

**SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK**

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THE PEOPLE OF THE STATE OF NEW YORK
ex rel. Qui Tam “The Bayrock Qui Tam Litigation Partnership,”
Plaintiff,

v.

BAYROCK GROUP LLC; TEVFIK ARIF; JULIUS SCHWARZ;
FELIX SATER; BRIAN HALBERG; ALEX SALOMON; JERRY
WEINRICH, SALOMON & COMPANY PC; AKERMAN
SENTERFITT LLP; DUVAL & STACHENFELD LLP;
KRAMER LEVIN NAFTALIS AND FRANKEL LLP, BRUCE
STACHENFELD; NIXON PEABODY LLP; ADAM GILBERT;
ROBERTS & HOLLAND LLP; ELLIOT PISEM; BAYROCK
SPRING STREET LLC; BAYROCK WHITESTONE LLC;
BAYROCK CAMELBACK LLC; BAYROCK MERRIMAC LLC;
And BAYROCK GROUP INC.;
Defendants.

FILED UNDER SEAL

INDEX 1010478/15

COMPLAINT

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The People of the State of New York, through the above-captioned *qui tam* relator plaintiff “The Bayrock Qui Tam Litigation Partnership,” a New York partnership with its office in New York County, sue the above-captioned defendants pursuant to the New York False Claims Act (“SFCA”).

THE NATURE OF THIS ACTION

1. *Substantively*, this action arises out of certain defendants’ knowing and fraudulent false statements and causing loss of revenue to the state and local governments by their (a) failure to account for \$100 million of income on which state and local income tax was due, causing underpayment of tax due on that sum; and (b) failure to account for and pay real estate transfer tax (RETI) on transfers of controlling economic interests worth approximately \$65 million; in violation of SFCA §189(1)(g).
2. *Conspiratorially*, this action arises out of certain defendants’ agreement(s) to commit the above frauds, and their steps taken in furtherance thereof; in violation of SFCA §189(1)(c).
3. The People seek damages of treble the revenue lost plus counsel fees, for violation of the New York False Claims Act, and all other relief as may be given for defendants’ illegal conduct.

JURISDICTION AND VENUE

4. The People of the State of New York, through the qui tam relator plaintiff, bring this action under State Finance Law §190, to redress injury to state and local governments.

5. This Court has personal jurisdiction over the defendants because the defendants can be found, reside in, transact business in, or performed the acts complained of in New York County.

6. Venue is proper in this Court pursuant to CPLR §503.

SPECIAL CONSIDERATIONS IN THIS QUI TAM ACTION

Direct Tax Fraud in the Partnership Context

7. Partnerships, like any other natural or juridical person, may in the course of their operations incur various tax liabilities, such as sales tax, property tax, and transfer tax. Such taxes are the legal obligations of the partnership, and so are paid by the partnership.

Indirect Tax Fraud in the Partnership Context

8. But, partnerships do not incur income tax liability, their partners incur it, in respect of their interests in the partnership, each partner realizing a distributive share of partnership income, loss, and other items determined in accordance with the partnership agreement. Income taxes are the legal obligations of the partners, and are paid by the partners.¹

9. So for example, if A and B are partners in partnership AB, and its managers fraudulently understate partnership taxable income, for example to distort timing of income and loss, as a zero-sum matter it is necessarily the case that between them, A and B will be allocated too little taxable income, as the sum of their allocations must exactly match the income AB states *in toto*.

¹ As used throughout this complaint, unless otherwise stated, “partner,” “partnership,” “partnership agreement,” “tax partner,” “tax partnership,” “partner for tax purposes,” “partner and “distributive share” have the meanings accorded them by the Internal Revenue Code of 1986 (the “Code”), the regulations promulgated thereunder, and the common law of federal income taxation.

10. The following points arise in *qui tam* tax frauds involving partnership income taxation:
- 10.1. While the total loss of *direct* (sales tax, transfer tax, etc.) revenue to state and local fiscs is whatever partnership AB owed minus what it paid, the total loss of *indirect* (income tax) revenue is the total shortfall of taxes paid by the partners A and B.
- 10.2. It isn't possible to know (without more) that shortfall, as the tax partners A and B would owe on undeclared AB income depends on their individual tax postures.
- 10.3. Moreover, A or B may be innocent of wrongdoing, may not even know that AB income was underreported, in which case each would be a mediating agency of the fraud, but not a participant or co-conspirator in it, so could not be a defendant in a *qui tam* action, which is not a collection action but is *sui generis*.
- 10.4. Concomitantly, if A or B is guilty, as a participant or co-conspirator, he is liable for all losses in the fraud, jointly and severally with all other guilty persons, without regard to his individual tax posture.
- 10.5. In some cases, this would be complex. For example, if a partnership's manager(s) intentionally caused it to under-report taxable income by \$100 million, but the income was from 9 other states and New York, and the partners – and let's say some were innocent, and some were not – were a mix of residents and non-residents of those various states and New York, computing the revenue New York State and local governments lost could require complex partner-level determinations.²

² **But that's not so here; there need be no fear of complexity, for there is none:**

As to income tax shortfall, of \$100 million in unreported income, 90% of it arose from transactions with a New York locus, the other 10% from transactions with a Florida locus. And there are only two partners to whom that income should have been allocated, Felix Sater, who was at all times a New York tax resident, and Tefvik Arif, a non-citizen but for the years in question a statutory resident.

In short, the People are highly confident that the unreported income is between \$50 million and \$100 million, and equally confident that the income tax that will be determined to be due will be close enough to \$7 Million (\$21 Million trebled) that any deviation from that will be minimal.

As to transfer tax shortfall, there is no issue as the evading partnership seller is the taxpayer, jointly liable with the evading seller, and tax due is computed solely on the directly observable fair market value of the property transferred (or, in the alternative, on the directly observable consideration paid).

THE ISRAEL DOCUMENT

11. Attached hereto is a document (the “Israel Document” or “ID”), now submitted in a Tel Aviv court, in the form of a civil RICO complaint containing allegations that certain individuals, *viz.* Tefvik Arif, Felix Sater, and Julius Schwarz, for years operated “Bayrock,” a RICO enterprise, through a pattern of racketeering including, prominently, tax fraud.

12. The Israel Document is deemed incorporated herein as to allegations therein numbered 2 through 153 and 166 through 775 as if each was stated in full following this paragraph; provided, however, that those incorporated paragraphs are for purposes of this pleading deemed allegations made by the People, not by Kriss and Ejekam.

INTRODUCTORY ALLEGATIONS

13. The People of the State of New York hereby allege that the individuals Tefvik Arif, Felix Sater, and Julius Schwarz (the “Bayrock RICO defendants”) for years violated the substantive and conspiracy provisions of the Racketeer Influenced and Corrupt Organizations Act by their operation of “Bayrock,” an association of affiliated business entities associated together to perpetrate crime.

14. The People further allege that a principal objective of that enterprise was the concealment of its ownership, as it had been infiltrated and thereafter largely owned by Felix Sater, a convicted racketeer, which led to repeated acts of tax fraud as these individuals chose not to reveal his ownership to any government entity or taxing authority, and so falsified tax returns and other reporting documents.

15. The People further allege that a related objective of that enterprise was the repeated commission of acts of tax fraud that did not specifically involve concealment of Sater, in order to retain and use the proceeds thereof, by definition also acts of money laundering.

16. The People further allege that every act that would be federal income tax fraud or conspiracy to commit same that is alleged in the Israeli Document is also, and hereby so alleged to be, an act of state and local income tax fraud in violation of SFCA §189(1)(g) and (c), respectively.

17. The People further allege that, as set forth more fully below, in connection with the “FL Transaction(s)” and in violation of SFCA §189, the Bayrock RICO defendants perpetrated state (and local) transfer tax fraud causing damage to the state of approximately \$250,000.

18. The People further allege that defendants herein Salomon, Weinrich, Salomon & Co., Roberts & Holland, Pisem, Duval & Stachenfeld, Stachenfeld, and Kramer Levin Naftalis and Frankel LLP by their knowing facilitation of the tax frauds committed by the Bayrock RICO defendants, did themselves violate the conspiracy provision(s) of the SFCA.

19. The People further allege that, on information and belief, and insofar as the acts complained of occurred during the years 2004 through 2010 inclusive, each defendant had net income equaling or exceeding \$1,000,000 in at least one of those years.³

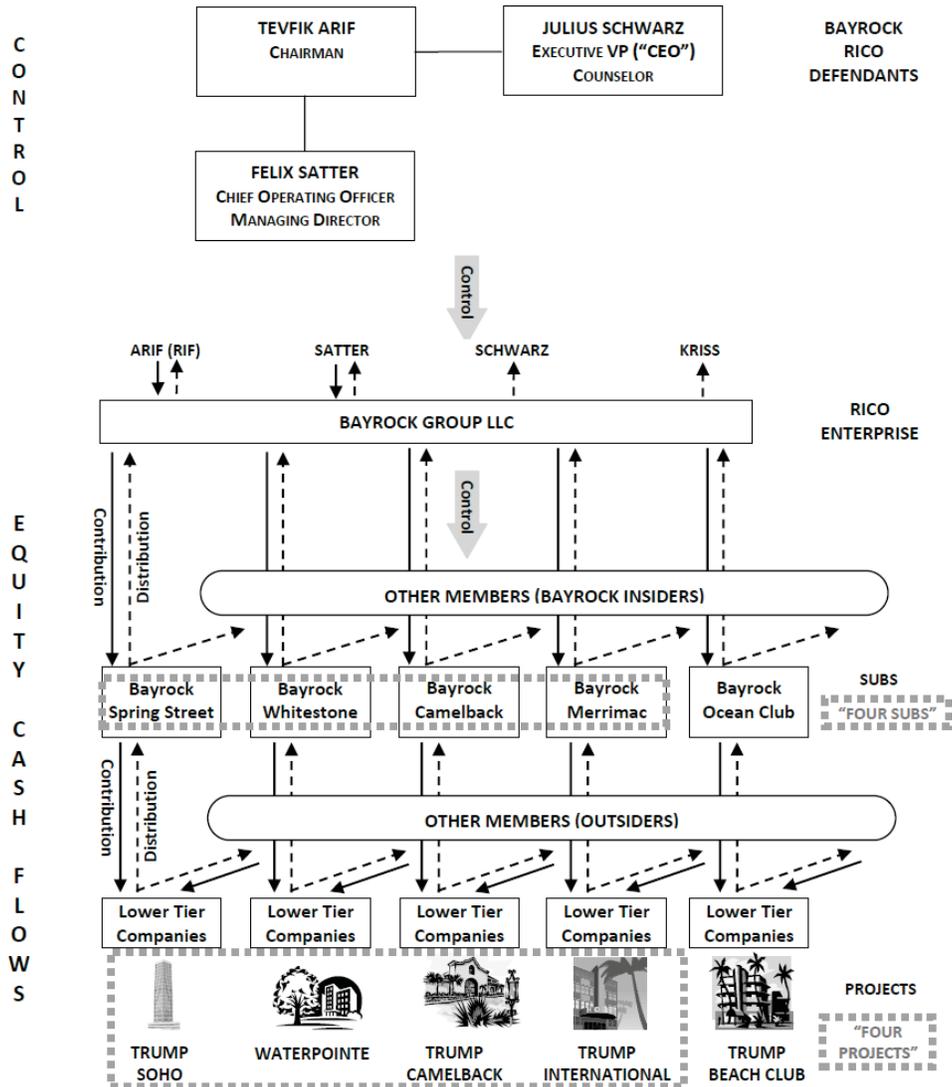
20. In all cases hereunder where there has been loss of tax revenue, to the extent that the applicable substantive tax laws provide for the payment of penalties and interest on such losses as are under-payments or non-payments, then to the extent permissible under the SFCA such additions to the tax loss are herein pled as well as elements of damages prior to trebling.

21. Understanding the tiered, or hierarchical, partnership structure of Bayrock, the RICO enterprise through which the tax frauds were committed is critical.

³ As to Akerman Senterfitt, Dubal & Stachenfeld, Kramer Levin, Nixon Peabody, and Robers & Holland, common public knowledge of the size of these firms supports this allegation. As to Bayrock Group, Bayrock Spring Street, Bayrock Whitestone, Bayrock Camelback, and Bayrock Merrimac, the allegations herein that between and among them they received taxable income of at least \$50,000,000 in 2007 supports this allegation. As to Felix Sater, the fact that he reported salary income of approximately \$6,000,000 on W-2's for the year 2007, although fraudulent as set forth herein, estops him from denying the truth thereof. As to Julius Schwarz and Brian Halberg, the fact that their salaries at Bayrock were, on information and belief and as at least partially confirmed by Schwarz as to himself at least in 2010, \$720,000 and \$500,000 per annum plus bonus, respectively, supports this allegation. As to Tevfik Arif, the fact that as alleged herein he should have been allocated, and reported, many millions of dollars of his partner share of distributive income supports this allegation, as well as personal financial statements, support this allegation. As to Alex Salomon and his firm Alex Salmon & Co., their general size and reputation supports this allegation. As to Stachenfeld, Pisem, and Gilbert, their positions as partners in their respective firms given the average income of partners in such firms supports this allegation. As to Weinrich, his by now extensive experience in corporate accountancy supports this allegation.

22. Accordingly, the diagram below has been repeated from the incorporated Israel Document for ease of reference, see allegations 29 *et seq.* therein.

THE BAYROCK HIERARCHY



Projects are owned by lower-tier companies. Outsiders are members of, contribute to, and get distributions from project lower tier companies. Bayrock's interests in lower tier companies are held in Subs, basically "special purpose Outsiders" conducting Bayrock's money in and out of projects. Bayrock Insider Sub members are usually service providers who in return for services received compensatory membership interests entitling them to distributions, so typically do not contribute cash.

THE CAYRE FRAUD

UNDER-REPORTING \$1.6 TO \$7.2 MILLION OF PARTNERSHIP INCOME

Description

23. A non-party developer, Michael Samuel of Florida, had the chance to join a Florida condominium conversion known as Banyan Bay as a 50:50 partner with a much wealthier developer, the Cayre family. However, he did not have the “buy-in,” the initial equity the Cayres required.

24. Using artifices to defraud designed by Defendant Akerman Senterfitt in conspiracy with them, Arif, Sater, and Samuel defrauded the Cayres by hiding the fact that in breach of Samuel’s agreement with the Cayres prohibiting it, for years Arif, Sater, and Samuel used Bayrock Group LLC to front the money for, and covertly become a 90% partner in, Samuel’s 50:50 interest in Banyan Bay.

25. Specifically, after Samuel formed Samuel Banyan LLC, the entity through which he was a 50:50 partner with the Cayres in Banyan Bay, in repudiation of covenants with the Cayres that it would not have such silent partners, Bayrock and Samuel caused Bayrock Banyan LLC, a subsidiary which Bayrock Group LLC formed for this task, to become a 90% partner in Samuel Banyan LLC.⁴

26. Thereafter, whenever the Cayres made a capital call on Samuel Banyan, Bayrock Group put money into Banyan Bay, which sent it to Samuel Banyan, which gave it to the Cayres.

27. Then, from approximately 2004 through 2006 as the project succeeded, to evade taxes Arif, Sater Schwarz and Salomon, Bayrock’s accountant, had Bayrock Banyan intentionally fail to report its 90% share of the millions of dollars of income Samuel Banyan received from Banyan Bay.

28. And to the extent Banyan Bay was a single-member LLC, the tax fraud occurred at the Bayrock Group LLC level as it was disregarded for federal, state, and local income tax purposes.

⁴ In the Bayrock Hierarchy diagram, Bayrock Banyan LLC would be a “SUB,” on the right of Bayrock Ocean Club.

Claim

29. Allegations ¶¶247 through ¶311 of the Israel Document are deemed here reincorporated as if restated here, especially those in ¶¶247 – 367.

30. By 2006 Bayrock had learned that the Cayres had allocated a distributive share of income in the Banyan project to its 50% partner, Sobay, of \$2.0 million to \$8.0 million, and followed that up with substantial cash distributions to the Samuel entity in respect of that allocated income.

31. So, the *de facto* and *de jure* Bayrock Banyan – Sobay venture partnership should have allocated to Bayrock Banyan 90% of that allocation of income from the Cayres, and paid out to Bayrock Banyan 90% the cash it had received in respect of it from the Cayres, to Banyan Bay, but it did not.

32. Therefore, Banyan Bay under-reported from \$1.6 million to \$7.2 million of ordinary income (income in respect of condominium sales by their developer), and in light of the extensive correspondence between and among Akerman Senterfitt, Salomon, Arif, and Sater, this was intentional.

33. Accordingly, either Bayrock Banyan was a disregarded entity, in which case its sole owner and parent, Bayrock Group LLC, under-reported income in that same amount, or it had partners besides Bayrock Group LLC, in which case the income was under-reported on its own returns and on the returns prepared by its partners for themselves.

34. Therefore, Arif, who should have received the entirety of that allocation of that \$1.6 million to \$7.2 million, but did not, underreported his personal income by that same amount and thus almost certainly underpaid his personal income tax to state and, possibly, local government.

35. Alternatively, Sater should have been allocated some, but not all, of the unreported \$2.0 million to \$7.2 million, and Sater, was a statutory resident absolutely.

36. Wherefore, the above resulted in fraudulent state and local returns and information documents to be filed by Arif, Sater, and the Bayrock entities involved for tax years 2004 through 2006, which on information and belief were not filed before September 2005, and wherefore this in turn

caused the preparation of false records in support thereof, both in substantive tax fraud and conspiracy to commit the same, the People plead that this Court order Arif, Sater, Schwarz, Salomon, Salomon & Company CPAs, and Akerman Senterfitt to pay, and each of them, jointly and severally, damages of treble the taxes (and to the extent permitted to be included therein, all interest and penalties due thereon) that should have been paid by Arif and Sater as well as counsel fees and all other available relief, all to be determined at trial.

THE THIERIOT FRAUD

UNDER-REPORTING \$920,000 OF PARTNERSHIP INCOME

Description

37. This introduces the concept of a disguised sale of partnership interest, a tax scam that's gone on for years in various guises and is a key to the large, near \$100 million Bayrock fraud.

38. In late 2003, Arif and Sater caused Bayrock Group LLC to form Bayrock Ocean Club LLC, initially a wholly owned SUB visible on the hierarchy diagram, for the purpose of developing another Trump project in Fort Lauderdale that never got developed.

39. It was capitalized with \$2,000,000 in equity.

40. Soon after, in January 2004, they caused Ocean Club LLC to sell 4% of itself to one Elizabeth Thieriot for \$1,000,000 (they didn't disclose they had just valued it at \$80,000).

41. Immediately thereupon, rather than leave her \$1,000,000 in Ocean Club where it belonged, they caused Ocean Club to "lend" – a loan that was never repaid, and never meant to be – that same \$1,000,000 upstream to Ocean Club's parent, Bayrock Group LLC.

42. Accordingly, the substance of what they did was to have Bayrock Group LLC, the owner of 100% of the partnership interests in Ocean Club, sell 4% of them to Thierot; this is known as a disguised sale of partnership interests, and is tax fraud, as it resulted in Bayrock Group LLC's evasion of income, or rather evasion of reporting its \$920,000 gain on the disguised sale.

Claim

43. Allegations ¶¶312 through ¶347 of the Israel Document are deemed here reincorporated as if restated here.

44. Wherefore, the above resulted in fraudulent state and local returns and information documents to be filed by Arif, Sater, and the Bayrock entities involved for tax year 2005, which on information and belief were not filed before September 2006, and wherefore this in turn caused the preparation of false records in support thereof, both in substantive tax fraud and conspiracy to commit the same, the People plead that this Court order Arif, Sater, , Salomon, Salomon & Company CPAs, which facilitated the fraud, to pay, and each of them, jointly and severally, damages of treble the taxes (and to the extent permitted to be included therein, all interest and penalties due thereon) that should have been paid by Arif and Sater plus counsel fees and all other available relief, as determined at trial.

THE SATER FRAUDS

ALLOWING HIM TO SKIM NEARLY \$1,000,000 CASH PER YEAR

PREPARING AND FILING \$6,000,000 OF FRAUDULENT W-2S TO MAKE HIM APPEAR TO BE AN EMPLOYEE RATHER THAN A PARTNER THUS FRAUDULENTLY DEDUCTING MILLIONS OF DOLLARS AS “SALARY”

Description

45. For years Arif and Schwarz allowed Sater to skim nearly \$1,000,000 per year in cash from Bayrock Group LLC, documenting the skims – nearly \$70,000 per month – as “loans” although Schwarz was recorded admitting that they were never meant to be repaid. ID ¶¶40, 237, 757.

46. Eventually this caught up with them, and to disguise this they falsified their books and created and with Sater filed fraudulent W-2s misstating that Bayrock Group LLC had paid him a \$6,000,000 salary in 2007 to “balance the books.”

47. This of course produced a fraudulent deduction to Bayrock Group LLC because

Sater was not an employee and never legally could have been as he was a tax partner, which precludes employee treatment as a matter of federal income taxation, thus state and local.

48. Attached to the Israel Document, and referenced variously in it, is a copy of Sater's signed, executed, and notarized agreement whereby he became a member and tax partner in dozens of Bayrock limited liability companies which were tax partnerships.

49. In addition, as that document shows the conveyance to him of compensatory partnership interests, purportedly profits interests, the only way Sater could have avoided recognition upon the vesting of those interest was if they were indeed profits interests in one or more tax partnerships and he was treated upon grant, whether or not vested, as a tax partner thereafter.

50. Thus, for any defendant to maintain the posture that Sater really was an employee and not a partner, he (or it) would be admitting that they gave him deferred compensation other than as a partner, which would make its periodic vesting a taxable event and require Bayrock Group LLC to withhold on it.

51. In turn that would have made Sater liable for income tax on the valuation of his deferred compensation as it vested, and the amount of income he would have had imputed to him was staggering, into the tens of millions of dollars at least, because his interests were worth, in the firm's own valuation, something near \$100,000,000 by early 2007 as they were vesting.⁵

52. In return, that would make the responsible persons, including Sater, Arif, and Schwarz, liable for failure to withhold some \$30,000,000 as required by 26 USC §409A.

⁵ The Israel Document shows that his interests in two partnerships, Bayrock Spring Street and Bayrock Whitestone, could not have been fully vested before then because they only came into existence a year before.

Claim

53. Allegations ¶¶371 through ¶¶775 of the Israel Document are deemed here reincorporated as if restated here.

54. Wherefore, the above resulted in fraudulent state and local returns and information documents to be filed by Arif, Sater, Schwarz, and the Bayrock entities involved for tax years 2004, 2005, 2006, 2007, and 2008, which on information and belief were not filed before September 2005, and wherefore this in turn caused the preparation of false records in support thereof, both in substantive tax fraud and conspiracy to commit the same, the People plead that this Court order Arif, Sater, , Salomon, Salomon & Company CPAs, Gilbert, Nixon Peabody, Weinrich, and Halberg who facilitated the fraud, to pay, and each of them, jointly and severally, damages of treble the taxes (and to the extent permitted to be included therein, all interest and penalties due thereon) that should have been paid by Arif and Sater plus counsel fees and all other available relief, as determined at trial.

THE FL FRAUDS

A DISGUISED SALE OF PARTNERSHIP INTERESTS AND THE CONCEALMENT OF AT LEAST \$45,000,000 OF PARTNERSHIP INCOME EVASION OF REAL ESTATE TRANSFER TAX

Description

55. For months in early 2007, Bayrock Group LLC negotiated the sale of 62% of the partnership interests in the Four Subs (see the Hierarchy diagram) to FL Group ehf, an Icelandic firm. In Bayrock's own estimate those interests were likely to "pay out" some \$125,000,000 in distributions within two years.

56. Because those interests were worth that money by reason of their underlying assets, which were condominiums in development, the entire gain on the sale would have been taxed as ordinary income because of the "hot asset" rule.

57. The gain would have been approximately \$45,000,000.

58. However, mere days before the sale was to close, after months of drafts and a half million dollars in legal fees on Bayrock's side alone, Arif, Sater, and Schwarz, with the facilitation of counsels, changed the form of the deal, but not the economics, to make it appear that FL's \$50,000,000 in cash was not for the purchase of partnership interests in the subsidiaries, but was rather a "loan."

59. This was a complete sham, as documented, as there was never an intent to be a lender or borrower and the parties and counsels made clear in emails their specific intent to replicate exactly the economics of a sale (which they did by inventing a "loan" that was entirely contingent as to principal and interest in an amount literally written into the "loan" documents as the exact equivalent of what the partnership interests they had intended to buy would have produced in distributions).

60. The actual consideration for the sale must be determined at trial for there was more than \$50,000,000 cash paid, there were covenants to continue in business together and so on.

61. Moreover, though it intended to buy 62%, to evade Icelandic accounting rules for consolidated returns, FL pretended it was only buying 49%, though that wasn't so.

62. As a result, Bayrock and FL and those acting in concert with them caused the evasion of real estate transfer taxes of about \$250,000 due on sales of controlling economic interests with respect to Bayrock Whitestone LLC and Bayrock Spring Street LLC.

Claim

63. Allegations ¶¶510 through ¶¶775 of the Israel Document are deemed here reincorporated as if restated here.

64. Wherefore, the above resulted in fraudulent state and local returns and information documents to be filed by Arif, Sater, Schwarz, and the Bayrock entities involved for tax years 2007, and 2008, and thereafter, which on information and belief were not filed before September 2005, and wherefore this in turn caused the preparation of false records in support thereof, both in substantive

tax fraud and conspiracy to commit the same, the People plead that this Court order all defendants to pay, and each of them, jointly and severally, damages of treble the taxes (and to the extent permitted to be included therein, all interest and penalties due thereon) that should have been paid by Arif and Sater plus counsel fees and all other available relief, as determined at trial.

PRAYER FOR RELIEF

65. At all times, the Bayrock entity defendants must be liable by imputed knowledge for all claims made herein and thus are deemed the subject of all claims.

66. The thresholds set forth in SFCA § 189(4)(i) and (ii) are satisfied because (a) on information and belief as set forth in fn. 3, all defendants had net income or sales in excess of one million dollars for any taxable year subject to this action; and (b) the damages pleaded exceed three hundred and fifty thousand dollars;

67. WHEREFORE, plaintiff demands and prays that judgment be entered against defendants as hereinabove set forth; specifically, that the court order defendants, pursuant to SFCA §§ 187, *et seq.*, pay an amount equal to three times the amount of damages sustained as a result of defendant's violations of the SFCA; and where permitted thereby such damages shall equal the tax revenue loss plus all penalties and interest that are due and unpaid under substantive tax laws; and

68. That the court order defendants to pay penalties of not less than \$6,000 and not more than \$12,000 for each violation.

VERIFICATION

Insofar as this Complaint alleges acts of fraud, to the extent verification hereof is required, the undersigned Frederick M. Oberlander, being duly sworn, states:

I am the President of The Law Office of Frederick M. Oberlander, P.C., a duly constituted New York professional corporation, and am authorized by my status and by director's resolution made this even date to act in its behalf by stating under penalty of perjury that (1) the aforesaid corporation is a partner in the plaintiff The Bayrock Qui Tam Litigation Partnership; (2) I have extensive knowledge of the case based on my years of review of files maintained for the pursuit of this and predecessor actions; (3) my knowledge is imputed to the aforesaid corporation; (4) that knowledge is in turn imputed to the plaintiff; (5) the plaintiff possesses by imputation not only that knowledge but the collective knowledge of all its other partners and constituents; and (6) based on that collective knowledge, the plaintiff states under its own penalty of perjury that all allegations herein, including those herein by incorporation, are true and correct to the best of its knowledge except where an allegation is said to be on information and belief, as to which allegations plaintiff has good reason to believe in their truth.

Montauk, New York
August 11, 2015

By: 
Frederick M. Oberlander, President
The Law Office of Frederick M. Oberlander, P.C., Partner
The Bayrock Qui Tam Litigation Partnership

Sworn to before me this
11th day August, 2015

RICHARD E. LERNER
NOTARY PUBLIC, State of New York
No. 02LE5032882 Queens County
Commission Expires September 6, 2017

In addition, in my personal, not corporate, capacity, as counsel to the plaintiff in this litigation, and a member of the bar of this State duly authorized to appear in behalf of plaintiff, said plaintiff having its sole office outside this county, I so verify this Complaint in its behalf under penalty of perjury in conformance with, and as set forth in, the above statement.

Montauk, New York
August 11, 2015

/s/ Frederick M. Oberlander
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