want them to do the same thing they did to me to anybody else.

BRADLEY: Amelia, what do you want now from the government?

Mrs. DARIAS: I want to be forgotten. All it has brought me is pain and misery. I don't want them to even remember me, that I ever existed.

BRADLEY: And that's the opposite of what you want.

Mr. DARIAS: I want them to remember me forever, really. And I'm going to make sure that they remember me for a long time.

BRADLEY: Darias has refused the DEA's offer to go in the Witness Protection Program, and he plans to sue for the money he says they owe him. As for Marlene Navarro, after almost eight years in prison, she was granted a new trial because of administrative errors in the court transcription, but Darias says he won't testify against her unless he's subpoenaed, and that's not likely to happen since the federal prosecutors have now agreed to a plea bargain with Navarro that could see her out of prison next year.

(Announcements)

BANKRUPT IN FLORIDA

LESLEY STAHL: If you're going to go bankrupt, and you don't want to leave the United States, there's really only one place to go: Florida.

(Footage of people playing golf, tennis, on the beach; pages being stamped)

STAHL: *(Voiceover)* People come here to play golf, people come here to play tennis and people come here to go broke. Florida's bankruptcy courts are overflowing with cases. Rich people, particularly, know they can keep a whole lot more of their money and property here than they would almost anywhere else. The word is out: Florida is a debtor's paradise.

Unidentified Woman: Bankruptcy Court, may I help you?

Mr. CHUCK TATELBAUM (Lawyer): I get at least five calls a week from lawyers around the country who know that I practice bankruptcy law, and they say, 'I have this client who has money, and creditors may be after

them shortly, or are after them, and we've heard about Florida. Is it really true?'

(Footage of Stahl and Tattelbaum)

STAHL: *(Voiceover)* Chuck Tattelbaum is taking all those calls in his law office in Clearwater.

Mr. TATELBAUM: And then, when I tell them that it is really true, they all want to run down here and take up residence.

STAHL: You get to keep everything?

Mr. TATELBAUM: Not everything. But if you do plan the right way, you can keep virtually everything.

(Footage of a United States Bankruptcy Court)

STAHL: *(Voiceover)* He's right. Of all 50 states, Florida has the most generous exemptions. In other words, the longest list of what a debtor, no matter how much he owes, is able to keep.

Mr. TATELBAUM: If you have an IRA or pension benefits, they're totally protected. Life insurance value is protected.

STAHL: Really? My...

Mr. TATELBAUM: Annu...

STAHL: It doesn't matter how big the insurance policy is?

Mr. TATELBAUM: No, not at all. Annuities are protected. Say you've taken all your cash and put it into annuities, that's protected.

(Footage of large houses)

STAHL: *(Voiceover)* And the biggest protection of all in Florida, the mother of all exemptions, is the law that lets debtors keep their houses--and not just run-of-the-mill houses. Gary Froid went bankrupt in 1987, and yet, look where he lives. He still owns this upscale Spanish-style house on exclusive waterfront property. Donald Clause, the man who owns this house on the golf course in Fort Myers, went bankrupt, too. And so did Marvin Warner, who lives on this thoroughbred horse farm in Ocala.

Mr. TATELBAUM: *(Voiceover)* Your house in Florida would be exempt if it's within a certain acreage, no matter what its value.

STAHL: Well, up to how much? How many acres?

Mr. TATELBAUM: Well, if it's in the city, only half an acre. But if it's out in the country, it's up to 160 acres.

STAHL: You're kidding.

Mr. TATELBAUM: No.

STAHL: Then I just move myself down here, I buy a nice house with 160 acres and pour all my money into it, and I don't have to pay my debts?

Mr. TATELBAUM: That's what the law says. It's not right, but that's what the law is. And right now, that's what the courts have to enforce. My creditor clients just--all over the country are just amazed at this. And they just say, 'How can it be?'

(Footage of large houses)

STAHL: *(Voiceover)* How can it be that this it-can't-possibly-be-just-one-house house is the home of a former high-flying Wall Street financier, who's known these days as Florida bankruptcy case 91-10466-8P7, Paul Bilzerian?

Is it--it is unfair to call you a corporate raider?

Mr. PAUL BILZERIAN *(Wall Street Financier)*: I hate that term.

STAHL: I figured you would hate that term.

(Footage of articles on Bilzerian; a house)

STAHL: *(Voiceover)* Bilzerian's last corporate raid in 1988 was on the billion dollar Singer Sewing Machine Company. A year later, he was convicted of securities fraud and went to jail for 14 months. The Singer Company went bankrupt. Bilzerian, who once boasted he was worth \$80 million, declared personal bankruptcy in 1991, but he still got to keep that house. It's actually in his wife's name, but in Florida, he could have kept it even if it weren't.

How much did you pour into that house? We've seen \$10 million. Is that ball park?

Mr. BILZERIAN: No, I think that's high.

STAHL: Six million?

Mr. BILZERIAN: I think that's closer.

STAHL: Is the house fully paid for?

Mr. BILZERIAN: Yes.

STAHL: So you don't have a mortgage.

Mr. BILZERIAN: No.

STAHL: The Bilzerians didn't invite us over for a close-up look at the house, so we found a pretty good vantage point across this lake. As you can see, the mansion looks more like Bilzerian University than a single-family home. Over here, behind those trees, is the guest house, which is a fabulous mansion all by itself. The whole complex has 21 bathrooms, an indoor squash court. At this end, there's a full-size basketball court with bleachers and an electronic scoreboard. And this man says he's broke!

So, are you broke?

Mr. BILZERIAN: Well, I--I guess--in--in a manner of speaking, I guess I would have to be. If your liabilities exceed your assets, I guess you'd have to be defined as broke.

(Footage of Stahl and Bilzerian; the Singer Furniture Company)

STAHL: *(Voiceover)* So what does he live on? When the dust settled from the Singer Company bankruptcy, Bilzerian ended up owning this \$100 million furniture company. But there's no way his creditors can get at it now, because now the owner and chairman of the Singer Furniture Company is Mrs. Paul Bilzerian.

You appointed her to take your place.

Mr. BILZERIAN: Yes.

STAHL: Yes. And--and in that position she earns \$300,000 a year.

Mr. BILZERIAN: That's correct.

STAHL: Which--and that--that's certainly a healthy amount of money for any family to live on, you'd--you would not disagree.

Mr. BILZERIAN: No, no.

STAHL: So you're not broke.

Mr. BILZERIAN: Well--well, that tech--as long as my wife stays married to me, I'd say that that's probably right.

(Footage of Stahl and Bilzerian)

STAHL: *(Voiceover)* As they would be in many other states, her salary and stock in the company are totally protected from his creditors.

People say, 'This man should pay his bills. If he can have a house like that, he should pay his bills.'

Mr. BILZERIAN: Well, you have to look at who would be saying that. I mean...

STAHL: I mean anybody.

Mr. BILZERIAN: But...

STAHL: I will say that.

Mr. BILZERIAN: All right.

STAHL: All right?

Mr. BILZERIAN: But then you've got to look at the bills.

(Footage of bills; Bilzerian)

STAHL: *(Voiceover)* So we looked at the bills. They total more than \$100 million. The US government alone wants around \$80 million. Bilzerian says the bills are bogus. He believes the entire case against him is unfair.

Mr. BILZERIAN: So I look at my largest creditor and I say, 'If my largest creditor doesn't get paid a dime, that will not break my heart.' Now if that was a bunch of little workmen out there, people that worked on my house, little guys out there that had lost money, Lesley, I believe, probably, my wife and I would be doing everything in our power to pay that, regardless of the law.

STAHL: And you don't owe anybody like that, is what you're saying?

Mr. BILZERIAN: No, nobody. Nobody.

STAHL: Not one little person.

Mr. BILZERIAN: Not one little guy.

(Footage of Paul Gannaway and Charlie Bohannan; Bilzerian; Bilzerian's home)

STAHL: *(Voiceover)* Try telling that to these little guys. Paul Gannaway and Charlie Bohannan both worked for the Singer Company for more than 30 years, then watched it go bankrupt after Bilzerian's takeover. Now they

and thousands of other Singer retirees have seen their company life insurance cut in half and they're having to pay hundreds of dollars for health insurance the company had promised would be free. Although they are not creditors in Bilzerian's personal bankruptcy, they blame him for the loss of their benefits and they're angry about what he's been able to keep. The Gannaways and the Bohannans live just a few miles from Bilzerian. They had heard about his house, but they had never seen it until we showed it to them.

Mr. PAUL GANNAWAY (Former Singer Sewing Company Employee):

Oh, well, isn't that amazing?

Mrs. GANNAWAY: Oh my.

Mr. CHARLIE BOHANNAN (Former Singer Sewing Company

Employee): Boy, what a place.

Mrs. BOHANNAN: Goodness.

Mr. BOHANNAN: How many bathrooms you say they have?

STAHL: Twenty-one bathrooms.

Mrs. BOHANNAN: It looks like a castle.

Mr. BOHANNAN: I've stayed in a lot of hotels smaller than that. And what would happen if they flushed all those commodes at the same time? They...

STAHL: So what are you thinking as we're standing here looking at maybe one of the biggest houses in the country?

Mr. GALLOWAY: I'm thinking that it's unfair that he's able to do that, the Florida law is so lax in allowing him to keep that home under bankruptcy.

Mrs. BOHANNAN: Seems to me that the law should protect the people who are--they spent their life working for this company and thinking that when they were old and retired and unable to work, that they'd be provided for by their insurance that they've paid into all these years. And now that's taken away and they're having to pay a large amount for their insurance to be protected, and I don't think that's fair.

STAHL: And he?

Mrs. BOHANNAN: And he has the money.

(Footage of a horse farm; Marvin Warner)

STAHL: *(Voiceover)* Eighty miles away in Ocala, another bankruptcy, businessman Marvin Warner. In 1985, not long after the collapse of the Ohio bank he owned, Warner paid \$3 1/2 million cash for this 400-acre horse farm. Remember, Florida law only protects 160 acres. And guess what? That's exactly what Warner kept for himself. He transferred the other 240 acres to his wife and son. Warner filed for bankruptcy in 1987, and eventually settled, mortgaged the farm and paid back about \$16 million of the \$100 million his creditors claimed he owed them.

But he got to keep that huge estate with all his thoroughbred horses.

Mr. TATELBAUM: That's correct.

(Footage of Dr. Gene Hill and Rome Hartman)

STAHL: *(Voiceover)* While our 60 MINUTES crew was filming the farm, Dr. Gene Hill, the veterinarian who takes care of those thoroughbred horses, drove through the gate. When producer Rome Hartman told him about our story, it set him off.

Dr. GENE HILL (Veterinarian): There's--there's people that owe me \$20,000, \$25,000 around here that are driving around in a limo and eating lunch at a country club every day.

Mr. ROME HARTMAN (Producer): These are people that have declared bankruptcy?

Dr. HILL: Yeah, personal and corporate. Me--I--you know, I thought if people filed for bankruptcy, they should be, like, driving a Volkswagen and eating bologna sandwiches. You know, these guys are--you know, they're still eating better than I am, wear nicer clothes, have huge holdings. The chances that you get what's owed you, in my experience, has been almost zero. I've never gotten a dime.

(Footage of Dr. Hill; Bowie Kuhn; a baseball team)

STAHL: *(Voiceover)* Dr. Hill was quick to say that Marvin Warner has paid his vet bills.

Next case: The former commissioner of major-league baseball. For the 16 years he held that job, and even after he left baseball and formed a law firm, Bowie Kuhn worked in New York and lived in New Jersey. But when that law firm went belly up, guess where Bowie Kuhn ended up?

The firm filed for bankruptcy, and five days later, you declared that your main domicile was in Florida.

Mr. BOWIE KUHN (Former Baseball Commissioner): Well, what happened was when I realized that the partnership was moving in the direction of making me accountable for all the obligations of the firm, I decided that was not really a very fair way to handle things.

(Footage of a house)

STAHL: *(Voiceover)* How did Kuhn handle things? He bought this house outside Jacksonville for \$1 million, and moved himself and his \$2 million investment portfolio to Florida.

Mr. KUHN: Perfectly legitimate and legal. Nobody ever questioned the legality or the propriety of what I did.

(Footage of Kuhn; a document)

STAHL: *(Voiceover)* Yes, they did. When Kuhn split for Florida, the firm's biggest creditor accused him of fraud. Kuhn still bristles at the charge, since in the eventual settlement he personally ended up paying more than a million dollars of the firm's debts.

If he had not come down here, if he had stayed in New Jersey, where he had lived for 20 years, would he have been nearly as protected as he was down here?

Mr. TATELBAUM: Absolutely not. He would have been totally vulnerable in New Jersey. As it was, what he got to keep was only because he had the threat of being in Florida, and using that as the wedge to negotiate the settlement.

STAHL: He negotiated, saying, 'Look, if you don't negotiate with me, I won't give you anything because I'm protected in Florida'?

Mr. TATELBAUM: That's right. It's an all-or-nothing situation. And that was the thing that the creditors had to worry about, because if he were right, they would get nothing.

(Footage of a courtroom; Bilzerian's house)

STAHL: *(Voiceover)* Nothing is exactly what most creditors get in Florida, and nothing is what most of Paul Bilzerian's creditors can expect to get as his bankruptcy case finally wraps up. In the meantime, he rattles around in that amazing exempt house.

Mr. BILZERIAN: My feeling--and you'll forgive me for this--is much more as a victim than anything else.

STAHL: You know, he says he's broke.

Mr. BOHANNAN: Well, if he's--he's broke, I would like to be broke like that, too.

STAHL: If you want to know why Florida treats the bankrupt the way they do, you've got to go back 130 years, when Florida was desperately trying to attract people to come down. That's why they wrote the homestead exemption into their constitution, to attract residents, any kind of residents.

(Announcements)

A FEW MINUTES WITH ANDY ROONEY

MORLEY SAFER: All week long people were asking each other, 'Do you remember where you were when President Kennedy was shot?' We asked Andy where he was.

ANDY ROONEY: I remember I was shocked and sad, but I don't remember where I was. And does it matter? I probably should have a story, though.

(Footage of Rooney sitting at his desk with his shirt sleeves rolled up; visuals of Life, Post, Newsweek, Time; an article; a 1963 Cadillac ad; a Studebaker ad; African-American children walking to school; cigarette ads; photographs of President Kennedy and his son)

ROONEY: *(Voiceover)* My story would go like this: I was sitting in my old office here at CBS when I heard the news that Kennedy had been shot.

I'll never forget it. I was looking through some magazines that came that day: Life, Look, Time, Newsweek, the Saturday Evening Post. The magazines were offering some of the same hope-filled miracles they offer today.

The Saturday Evening Post had hope for feeding the hungry: a cheap nutritious food concentrate made from fish offers new hope to the world's starving. Where do stories like that come from? And where do they go? For that matter, where did the Saturday Evening Post go?

Here's another story in Time, a diet that might wipe out malnutrition. Sure it will, Time. The day you don't have those inserts that fall out of your magazine. The cars in the ads don't look bad. I'd like to buy a brand-new 1963 Cadillac today for \$7,500.

Some things are gone, some things aren't gone. Studebakers are gone; Barbra Streisand isn't gone. Some words have changed. You forget that in 1963 black Americans, African-Americans, were called Negroes. Lots of cigarette advertising. It would be interesting to know how many of these people have died of lung cancer by now, unless of course they were just actors pretending to smoke. Lots of pictures of President Kennedy with his son, John-John. Heartwarming to look at that day; heartbreaking to look at the next.

(End of footage)

ROONEY: Yes, I remember where I was when JFK died. I was 30 years farther away from dying myself. I'm glad this past week is over, though. I've seen President Kennedy shot 100 times on television. I don't want to see it again. I'd like to remember John F. Kennedy alive.

SAFER: I'm Morley Safer. We'll be back next week with another edition of 60 MINUTES.

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