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VIA E-MAIL

Maria Rosa Cartolano
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Forbes Media
499 Washington Blvd.
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**Re: False and Defamatory Statements in July 28, 2016 Article
*Trump & Kids Named, But Not Charged, In \$250 Million Tax
Evasion Case by Kelly Phillips Erb***

Dear Ms. Cartolano:

We represent Felix Sater and write in connection with an article posted to the Forbes website on July 28, 2016 by Kelly Phillips Erb entitled “Trump & Kids Named, But Not Charged, In \$250 Million Tax Evasion Case” (herein, the “Article”). A copy of the original article published is attached.

As set forth in detail below, the statements contained therein, particularly as to Mr. Sater, are false, fictitious and defamatory. The article was clearly written without any fact-checking or diligence. I don’t engage in histrionics lightly, however the undisputed and verifiable documentary evidence demonstrates Ms. Erb to be irresponsible, reckless and incompetent. Particularly aggravating is that the Article was written under the “Forbes” banner and with its imprimatur, and has already caused substantial financial harm to Mr. Sater.

Calling Ms. Erb’s reporting “reckless and irresponsible” is an understatement. Her two main sources of information, attorneys Frederick Oberlander and Richard Lerner have *twice* been referred by a Federal Judge for criminal investigation by the Department of Justice for their conduct in connection with litigation involving these same garbage “Bayrock” fraud claims brought by them over the last six years in multiple courts. That is simply unheard of. Attached hereto as **Exhibit A** is Judge Brian Cogan’s second Order dated, June 30, 2015 referring Oberlander and Lerner for criminal investigation on expanded charges. As I have stated in court proceedings underlying the criminal investigation of these two rogue lawyers, the sooner they are indicted, the better.

On Thursday, July 14, 2016, in connection with the unsealing of their “Bayrock” *qui tam* state court complaint, Oberlander and Lerner issued the following false press release:

Maria Rosa Cartolano, Esq.
August 1, 2016
Page 2

“NY Attorney General **Green Lights** \$250 Million Tax Fraud Prosecution of Trump Projects” (see <http://www.prnewswire.com/news-releases/ny-attorney-general-green-lights-250-million-tax-fraud-prosecution-of-trump-projects-0300298935.html>).

The title of that press release is simply a fabricated, deceitful statement. The only fraud committed is by Oberlander and Lerner with these bogus claims all of which have been demonstrated to be baseless and highly defamatory.

As confirmed by the attached court filings and the NY Attorney General himself, the NYAG’s office absolutely did not “Green Light,” endorse, or otherwise authorize the bringing of this case. In fact, the NYAG’s office specifically *rejected* Oberlander’s request for it to intervene and bring this case itself. See **Exhibit B**, Notice of Declination. Indeed, the Attorney General’s office never has been, and never will be, involved whatsoever with this case. The only so-called “plaintiffs” are Oberlander and Lerner, two fanatical and vexatious litigators with absolutely no clients or ties to “the People of the State of New York.”

Nevertheless, Ms. Erb, published the above-reference article on Forbes.com, falsely stating, among other things that:

“the New York Attorney General, after investigating the initial complaint has assigned the State’s claims to the relators (the whistleblowers who brought the lawsuit).”

Despite numerous prior published media reports regarding this filing, only Erb adopted the deliberately false proclamation of “endorsement” by the NY Attorney General. All others, including one cited by Erb, indicated the contrary. The NY Law Journal’s article dated July 22, 2016 published almost a week earlier, was written after extensive contacts with my office, requests for court documents and diligence. See, **Exhibit C (with my statements on Mr. Sater’s behalf quoted therein)**. The Law Journal article clearly reflects a responsible effort to write a fair, balanced and accurate account. Erb never contacted my office nor Bayrock’s counsel, and certainly never read the Law Journal’s report. Instead, Erb chose to conduct herself and write the “Forbes” article as nothing more than a shill for Oberlander and Lerner, the disgraced rogue attorneys on legal “skid row”. Your subsequent removal of the false “AG assignment” language while substantively immaterial to the damage it already caused to Mr. Sater, nevertheless proves Erb’s dishonesty and reckless disregard for the truth.

Moreover, as previously determined by numerous Federal Judges and the Second Circuit Court of Appeals, the allegations in the recently unsealed “Bayrock” *qui tam* complaint are based on documents that were stolen from Bayrock. Federal District Court Judge I. Leo Glasser of the

Maria Rosa Cartolano, Esq.
August 1, 2016
Page 3

Eastern District of New York specifically found that Oberlander was complicit in the illegal theft of Bayrock documents, calling his actions “very bad and perhaps despicable.”

With regard to the actual allegations in the *qui tam* complaint, Federal Magistrate Judge Frank Maas of the Southern District of New York called Oberlander’s claims against Bayrock “frankly incomprehensible.” Judge Maas went on to describe Oberlander as “some sort of self-appointed inspector general” who exhibits “almost comic disregard” for court orders.

Judge Maas’ decision which struck over 400 paragraphs of Oberlander’s complaint (the same as contained in the *qui tam* complaint) because Oberlander could not demonstrate (after several years of opportunities to do so) that the allegations were not “improperly based on purloined [privileged and confidential] information,” is attached hereto as **Exhibit D**. Federal District Court Judge Lorna Schofield subsequently upheld Judge Maas’s decision striking the allegations in Oberlander’s complaint, expressly criticizing Oberlander and Lerner for “engaging in a pattern of arguing implausible and unsupported interpretations of court orders, rather than following them,” and stating that “Plaintiffs have repeatedly and vexatiously defied the Court’s orders. They must now face the consequences.” Judge Schofield’s opinion is attached as **Exhibit E**. As described below, these previously failed efforts by Oberlander were made on behalf of his former client, Jody Kriss, who fired Oberlander and Lerner last year to avoid facing additional sanctions from Judge Schofield.

Thus, if Oberlander and Lerner ever actually serve any parties, which they haven’t done and is highly unlikely, this *qui tam* action will be dismissed based upon the controlling previously adjudicated legal improprieties prohibiting them from pursuing these bogus allegations. With the attached documented information (all of which was available to Erb!) Forbes continuous publication of the “article” is done at its own peril.

Also attached, as **Exhibit F**, is a copy of the \$1 Billion extortionate lawsuit filed by Oberlander on behalf of Jody Kriss against Donald Trump, Ivanka Trump, numerous major law firms, including their partners individually, a Federal Prosecutor from the Department of Justice, Mr. Sater and countless others. That lawsuit was dismissed with prejudice last year. Additionally, Oberlander and Lerner commenced two other litigations alleging those same frivolous Bayrock “fraud” claims. Each of those was dismissed with prejudice. In fact, Judge Schofield recently noted Oberlander’s:

“repeated defiance of court orders ... [and his] desires ... to foment litigation with the attendant burden on all litigants and the Court without any apparent desire to reach the merits.”

The latest Bayrock *qui tam* complaint is an identical re-tread of those same, dismissed cases. Indeed, the same exact 200-page complaint that is attached to the *qui tam* complaint, was

Maria Rosa Cartolano, Esq.
August 1, 2016
Page 4

filed 6 years ago by Oberlander on behalf of his then-client Jody Kriss, who fired Oberlander and Lerner last year. That 2010 litigation was a straight-up extortion, wherein Oberlander sought to shake down Mr. Sater in return for Oberlander not disseminating sealed, stolen documents concerning Mr. Sater's extensive Government cooperation on matters effecting national security. In that case, rather than pursue public disclosure of Mr. Sater's sealed court documents and proceedings, Oberlander said that he would:

“favorably consider settling the entirety of all claims known and unknown for their actual damages of \$35,000,000... the least amount which plaintiffs would be willing to accept for a quick settlement that avoids dissemination.”

To induce these payments, Oberlander made explicit threats that:

“No power on this earth will much longer prevent as much lawful and legal worldwide dissemination of this Complaint and every document attached thereto or referenced therein as the public and press doing the dissemination think its value justifies.”

Oberlander also made clear that money (*i.e.* a payoff) was his only objective, stating:

“[t]he only way to prevent worldwide notoriety [would] be a globally stipulated sealed confidentiality order accompanying a global settlement” and compliance with their “simp[le] demand for what they are entitled to: **one billion dimes.**”

It is an absolute embarrassment to Forbes that Erb, a purported tax lawyer, would devote a serious article to the incomprehensible drivel of such lawyers, without conducting any due diligence. Not surprisingly, in related proceedings Federal Judge Brian M. Cogan of the Eastern District of New York previously described legal papers submitted by Oberlander and Lerner as “a comic book characterization of what legal papers are supposed to look like.” This latest filing is no different.

As to Mr. Sater's extraordinary, unprecedented cooperation, I have attached as **Exhibit G** a copy of Attorney General Loretta Lynch's statements regarding Mr. Sater's National Security assistance to the government. As she indicated:

“The defendant in question, Felix Sater, provided valuable and sensitive information to the government during the course of his cooperation, which began in or about December 1998. For more than 10 years, he worked with prosecutors from my Office, the United States Attorney's Office for the Southern District of New York and law enforcement agents from the Federal Bureau of Investigation and other law enforcement agencies, providing information crucial to national

Maria Rosa Cartolano, Esq.

August 1, 2016

Page 5

security and the conviction of over 20 individuals, including those responsible for committing massive financial fraud and members of La Cosa Nostra. For that reason, his case was initially sealed.”

Indeed, Ms. Lynch confirmed the propriety of her actions with respect to Mr. Sater's case, his extraordinary cooperation, and especially his unprecedented assistance regarding matters involving national security. She further emphasized that every court, right up to the U.S. Supreme Court, has rejected claims of any impropriety with respect to Mr. Sater's case.

In that regard, in court proceedings before the U.S. Court of Appeals for the Second Circuit on February 14, 2011, when Ms. Lynch was the United States Attorney for the Eastern District of New York Office, a member of her office stated that: “[Felix Sater's] cooperation was of an extraordinary depth and breadth, almost unseen, at least in this United States Attorney's Office.”

Mr. Sater's extraordinary assistance to our government involved serious matters of National Security and posed tremendous risks to his own life. His cooperation extended to the highest levels of government and implicated some of our nation's greatest enemies, whose terrorism threatened our way of life. Specifically, he provided crucial intelligence information and assistance to numerous U.S. national security, intelligence and law enforcement agencies regarding well-known terrorist organizations several years before and after the September 11, 2001 attacks. This assistance significantly enhanced and potentially saved the lives of hundreds if not thousands of military personnel before and during military operations carried out in hostile countries.

It has been suggested that Mr. Sater helped save thousands of lives of our U.S. military personnel and potentially saved tens of thousands, if not millions, of our citizens' lives. This extraordinary assistance was described during a recent “Man of the Year” presentation to Mr. Sater by the Chabad Organization.

<http://youtu.be/xSpFtCm>

The slightest and most cursory effort to conduct any reasonable diligence and fact checking would have prevented this defaming and highly libelous situation. Under these circumstances, Erb's article should not have been published to insure that Mr. Sater would not be unfairly prejudiced and irreparably harmed by her irresponsible and reckless reporting.

We trust that you will insure that this matter is dealt with appropriately and that this article which puts into question the integrity of your organization will be taken down immediately. Suffice to say, this is a matter of the utmost urgency and we intend to take all appropriate and immediate legal action to protect the interests of our client.



Maria Rosa Cartolano, Esq.
August 1, 2016
Page 6

Your prompt attention is required.

Very truly yours,

S/

Robert S. Wolf