

successfully induce iStar Financial to lend what would turn out to be a \$275,000,000 to the Trump SoHo project, a loan which is now hopelessly underwater with multi hundred million dollar company-ending losses for iStar, a loan they never would have made but for the this fraud:

481. For example, Arif, Satter, and Schwarz hid Satter's near 50% ownership in Bayrock Group LLC, and 62% ownership in the whole Bayrock Organization, from iStar. Then, in late 2007 when the story about Satter's mob ties Schwarz planted or encouraged in the New York Times, Exh. B., circulated and caused significant blowback and audit demands from iStar, Schwarz, as part of his conspiracy to falsify that and a related audit by the Sapir Organization, the money partner in Trump SoHo, planned with Defendant Halberg the pretext with which to continue the concealment fraud:

From: Julius Schwarz  
Sent: Thursday, January 24, 2008 3:37 PM To: Brian Halberg  
Subject: Tell me please asap whether Felix's interest in the company is a breach of our soho lender reps

From: Brian Halberg  
Sent: Thursday, January 24, 2008 4:42 PM To: Julius Schwarz  
Subject: RE: Tell me please asap whether Felix's interest in the company is a breach of our soho lender reps

There is a rep that the org chart attached to the PLA correctly identifies each person owning directly or indirectly owning an "ownership interest" in the Borrower and the Carveout Guarantor. Bayrock Group is a Carveout Guarantor. Felix's employment agreement initially characterized his interest as a profit interest, not a capital interest (no risk of loss). However, there is an addendum to the agreement that requires Felix to fund the capital requirements of Bayrock. It is not triggered, however, until repayment of all of the Tevfik's "Total Principal Company Contribution plus 10% thereon." Assuming that has not happened, **I would argue that the rep has not been violated since a profit interest is not an ownership interest because there is no risk of loss.** Checking Lowe.

482. By this time, as of January 1, 2008 the governance interest components of Satter's membership interests in all Bayrock companies had automatically acquired voting rights, not just the consent and other rights they had always had, and because of the membership interests of