

**VIA FIRST CLASS MAIL AND EMAIL**

June 4, 2018

Federal Election Commission  
Office of Complaints Examination  
& Legal Administration  
Attn: Kathryn Ross, Paralegal  
[cela@fec.gov](mailto:cela@fec.gov)  
999 E Street, NW  
Washington, DC 20463

MUR # 7407

OFFICE OF  
GENERAL COUNSEL  
2018 JUN -5 PM 1:30

**Re: FSFP Complaint Against Donald J. Trump for President, Inc., et al.**

Enclosed for immediate filing are an original and three copies of a complaint filed on behalf of Free Speech For People against Donald J. Trump For President, Inc., Elliott Broidy, Michael Cohen, Real Estate Attorneys Group, and Essential Consultants, LLC for violations of 52 U.S.C. §§ 30104(b)(3)(A), 30104(b)(5)(A), 30116(a)(1)(A), and 30122.

Respectfully submitted,

A handwritten signature in blue ink that reads 'Shanna Cleveland'.

Shanna M. Cleveland  
Free Speech For People  
1340 Centre St. #209  
Newton, MA 02459  
(617) 564-0672  
[scleveland@freespeechforpeople.org](mailto:scleveland@freespeechforpeople.org)

**BEFORE THE FEDERAL ELECTION COMMISSION**

FREE SPEECH FOR PEOPLE  
1340 Centre Street, Suite 209  
Newton, MA 02459

v.

MUR No.

7407

DONALD J. TRUMP FOR PRESIDENT, INC.  
725 Fifth Avenue  
New York, NY 10022

ELLIOTT BROIDY  
1801 Century Park E  
Los Angeles, California 90067

MICHAEL COHEN  
Michael Cohen & Associates PC  
30 Rockefeller Plaza, 23d fl.  
New York, NY 10112

REAL ESTATE ATTORNEYS GROUP  
11766 Wilshire Blvd. Suite 325  
Los Angeles, CA 90025

ESSENTIAL CONSULTANTS, LLC  
160 Greentree Drive #101  
Dover, DE 19904

**COMPLAINT**

1. This complaint is filed pursuant to 52 U.S.C. § 30109(a)(1) and is based on information providing reason to believe that Donald J. Trump's campaign committee, Donald J. Trump for President, Inc. (FEC I.D. #C00580100), Elliott Broidy, Michael Cohen, Real Estate Attorneys Group, and Essential Consultants, LLC violated the reporting requirements and contribution limits and restrictions of the Federal Election Campaign Act (FECA), 52 U.S.C. § 30101, *et seq.* and Commission regulations.

2. In accordance with FEC policy that investigation is appropriate "when a complaint credibly alleges that a significant violation may have occurred, but further investigation is required to determine whether a violation in fact occurred and, if so, its exact scope," 72 Fed. Reg. 12545, and based upon published reports and upon information and belief, complainants have reason to believe that an agreement reached in late 2017 between Michael Cohen and Keith Davidson on behalf of "David Dennison" and "Peggy Peterson" for payment of \$1.6 million to former Playboy model Shera Bechard was made for the purpose of influencing the 2020 presidential election by buying Ms. Bechard's silence about an alleged extramarital affair with Donald J. Trump, and therefore constituted an unreported in-kind contribution to President Trump's 2020 presidential campaign committee, Donald J. Trump for President, Inc., and an unreported expenditure by the committee. *See* 52 U.S.C. §§ 30101(8)(A) (defining "contribution") and 30101(9)(A) (defining "expenditure"); *see also* 52 U.S.C. § 30104(b) (requiring reporting of "contributions" and "expenditures" by political committees).
3. Upon information and belief, Donald J. Trump for President, Inc. failed to report the receipt of the \$1.6 million in-kind contribution and failed to report the \$1.6 million expenditure to Ms. Shera Bechard in violation of 52 U.S.C. § 30104(b).
4. Upon information and belief, acting at the direction of Michael Cohen and through Real Estate Attorneys Group and Essential Consultants, LLC, Elliott Broidy, the deputy finance chair of the Republican National Committee, made, and Donald J. Trump for President, Inc., received, an excessive in-kind contribution in violation of 52 U.S.C. § 30116(a)(1)(A).

5. Upon information and belief, Elliott Broidy, Michael Cohen, Real Estate Attorneys Group, and Essential Consultants, LLC made and/or facilitated, and Donald J. Trump for President, Inc., received a contribution in the name of another in violation of 52 U.S.C. § 30122.
6. “If the Commission, upon receiving a complaint. . . has reason to believe that a person has committed, or is about to commit, a violation of [the FECA]... [t]he Commission shall make an investigation of such alleged violation . . . .” 52 U.S.C. § 30109(a)(2); *see also* 11 C.F.R. § 111.4(a).
7. “A ‘reason to believe’ finding followed by an investigation would be appropriate when a complaint credibly alleges that a significant violation may have occurred, but further investigation is required to determine whether a violation in fact occurred and, if so, its exact scope.” FEC, Statement of Policy Regarding Commission Action in Matters at the Initial Stage in the Enforcement Process, 72 Fed. Reg. 12545 (Mar. 16, 2007).

### **COMPLAINANT**

8. Free Speech For People is a national non-partisan, non-profit 501(c)(3) organization that works to restore republican democracy to the people, including through legal advocacy concerning the law of campaign finance. Free Speech For People’s supporters around the country engage in education and non-partisan advocacy to encourage and support effective government of, by, and for the people. Free Speech For People uses records of contributions and expenditures maintained by the Federal Election Commission to inform its members about violations of campaign finance laws, file complaints with the Federal Election Commission, and develop policy recommendations regarding campaign finance reforms.

## RESPONDENTS

9. Donald J. Trump for President, Inc. (ID# C00580100), 725 Fifth Avenue, New York, NY 10022, was the duly-designated Presidential campaign committee of President Donald J. Trump for the 2016 election, and now serves as his duly-designated re-election campaign committee for the 2020 election.<sup>1</sup>
10. Elliott Broidy was appointed vice chair of the Trump Victory Fund in May 2016, and Broidy served as a deputy finance chair of the Republican National Committee from April 3, 2017 through April 13, 2018.<sup>2</sup>
11. Michael Cohen was appointed deputy finance chair of the Republican National Committee on April 3, 2017 and worked for the Trump Organization from 2007 until after the election. Mr. Cohen refers to himself as Donald J. Trump's personal attorney and the "fix-it guy."<sup>3</sup>
12. Real Estate Attorneys Group, A Professional Law Corporation, is a corporation incorporated in the State of California.
13. Essential Consultants, LLC, is a Delaware limited liability company created by Michael Cohen on October 17, 2016.

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<sup>1</sup> Donald J. Trump for President, Inc., FEC Form 1 Statement of Organization, filed January 20, 2017, available at <http://docquery.fec.gov/cgi-bin/forms/C00580100/1140225/>. Donald J. Trump filed an FEC Form 99 on January 20, 2017 asking that it be treated as his Form 2 (Statement of Candidate) for the 2020 election. See FEC Form 99, filed January 20, 2017, available at <http://docquery.fec.gov/pdf/569/201701209041436569/201701209041436569.pdf>.

<sup>2</sup> Matea Gold, "Top GOP financiers coalescing around Trump-RNC fundraising effort," WASHINGTON POST (May 24, 2016), available at [https://www.washingtonpost.com/news/post-politics/wp/2016/05/24/top-gop-financiers-coalescing-around-trump-rnc-fundraising-effort/?utm\\_term=.1d4cab5343d8](https://www.washingtonpost.com/news/post-politics/wp/2016/05/24/top-gop-financiers-coalescing-around-trump-rnc-fundraising-effort/?utm_term=.1d4cab5343d8); Rebecca Balhaus and Julie Bykowicz, "Elliott Broidy Quits RNC Post After Report on Payment to Ex-Model," WALL STREET JOURNAL (Apr. 18, 2018) <https://www.wsj.com/articles/elliott-broidy-quits-rnc-post-after-report-on-payment-to-ex-model-1523645801>; RNC Announces Additions to RNC Finance Leadership Team, GOP.com (Apr. 3, 2017), available at <https://gop.com/rnc-announces-additions-to-rnc-finance-leadership-team/>.

<sup>3</sup> GOP.com *supra* note 2; Michael Rothfeld and Joe Palazzolo, "Trump Lawyer Arranged \$130,000 Payment for Adult-Film Star's Silence," THE WALL STREET JOURNAL (Jan. 12, 2018) available at <https://www.wsj.com/articles/trump-lawyer-arranged-130-000-payment-for-adult-film-stars-silence-1515787678>.

## FACTS

### Background

#### *Trump's Previous Confirmed Hush Agreement*

14. On May 16, 2018, President Trump admitted to reimbursing his personal attorney Michael Cohen for paying \$130,000 to adult film star Stormy Daniels (whose real name is Stephanie Clifford) in exchange for staying silent about an alleged affair during the final weeks of the 2016 presidential election campaign.<sup>4</sup>
15. Until April 26, 2018, President Trump and his surrogates, including Michael Cohen, had claimed that Mr. Cohen entered into the agreement with Ms. Clifford on behalf of Mr. Trump without notifying Mr. Trump of the agreement.<sup>5</sup>
16. Until May 2, 2018, Mr. Cohen, President Trump, and his surrogates also claimed that Mr. Cohen paid the \$130,000 out of his own pocket, and was not reimbursed by Mr. Trump or the Trump Organization.<sup>6</sup>
17. The agreement with Ms. Clifford was entered into on October 28, 2016 between "EC, LLC," "David Dennison," and "Peggy Peterson," which were, according to the

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<sup>4</sup> Eric Levitz, "Trump Admits He Reimbursed Michael Cohen for 2016 'Expenses' in Financial Form," NEW YORK MAGAZINE (May 16, 2018), available at <http://nymag.com/daily/intelligencer/2018/05/trump-admits-he-reimbursed-michael-cohen-for-2016-expenses.html>.

<sup>5</sup> Philip Ewing, "Trump Acknowledges Michael Cohen Represented Him in Stormy Daniels Payment," NPR (Apr. 26, 2018), available at <https://www.npr.org/2018/04/26/605986443/trump-acknowledges-michael-cohen-represented-him-in-stormy-daniels-payment>; Devlin Barret, et al., "Guiliani: Trump repaid attorney Cohen for Stormy Daniels settlement," WASHINGTON POST (May 2, 2018), available at [https://www.washingtonpost.com/world/national-security/giuliani-trump-repaid-lawyer-cohen-for-stormy-daniels-settlement/2018/05/02/526cde54-4e76-11e8-84a0-458a1aa9ac0a\\_story.html?utm\\_term=.2bf1a4da9f58](https://www.washingtonpost.com/world/national-security/giuliani-trump-repaid-lawyer-cohen-for-stormy-daniels-settlement/2018/05/02/526cde54-4e76-11e8-84a0-458a1aa9ac0a_story.html?utm_term=.2bf1a4da9f58); Jenna Johnson, et al., "Trump says he didn't know his attorney paid \$130,000 to porn star Stormy Daniels," WASHINGTON POST (Apr. 5, 2018), available at [https://www.washingtonpost.com/politics/trump-says-he-didnt-know-his-attorney-paid-130000-to-porn-star-stormy-daniels/2018/04/05/ef038dc6-3913-11e8-8fd2-49fe3c675a89\\_story.html?utm\\_term=.0c8f213b375d](https://www.washingtonpost.com/politics/trump-says-he-didnt-know-his-attorney-paid-130000-to-porn-star-stormy-daniels/2018/04/05/ef038dc6-3913-11e8-8fd2-49fe3c675a89_story.html?utm_term=.0c8f213b375d); Megan Twohey and Jim Rutenberg, "Porn Star Was Reportedly Paid to Stay Quiet About Trump," NEW YORK TIMES (Jan. 12, 2018), available at <https://www.nytimes.com/2018/01/12/us/trump-stephanie-clifford-stormy-daniels.html>.

<sup>6</sup> *Id.*



agreement “pseudonyms whose true identity will be acknowledged in a Side Letter Agreement.”<sup>7</sup>

18. The agreement was signed on behalf of Essential Consultants, LLC by Michael Cohen, and on behalf of Peggy Peterson by Keith M. Davidson.<sup>8</sup>
19. The Side Letter Agreement revealed that Peggy Peterson was the pseudonym for Stephanie Gregory Clifford, also known as Stormy Daniels. David Dennison was identified as Donald Trump, and EC, LLC was identified as Essential Consultants, LLC.<sup>9</sup>
20. According to Mr. Trump’s current attorney, Rudy Giuliani, and Ms. Clifford, the 2016 agreement was intended to prevent the alleged affair between Ms. Clifford and Donald Trump from surfacing during the 2016 presidential election campaign.<sup>10</sup>
21. According to multiple news reports, Mr. Cohen regularly engaged in similar tactics to prevent other damaging photographs, allegations, and reports involving Mr. Trump from becoming public.<sup>11</sup>

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<sup>7</sup> *Clifford v. Trump*, No. BC-696568 (Calif. Sup. filed Mar. 6, 2018), Exhibit 1 to Complaint, attached as FSFP Exhibit 1.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*; Maggie Haberman, “Michael D. Cohen, Trump’s Longtime Lawyer, Says He Paid Stormy Daniels Out of His Own Pocket,” NEW YORK TIMES (Feb. 13, 2018), available at

<https://www.nytimes.com/2018/02/13/us/politics/stormy-daniels-michael-cohen-trump.html>; Beth Reinhard, et al., “Days before the election, Stormy Daniels threatened to cancel the deal to keep alleged affair with Trump secret,” Washington Post (Mar. 2, 2018), available at [https://www.washingtonpost.com/investigations/days-before-the-election-stormy-daniels-threatened-to-cancel-deal-to-keep-alleged-affair-with-trump-secret/2018/03/02/770a446a-1d9b-11e8-8a2c-1a6665f59e95\\_story.html?utm\\_term=.00ddc11e358a](https://www.washingtonpost.com/investigations/days-before-the-election-stormy-daniels-threatened-to-cancel-deal-to-keep-alleged-affair-with-trump-secret/2018/03/02/770a446a-1d9b-11e8-8a2c-1a6665f59e95_story.html?utm_term=.00ddc11e358a).

<sup>10</sup> Adam Serwer, “Giuliani’s Defense Only Intensifies the Legal Risks for Trump,” THE ATLANTIC (May 3, 2018), available at <https://www.theatlantic.com/politics/archive/2018/05/rudy-rudy-rudy/559577/>; Reinhard, *supra* note 10; *see also*, FSFP Exhibit 1.

<sup>11</sup> Jim Rutenberg, Megan Twohey, et al., “Tools of Trump’s Fixer: Payouts, Intimidation and the Tabloids,” NEW YORK TIMES (Feb. 18, 2018), available at <https://www.nytimes.com/2018/02/18/us/politics/michael-cohen-trump.html>; Ronan Farrow, “Donald Trump, A Playboy Model, and A System for Concealing Infidelity,” THE NEW YORKER (Feb. 16, 2018) available at <https://www.newyorker.com/news/news-desk/donald-trump-a-playboy-model-and-a-system-for-concealing-infidelity-national-enquirer-karen-mcdougal>; *see also* Michael Kranish, “Trump lawyer Michael Cohen: The loyal ‘fixer’ now under federal scrutiny,” WASHINGTON POST (Apr. 10, 2018), available at [https://www.washingtonpost.com/politics/trump-lawyer-michael-cohen-the-loyal-fixer-now-under-federal-scrutiny/2018/04/09/5341e5c6-3c34-11e8-974f-aacd97698cef\\_story.html?utm\\_term=.f6bb7d4eec36](https://www.washingtonpost.com/politics/trump-lawyer-michael-cohen-the-loyal-fixer-now-under-federal-scrutiny/2018/04/09/5341e5c6-3c34-11e8-974f-aacd97698cef_story.html?utm_term=.f6bb7d4eec36).

***2017 Agreement Between David Dennison and Peggy Peterson***

22. In January 2017, President Trump filed a Form 1 with the Federal Election Commission establishing Donald J. Trump for President, Inc. as his campaign committee for re-election in 2020 and a Form 99 purporting to serve as his “Statement of Candidate” for re-election in 2020.<sup>12</sup>

23. In April 2017, Michael Cohen and Elliott Broidy were appointed deputy finance chairs for the Republican National Committee.<sup>13</sup>

24. According to published reports, Mr. Cohen negotiated another non-disclosure agreement on behalf of David Dennison in late 2017.<sup>14</sup>

25. According to published reports and a statement by Mr. Broidy, the agreement obligated Dennison to make payments totaling \$1.6 million to Peggy Peterson. The lawyers negotiating on behalf of the parties included Michael Cohen on behalf of Dennison and Keith Davidson on behalf of Peterson, as was the case with the Trump and Stephanie Clifford agreement.<sup>15</sup>

26. In accordance with the FEC policy that investigation is appropriate “when a complaint credibly alleges that a significant violation may have occurred, but further investigation is required to determine whether a violation in fact occurred and, if so, its exact scope,” 72 Fed. Reg. 12545, and upon information and belief derived from the pattern of facts and circumstances described herein, this agreement and \$1.6 million payment were intended

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<sup>12</sup> *Supra* note 1.

<sup>13</sup> RNC Announces Additions to RNC Finance Leadership Team, GOP.com (Apr. 3, 2017) available at <https://gop.com/rnc-announces-additions-to-rnc-finance-leadership-team/>.

<sup>14</sup> Joe Palazzolo and Michael Rothfeld, “Trump Lawyer Michael Cohen Negotiated \$1.6 Million Settlement for Top Republican Fundraiser,” WALL STREET JOURNAL (Apr. 13, 2018) <https://www.wsj.com/articles/trump-lawyer-michael-cohen-negotiated-1-6-million-settlement-for-top-republican-fundraiser-1523638726>; Paul Campos, “Here’s a Theory About That \$1.6 Million Payout From a GOP Official to a Playboy Model,” NEW YORK MAGAZINE (May 8, 2018), available at <https://nym.ag/2ILa2QZ>.

<sup>15</sup> *Id.*



to cover up an alleged affair between President Trump and former Playboy model Shera Bechard in an effort to influence the 2020 presidential election.<sup>16</sup>

27. Although Elliott Broidy claims that he is the “David Dennison” referenced in the agreement and paid Ms. Bechard as a result of his *own* extramarital affair with her,<sup>17</sup> reports have now surfaced suggesting that Mr. Broidy and Mr. Cohen worked together to reach an agreement with Ms. Bechard to protect Mr. Trump’s bid for re-election in 2020 because the alleged extramarital affair and reported pregnancy actually involved Mr. Trump rather than Mr. Broidy.<sup>18</sup>

28. Such an allegation is consistent with Mr. Broidy and Mr. Cohen’s prior history of arranging payments to third parties to cover up alleged affairs; Mr. Trump’s alleged history of engaging in unprotected sex during such affairs;<sup>19</sup> the involvement of the same lawyers (Mr. Davidson, on behalf of “Peggy Peterson” and Mr. Cohen, who was Mr. Trump’s personal lawyer, on behalf of “David Dennison”) in the matter; the fact that the non-disclosure agreement with Ms. Bechard used the same pseudonyms (“David

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<sup>16</sup>Campos, *supra* note 14; Paul Waldman, “Get to know Elliott Broidy, the next major Trump scandal figure,” WASHINGTON POST (May 22, 2018), available at [https://www.washingtonpost.com/blogs/plum-line/wp/2018/05/22/get-to-know-elliott-broidy-the-next-major-trump-scandal-figure/?utm\\_term=.992f002ec6ef](https://www.washingtonpost.com/blogs/plum-line/wp/2018/05/22/get-to-know-elliott-broidy-the-next-major-trump-scandal-figure/?utm_term=.992f002ec6ef); Kevin Drum, “Who Did Playboy Model Shera Bechard Really Have An Affair With?” Mother Jones (May 22, 2018) available at <https://www.motherjones.com/kevin-drum/2018/05/who-did-playboy-model-shera-bechard-really-have-an-affair-with/>; Will Bunch, “Is this Playboy model keeping the biggest secret of the Trump presidency?” THE PHILADELPHIA INQUIRER (May 22, 2018), available at <http://www.philly.com/philly/blogs/attytood/shera-bechard-donald-trump-playboy-model-elliott-broidy-20180522.html?mobi=true>.

<sup>17</sup> Zachary Mider, “Trump Lawyer Arranged GOP Fundraiser’s Payment to Playboy Model,” BLOOMBERG (Apr. 13, 2018) available at <https://bloom.bg/2x6jBs7>.

<sup>18</sup> Campos, *supra* note 14; Waldman, *supra* note 16; Kevin Drum, “Who Did Playboy Model Shera Bechard Really Have An Affair With?” Mother Jones (May 22, 2018), available at <https://www.motherjones.com/kevin-drum/2018/05/who-did-playboy-model-shera-bechard-really-have-an-affair-with/>; Will Bunch, “Is this Playboy model keeping the biggest secret of the Trump presidency?” THE PHILADELPHIA INQUIRER (May 22, 2018), available at <http://www.philly.com/philly/blogs/attytood/shera-bechard-donald-trump-playboy-model-elliott-broidy-20180522.html?mobi=true>.

<sup>19</sup> See “Stormy Daniels Describes Her Alleged Affair with Donald Trump,” CBS News (Mar. 28, 2018) available at <https://cbsn.ws/2x20gbJ>; “CNN’s Exclusive Interview with Former Playboy Model Karen McDougal Detailing Her Alleged 10 Month Affair With Donald Trump in 2006,” CNN (Mar. 22, 2018) available at <https://cnn.it/2x7Kvjv>.

Dennison” and “Peggy Peterson”) for the signatories as did the non-disclosure agreement with Ms. Clifford;<sup>20</sup> and the use of the same limited liability company, Essential Consultants, LLC to facilitate at least a portion of the payments.<sup>21</sup>

29. The payments from Mr. Broidy to Ms. Bechard appear to have been funneled through two separate entities.<sup>22</sup>

30. According to documents released by Ms. Clifford’s attorney, Michael Avenatti, Mr. Broidy transferred \$200,000 from his Bank of America account into a Real Estate Attorneys Group account at City National Bank on November 30, 2017.<sup>23</sup>

31. The same documents show a transfer of \$200,000 from Real Estate Attorneys Group to Keith Davidson & Associates on December 5, 2017.<sup>24</sup>

32. Notably, Mr. Broidy met with President Trump on at least two occasions during the same time frame that the nondisclosure agreement was reportedly being negotiated. One meeting occurred in October 2017 and one occurred on December 2, 2017, just two days after wire transfers from Mr. Broidy are alleged to have supplied the funds for the initial payment to Ms. Bechard under the terms of the agreement.<sup>25</sup>

33. Documents released by Mr. Avenatti also show an incoming wire transfer of \$62,500 from Elliott Broidy’s Bank of America account on December 29, 2017 to the Real Estate

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<sup>20</sup> *Supra* note 19.

<sup>21</sup> Allegra Kirkland, “Untangling the Web of Payments Between Cohen and Elliott Broidy,” TALKING POINTS MEMO (May 9, 2018), available at <https://talkingpointsmemo.com/muckraker/untangling-payments-elliott-broidy-michael-cohen>; *see also* Avenatti & Associates, Executive Summary, attached as FSFP Exhibit 2 at 5-6.

<sup>22</sup> Paul Campos, “Hey, Look: More Evidence That Broidy May Have Been Covering for Trump in That Playmate Affair,” NEW YORK MAGAZINE (May 22, 2018) available at <http://nymag.com/daily/intelligencer/2018/05/more-evidence-that-broidy-was-covering-for-trump-in-affair.html>.

<sup>23</sup> Allegra Kirkland, “Untangling the Web of Payments Between Cohen and Elliott Broidy,” TALKING POINTS MEMO (May 9, 2018), available at <https://talkingpointsmemo.com/muckraker/untangling-payments-elliott-broidy-michael-cohen>; *see also* FSFP Exhibit 2 at 5-6.

<sup>24</sup> *Id.*

<sup>25</sup> Desmond Butler and Tom LoBianco, “The princes, the president and the fortune seekers,” AP (May 22, 2018) available at <https://apnews.com/7899619719114ec4b61b80eb71438df7/The-princes,-the-president-and-the-fortune-seekers>; Plea and Cooperation Agreement, attached as FSFP Exhibit 3.

Attorneys Group Account at City National Bank followed by a January 2, 2018 outgoing wire transfer from Real Estate Attorneys Group City National Bank account to Essential Consultants, LLC's First Republic Bank account.<sup>26</sup>

34. These series of transfers of \$62,500 occurred again on January 31, 2018 and March 1, 2018.<sup>27</sup>

### **Broidy History of Making Payments on Behalf of Third Parties**

35. On December 1, 2009, Mr. Broidy entered into a "Plea and Cooperation Agreement" with the New York Attorney General agreeing to pay \$18 million in a stipulated forfeiture and testify against his co-conspirators in a criminal proceeding regarding illegal payments made to or on behalf of public servants at the Office of the New York State Comptroller.<sup>28</sup>

36. Mr. Broidy admitted to making payments in excess of \$130,000 "[a]t the direction of a certain high-ranking Office of the New York State Comptroller official . . . to two friends of the official."<sup>29</sup>

37. Mr. Broidy admitted that "[i]n order to disguise certain of these payments, I entered into a sham loan agreement with one of the official's friends, which purported to govern the payments."<sup>30</sup>

38. According to the statement released by the Office of the New York Attorney General announcing Mr. Broidy's guilty plea the payments referenced in paragraphs 23 and 24

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<sup>26</sup> *Id.*

<sup>27</sup> *Id.*

<sup>28</sup> AP News, "Guilty Plea in Fraud Case Tied to New York Pension," NEW YORK TIMES (Dec. 4, 2009) available at <https://www.nytimes.com/2009/12/04/nyregion/04pension.html>; see also Exhibit 3.

<sup>29</sup> See New York Attorney General, "Cuomo Announces Guilty Plea by Founder of Private Equity Firm in Continuing Investigation of Pay-to-play Kickback Scheme At State Pension Fund," (Dec. 3, 2009) available at <https://ag.ny.gov/press-release/cuomo-announces-guilty-plea-founder-private-equity-firm-continuing-investigation-pay>, attached as FSFP Exhibit 4.

<sup>30</sup> *Id.*

were made to help a public servant cover up an affair: “Broidy paid over \$90,000 to the girlfriend of a high-ranking OSC official from April 2004 through October 2005.” The payments were used for the girlfriend’s living expenses, rent, and hospital bills.<sup>31</sup>

39. Broidy also made payments of \$5,500 per month to a relative of the girlfriend beginning in October 2003 and totaling \$44,000. These payments were concealed through a “sham loan agreement between Broidy and the relative.”<sup>32</sup>

***Cohen’s Alleged Involvement in AMI, Inc. Payment to Former Playboy Model McDougal***

40. In August 2016, Karen McDougal, a former Playboy model, entered into a non-disclosure agreement with American Media, Inc., the publisher of the National Enquirer, for the exclusive rights to her life story, including the details of an alleged affair with Donald Trump. The agreement provided for a payment of \$150,000 in addition to promises that she would be featured in the company’s magazines.<sup>33</sup>

41. On November 4, 2016, the Wall Street Journal reported that American Media, Inc., had entered into the agreement with Ms. McDougal in an effort to “catch and kill” the story to prevent the alleged affair from being made public during the presidential campaign.<sup>34</sup>

42. According to a complaint filed by Ms. McDougal in California Superior Court in March 2018, the attorney representing her in the negotiation of the agreement, Keith Davidson,

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<sup>31</sup> See FSFP Exhibit 4 at 1.

<sup>32</sup> *Id.*

<sup>33</sup> *McDougal v. American Media, Inc.*, 2018 WL 1400360 (Cal.Super. filed Mar. 18, 2018), Complaint at 10 [hereinafter *McDougal Complaint*].

<sup>34</sup> Joe Palazzolo, et al., “National Enquirer Shielded Donald Trump From Playboy Model’s Affair Allegation,” *The WALL STREET JOURNAL*, (Nov. 4, 2016), available at <https://www.wsj.com/articles/national-enquirer-shielded-donald-trump-from-playboy-models-affair-allegation-1478309380>.

had been coordinating with Michael Cohen, Donald Trump's personal attorney, and American Media, Inc. during the negotiations in summer 2016.<sup>35</sup>

### **Events Leading to Revelation of 2017 Nondisclosure Agreement**

43. On April 9, 2018, Federal Bureau of Investigation agents raided the offices, apartment and hotel of Mr. Cohen seeking, *inter alia*, information related to payments arranged to secure non-disclosure agreements with Stephanie Clifford, also known as Stormy Daniels, and Karen McDougal about extramarital affairs with Mr. Trump.<sup>36</sup>
44. According to reports, Mr. Trump spoke with Mr. Cohen via telephone days after the raid.<sup>37</sup>
45. On April 13, 2018, the Wall Street Journal reported that Elliott Broidy, deputy finance chair of the Republican National Committee had engaged Michael Cohen, the president's personal attorney, in late 2017 to arrange a \$1.6 million payment to former Playboy model Shera Bechard to cover up an affair and pregnancy—ostensibly Broidy's.<sup>38</sup>
46. On April 15, 2018, attorneys representing President Trump filed a letter in the District Court of the Southern District of New York making the extraordinary request that the President be permitted to conduct the initial review of all seized materials relating to him

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<sup>35</sup> *McDougal* Complaint, at 5, 12, 18. *See also*, Jim Rutenberg et al., "Tools of Trump's Fixer: Payouts, Intimidation and Tabloids," NEW YORK TIMES (Feb. 18, 2018), available at <https://www.nytimes.com/2018/02/18/us/politics/michael-cohen-trump.html>.

<sup>36</sup> Maggie Haberman, Matt Apuzzo & Michael S. Schmidt, "Raid on Trump's Lawyer Sought Records on 'Access Hollywood' Tape," THE NEW YORK TIMES, April 11, 2018, available at <https://www.nytimes.com/2018/04/11/us/politics/michael-cohen-trump-access-hollywood.html>.

<sup>37</sup> Matt Apuzzo, Michael Schmidt, et al., "Trump Sees Inquiry into Cohen as Greater Threat than Mueller," New York Times (Apr. 13, 2018), available at <https://www.nytimes.com/2018/04/13/us/politics/lawyers-for-trumps-personal-attorney-set-for-friday-court-appearance.html?hp&action=click&pgtype=Homepage&clickSource=story-heading&module=first-column-region&region=top-news&WT.nav=top-news>.

<sup>38</sup> Joe Palazzolo and Michael Rothfeld, "Trump Lawyer Michael Cohen Negotiated \$1.6 Million Settlement for Top Republican Fundraiser," WALL STREET JOURNAL (Apr. 13, 2018) <https://www.wsj.com/articles/trump-lawyer-michael-cohen-negotiated-1-6-million-settlement-for-top-republican-fundraiser-1523638726>.



rather than proceeding with review by an impartial magistrate or a privilege team made up of lawyers that are not involved in the underlying investigation.<sup>39</sup>

47. Upon information and belief, there is reason to believe that the materials seized in the raid of Mr. Cohen's property will confirm that the pattern and practices established by Mr. Trump, Mr. Cohen, and Mr. Davidson to cover up damaging allegations against Mr. Trump in other cases was also followed in the case of the 2017 nondisclosure agreement, and that it resulted in violations of FECA.

### **SUMMARY OF THE LAW**

48. The term "contribution" is defined in FECA to mean "any gift, subscription, loan, advance, or deposit of money or anything of value made by any person for the purpose of influencing any election for Federal Office." 52 U.S.C. § 30101(8)(A)(i); *see also* 11 C.F.R. §§ 100.51-100.56.
49. As used in the definition of "contribution," the phrase "anything of value" includes "all in-kind contributions." The "provision of any goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services is a contribution." 11 C.F.R. § 100.52(d)(1).
50. The term "expenditure" is defined in FECA to mean "any purchase, payment, distribution, loan, advance, deposit, or gift of money or anything of value, made by any person for the purpose of influencing any election for Federal office." 52 U.S.C. § 30101(9)(A)(i); *see also* 11 C.F.R. §§ 100.110-100-114.

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<sup>39</sup> Cohen v. United States of America, No. 18-MJ-3161, Doc. 8 (April 15, 2018); Nicole Hong, "Trump Lawyers Ask Judge for First Review of Cohen Documents," WALL STREET JOURNAL (Apr. 15, 2018), available at <https://www.wsj.com/articles/trump-lawyers-make-plea-for-first-review-of-cohen-documents-1523846654>.



51. As used in the definition of “expenditure,” the phrase “anything of value” includes “all in-kind contributions.” The “provision of any goods or services without charge or at a charge that is less than the usual and normal charge for such goods or services is an expenditure.” 11 C.F.R. § 100.111(e)(1).
52. Any expenditure that is “coordinated” with a candidate is an in-kind contribution to the candidate and must be reported as a contribution to and expenditure by that candidate’s authorized committee. “Coordinated” means made in cooperation, consultation or concert with, or at the request or suggestion of, a candidate, a candidate’s authorized committee or an agent thereof. 11 C.F.R. § 109.20.
53. Commission regulations provide that “agent” means “any person who has actual authority, either express or implied,” to engage in campaign spending and other specified campaign-related activities. *See* 11 C.F.R. §§ 109.3 and 300.2(b).
54. The authorized committee of a candidate for federal office must report to the Commission the identification of each person who makes a contribution to the committee with an aggregate value in excess of \$200 within an election cycle. 52 U.S.C. § 30104(b)(3)(A).
55. The authorized committee of a candidate for federal office must report to the Commission the name and address of each person to whom an expenditure in an aggregate amount in excess of \$200 within the calendar year is made by the committee. 52 U.S.C. § 30104(b)(5)(A).
56. No individual may make contributions to federal candidates that, in the aggregate, exceed \$2,700 per election. 52 U.S.C. § 30116(a)(1)(A).

57. No person may make contributions in the name of another person or knowingly permit his name to be used to effect such a contribution, and no person shall knowingly accept a contribution made by one person in the name of another person. 52 U.S.C. § 30122.
58. Commission regulations provide that examples of contributions in the name of another include: (i) Giving money or anything of value, all or part of which was provided to the contributor by another person (the true contributor) without disclosing the source of money or the thing of value to the recipient candidate or committee at the time the contribution is made; or (ii) Making a contribution of money or anything of value and attributing as the source of the money or thing of value another person when in fact the contributor is the source. 11 C.F.R. 110.4(b)(2).

### **CAUSES OF ACTION**

#### **COUNT I:**

#### **DONALD J. TRUMP FOR PRESIDENT, INC. FAILED TO REPORT RECEIPT OF A \$1.6 MILLION IN-KIND CONTRIBUTION IN VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT**

59. Based on published reports and documents, there is reason to believe that Mr. Broidy's payment of \$1.6 million to Ms. Bechard was for the purpose of influencing the 2020 presidential election, and therefore, constituted an in-kind contribution to Donald J. Trump for President, Inc., Mr. Trump's authorized campaign committee.
60. Under FECA, Donald J. Trump for President, Inc. was required to report to the Commission the identification of each person who makes a contribution to the committee with an aggregate value in excess of \$200 within an election cycle. 52 U.S.C. § 30104(b)(3)(A).

61. There is reason to believe that Donald J. Trump for President, Inc. failed to report its receipt of a \$1.6 million in-kind contribution from Elliott Broidy in violation of 52 U.S.C. § 30104(b)(3)(A).

**COUNT II:**

**DONALD J. TRUMP FOR PRESIDENT, INC. FAILED TO REPORT A \$1.6 MILLION EXPENDITURE IN VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT**

62. Based on published reports, there is reason to believe that Mr. Broidy's \$1.6 million payment to Ms. Bechard was for the purpose of influencing the 2020 presidential election and, therefore, constituted an "expenditure" by Mr. Trump's authorized campaign committee, Donald J. Trump for President, Inc.

63. Under FECA, Donald J. Trump for President, Inc. was required to report to the Commission the name and address of each person to whom an expenditure in an aggregate amount in excess of \$200 within the calendar year is made by the committee. 52 U.S.C. § 30104(b)(5)(A).

64. Based on published reports and review of FEC records, there is reason to believe that Donald J. Trump for President, Inc. failed to report this \$1.6 million expenditure in violation of 52 U.S.C. § 30104(b)(5)(A).

**COUNT III:**

**ELLIOTT BROIDY MADE AN EXCESSIVE CONTRIBUTION IN VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT**

65. FECA prohibits contributions to candidates in excess of \$2,700. 52 U.S.C. § 30116(a)(1)(A), as adjusted pursuant to 11 C.F.R. § 110.1.

66. Based on published reports there is reason to believe that Elliott Broidy made, and Donald J. Trump for President, Inc., accepted an excessive contribution of approximately \$1.6 million in violation of 52 U.S.C. § 30116(a)(1)(A).

**COUNT IV:**

**ELLIOTT BROIDY, MICHAEL COHEN, REAL ESTATE ATTORNEYS GROUP, AND ESSENTIAL CONSULTANTS, LLC MADE A CONTRIBUTION IN THE NAME OF ANOTHER IN VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT**

67. FECA prohibits any person from making a contribution in the name of another or knowingly permitting his name to be used to effect such a contribution. 52 U.S.C. § 30122.

68. Based upon published reports, there is reason to believe that Elliott Broidy, Michael Cohen, Real Estate Attorneys Group, and Essential Consultants, LLC coordinated with each other to make an in-kind contribution to Donald J. Trump for President, Inc. in the name of another person or knowingly permitted their names to be used to effect such a contribution.

69. According to court documents, Mr. Broidy has engaged in “sham agreements” in the past to cover up the extramarital affair of a third party.<sup>40</sup>

70. According to statements by Mr. Trump’s attorney, Rudy Giuliani, and Mr. Trump’s recent financial disclosures, Mr. Cohen’s previous statements that the President did not reimburse him for the payment to Ms. Clifford and had no knowledge of payments to cover up alleged extramarital affairs were false.

71. According to recently published newspaper reports and documents, Mr. Broidy’s payments to Ms. Bechard were transferred through Real Estate Attorneys Group and

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<sup>40</sup> See FSFP Exhibits 3 and 4.

Essential Consultants, LLC before being paid to Ms. Bechard and/or her attorney Keith Davidson.

72. Based upon publicly available information there is reason to believe that Elliott Broidy, Michael Cohen, Real Estate Attorneys Group, and Essential Consultants, LLC made a contribution in the name of another or knowingly permitted their names to be used to effect such a contribution in violation of 52 U.S.C. § 30122.

**COUNT V:**

**DONALD J. TRUMP FOR PRESIDENT, INC. RECEIVED A CONTRIBUTION IN THE NAME OF ANOTHER IN VIOLATION OF THE FEDERAL ELECTION CAMPAIGN ACT**

73. FECA prohibits any person from knowingly accepting a contribution made by one person in the name of another person. 52 U.S.C. § 30122.
74. Based on published reports, there is reason to believe that Elliott Broidy attempted to disguise the source of a \$1.6 million payment to Ms. Bechard for the purpose of influencing the 2020 election by transferring it through Real Estate Attorneys Group and Essential Consultants, LLC at the direction of an agent for President Trump, Michael Cohen, and that Donald J. Trump for President, Inc., knowingly accepted the in-kind contribution in the name of another in violation of 52 U.S.C. § 30122.

**PRAYER FOR RELIEF**

Wherefore, the Commission should find reason to believe that Donald J. Trump for President, Inc., Elliott Broidy, Michael Cohen, Real Estate Attorneys Group, and Essential Consultants, LLC violated 52 U.S.C. § 30101, *et seq.* and conduct an immediate investigation under 52 U.S.C. § 30109(a)(2). Further, the Commission should determine and impose appropriate sanctions for any and all violations, should enjoin respondent(s) from any and all violations in the future, and should impose additional remedies as are necessary and appropriate to ensure compliance with the FECA.

June 4, 2018

Respectfully submitted,



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Free Speech For People, by  
Shanna M. Cleveland  
1340 Centre Street, Suite 209  
Newton, MA 02459



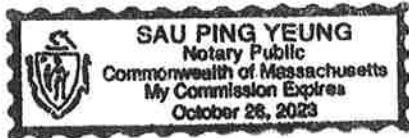
**VERIFICATION**

Shanna M. Cleveland, Senior Counsel for Free Speech For People, hereby verifies that the statements made in the attached Complaint are, upon information and belief, true. Sworn pursuant to 18 U.S.C. § 1001.



Shanna M. Cleveland, individually  
and for Free Speech For People

Sworn to and subscribed before me this 4 day of June 2018.

  
Notary Public

**COPY**

FSFP Exhibit 1

1 Michael J. Avenatti, Bar No. 206929  
 2 AVENATTI & ASSOCIATES, APC  
 3 mavenatti@eoalaw.com  
 4 520 Newport Center Drive, Suite 1400  
 5 Newport Beach, CA 92660  
 6 Tel: (949) 706-7000  
 7 Fax: (949) 706-7050

8 Attorneys for Plaintiff Stephanie Clifford  
 9 a.k.a. Stormy Daniels a.k.a. Peggy Peterson

**CONFORMED COPY**  
**ORIGINAL FILED**  
 Superior Court of California  
 County of Los Angeles

MAR 06 2018

Sherid R. Carter, Executive Officer/Clerk  
 By: Charlotte Robinson, Deputy

10 **SUPERIOR COURT OF THE STATE OF CALIFORNIA**  
 11 **FOR THE COUNTY OF LOS ANGELES**

12 STEPHANIE CLIFFORD a.k.a. STORMY  
 13 DANIELS a.k.a. PEGGY PETERSON, an  
 14 individual,

15 Plaintiff,

16 vs.

17 DONALD J. TRUMP a.k.a. DAVID DENNISON,  
 18 an individual, ESSENTIAL CONSULTANTS,  
 19 LLC, a Delaware Limited Liability Company, and  
 20 DOES 1 through 10, inclusive

21 Defendants.

Case No.

**BC 6 9 6 5 6 8**

**COMPLAINT FOR DECLARATORY  
 RELIEF**

1 Plaintiff Stephanie Clifford a.k.a. Stormy Daniels a.k.a. Peggy Peterson ("Ms. Clifford" or  
2 "Plaintiff") hereby alleges the following:  
3

4 **THE PARTIES**

5 1. Plaintiff Ms. Clifford, an individual, is a resident of the State of Texas.

6 2. Defendant Donald J. Trump a.k.a. David Dennison ("Mr. Trump"), an individual, is a  
7 resident of the District of Columbia (among other places).

8 3. Defendant Essential Consultants, LLC ("EC") is a Delaware limited liability company  
9 formed on October 17, 2016.

10 4. Mr. Trump and EC together shall be referred to hereafter as "Defendants."

11 5. The true names and capacities of the defendants DOES 1 through 10, inclusive,  
12 whether individual, plural, corporate, partnership, associate or otherwise, are not known to Plaintiff,  
13 who therefore sues said defendants by such fictitious names. Plaintiff will seek leave of court to  
14 amend this Complaint to show the true names and capacities of defendants DOES 1 through 10,  
15 inclusive, when the same have been ascertained.

16 6. Plaintiff is also informed and believe and thereon alleges that DOES 1 to 10 were the  
17 agents, principals, and/or alter egos of Defendants, at all times herein relevant, and that they are  
18 therefore liable for the acts and omissions of Defendants.  
19

20 **JURISDICTION AND VENUE**

21 7. Jurisdiction for this matter properly lies with this Court because Plaintiff seeks  
22 declaratory relief.

23 8. Venue is appropriate in the County of Los Angeles, and this Court has personal  
24 jurisdiction over Defendants and each of them, by reason of the fact that, among other things, (a) the  
25 alleged agreement that is at issue in this Complaint was purportedly made and negotiated, at least in  
26 substantial part, in the County of Los Angeles, and (b) many of the events giving rise to this action  
27 arose in California, including within the County of Los Angeles.  
28

9. Ms. Clifford began an intimate relationship with Mr. Trump in the Summer of 2006 in Lake Tahoe and continued her relationship with Mr. Trump well into the year 2007. This relationship included, among other things, at least one "meeting" with Mr. Trump in a bungalow at the Beverly Hills Hotel located within Los Angeles County.

11. On July 19, 2016, Mr. Trump secured the Republican Party nomination for President.

13. Within days of the publication of the *Access Hollywood Tape*, several women came forward publicly to tell their personal stories about their sexual encounters with Mr. Trump.

15. As a result of Ms. Clifford's efforts aimed at publicly disclosing her story and her communications with various media outlets, Ms. Clifford's plans came to the attention of Mr. Trump and his campaign, including Mr. Michael Cohen, an attorney licensed in the State of New York. Mr. Cohen worked as the "top attorney" at the Trump Organization from 2007 until after the election and presently serves as Mr. Trump's personal attorney. He is also generally referred to as Mr. Trump's "fixer."

-2-

1           17.    The parties named in the Hush Agreement were Ms. Clifford, Mr. Trump, and Essential  
2 Consultants LLC. As noted above, Essential Consultants LLC ("EC") was formed on October 17,  
3 2016, just weeks before the 2016 presidential election. On information and belief, EC was created by  
4 Mr. Cohen with Mr. Trump's knowledge for one purpose – to hide the true source of funds to be used  
5 to pay Ms. Clifford, thus further insulating Mr. Trump from later discovery and scrutiny.

6           18.    By design of Mr. Cohen, the Hush Agreement used aliases to refer to Ms. Clifford and  
7 Mr. Trump. Specifically, Ms. Clifford was referred to by the alias "Peggy Peterson" or "PP." Mr.  
8 Trump, on the other hand, was referred to by the alias "David Dennison" or "DD."

9           19.    Attached hereto as Exhibit 1 is a true and correct copy of the Hush Agreement, titled  
10 Confidential Settlement Agreement and Mutual Release; Assignment of Copyright and Non-  
11 Disparagement [sic] Agreement. Exhibit 1 is incorporated herein by this reference and made a part of  
12 this Complaint as if fully set forth herein.

13           20.    Attached hereto as Exhibit 2 is a true and correct copy of the draft Side Letter  
14 Agreement, which was Exhibit A to the Hush Agreement. Exhibit 2 is incorporated herein by this  
15 reference and made a part of this Complaint as if fully set forth herein.

16           21.    Importantly, the Hush Agreement imposed various conditions and obligations not only  
17 on Ms. Clifford, but also on Mr. Trump. The agreement also required the signature of all parties to the  
18 agreement, including that of Mr. Trump. Moreover, as is customary, it was widely understood at all  
19 times that unless all of the parties signed the documents as required, the Hush Agreement, together  
20 with all of its terms and conditions, was null and void.

21           22.    On or about October 28, 2016, only days before the election, two of the parties signed  
22 the Hush Agreement - Ms. Clifford and Mr. Cohen (on behalf of EC). Mr. Trump, however, did not  
23 sign the agreement, thus rendering it legally null and void and of no consequence. On information and  
24 belief, despite having detailed knowledge of the Hush Agreement and its terms, including the  
25 proposed payment of monies to Ms. Clifford and the routing of those monies through EC, Mr. Trump  
26 purposely did not sign the agreement so he could later, if need be, publicly disavow any knowledge of  
27 the Hush Agreement and Ms. Clifford.  
28

1           23.     Despite Mr. Trump's failure to sign the Hush Agreement, Mr. Cohen proceeded to  
2 cause \$130,000.00 to be wired to the trust account of Ms. Clifford's attorney. He did so even though  
3 there was no legal agreement and thus no written nondisclosure agreement whereby Ms. Clifford was  
4 restricted from disclosing the truth about Mr. Trump.

5           24.     Mr. Trump was elected President of the United States on November 8, 2016.

6           25.     In January 2018, certain details of the draft Hush Agreement emerged in the news  
7 media, including, among other things, the existence of the draft agreement, the parties to the draft  
8 agreement, and the \$130,000.00 payment provided for under the draft agreement. Also in January  
9 2018, and concerned the truth would be disclosed, Mr. Cohen, through intimidation and coercive  
10 tactics, forced Ms. Clifford into signing a false statement wherein she stated that reports of her  
11 relationship with Mr. Trump were false.

12           26.     On or about February 13, 2018, Mr. Cohen issued a public statement regarding Ms.  
13 Clifford, the existence of the Hush Agreement, and details concerning the Hush Agreement. He did so  
14 without any consent by Ms. Clifford, thus evidencing Mr. Cohen's apparent position (at least in that  
15 context) that no binding agreement was in place. Among other things, Mr. Cohen stated: "In a private  
16 transaction in 2016, I used my own personal funds to facilitate a payment of \$130,000 to Ms.  
17 Stephanie Clifford. Neither the Trump Organization nor the Trump campaign was a party to the  
18 transaction with Ms. Clifford, and neither reimbursed me for the payment, either directly or  
19 indirectly." Mr. Cohen concluded his statement with lawyer speak: "Just because something isn't  
20 true doesn't mean that it can't cause you harm or damage. *I will always protect Mr. Trump.*"  
21 (emphasis added).

22           27.     Importantly, at no time did Mr. Cohen claim Ms. Clifford did not have an intimate  
23 relationship with Mr. Trump. Indeed, were he to make such a statement, it would be patently false.

24           28.     Because the agreement was never formed and/or is null and void, no contractual  
25 obligations were imposed on any of the parties to the agreement, including any obligations to keep  
26 information confidential. Moreover, to the extent any such obligations did exist, they were breached  
27 and/or excused by Mr. Cohen and his public statements to the media.  
28



1           29. To be clear, the attempts to intimidate Ms. Clifford into silence and "shut her up" in  
2 order to "protect Mr. Trump" continue unabated. For example, only days ago on or about February  
3 27, 2018, Mr. Trump's attorney Mr. Cohen surreptitiously initiated a bogus arbitration proceeding  
4 against Ms. Clifford in Los Angeles. Remarkably, he did so without even providing Ms. Clifford with  
5 notice of the proceeding and basic due process.

6           30. Put simply, considerable steps have been taken by Mr. Cohen in the last week to  
7 silence Ms. Clifford through the use of an improper and procedurally defective arbitration proceeding  
8 hidden from public view. The extent of Mr. Trump's involvement in these efforts is presently  
9 unknown, but it strains credibility to conclude that Mr. Cohen is acting on his own accord without the  
10 express approval and knowledge of his client Mr. Trump.

11           31. Indeed, Rule 1.4 of New York Rules of Professional Conduct governing attorneys has  
12 required Mr. Cohen *at all times* to promptly communicate all material information relating to the  
13 matter to Mr. Trump, including but not limited to "any decision or circumstance with respect to which  
14 [Mr. Trump's] informed consent [was] required" and "material developments in the matter including  
15 settlement or plea offers." Moreover, this same Rule required Mr. Cohen *at all times* to "reasonably  
16 consult with [Mr. Trump] about the means by which [his] objectives are to be accomplished" and to  
17 "keep [Mr. Trump] reasonably informed about the status of the matter."

18           32. Accordingly, unless Mr. Cohen flagrantly violated his ethical obligations and the most  
19 basic rules governing his license to practice law (which is highly unlikely), there can be no doubt that  
20 Mr. Trump *at all times* has been fully aware of the negotiations with Ms. Clifford, the existence and  
21 terms of the Hush Agreement, the payment of the \$130,000.00, the use of EC as a conduit, and the  
22 recent attempts to intimidate and silence Ms. Clifford by way of the bogus arbitration proceeding.

23           33. Because there was never a valid agreement and thus, no agreement to arbitrate, any  
24 subsequent order obtained by Mr. Cohen and/or Mr. Trump in arbitration is of no consequence or  
25 effect.  
26  
27  
28

**FIRST CAUSE OF ACTION****Declaratory Relief****(Against all Defendants)**

34. Plaintiff restates and re-alleges each and every allegation in Paragraphs 1 through 33 above as if fully set forth herein.

35. This action concerns the legal significance, if any, of the documents attached hereto as Exhibit 1, entitled Confidential Settlement Agreement and Mutual Release; Assignment of Copyright and Non-Disparagment [sic] Agreement, and Exhibit 2, entitled Side Letter Agreement.

36. California Code of Civil Procedure section 1060 authorizes declaratory relief for any person who desires a declaration of rights or duties with respect to one another. In cases of actual controversy relating to the legal rights and duties of the respective parties, such a person may seek a judicial declaration of his or her rights and duties relative to an instrument or contract, or alleged contract, including a determination of any question of construction or validity arising under the instrument or contract, or alleged contract. This includes a determination of whether a contract was ever formed.

37. An actual controversy exists between Plaintiff and Defendants as to their rights and duties to each other. Accordingly, a declaration is necessary and proper at this time.

38. Specifically, Plaintiff seeks an order of this Court declaring that the agreements in the forms set out in Exhibits 1 and 2 between Plaintiff and Defendants were never formed, and therefore do not exist, because, among other things, Mr. Trump never signed the agreements. Nor did Mr. Trump provide any other valid consideration. He thus never assented to the duties, obligations, and conditions the agreements purportedly imposed upon him. Plaintiff contends that, as a result, she is not bound by any of the duties, obligations, or conditions set forth in Exhibits 1 and 2. Moreover, as a further result, there is no agreement to arbitrate between the parties.

39. In the alternative, Plaintiff seeks an order of this Court declaring that the agreements in the forms set out in Exhibits 1 and 2 are invalid, unenforceable, and/or void under the doctrine of unconscionability. Plaintiff contends that, as a result, she is not bound by any of the duties,

obligations, or conditions set forth in Exhibits 1 and 2. Moreover, as a further result, there is no agreement to arbitrate between the parties.

40. In the further alternative, Plaintiff seeks an order of this Court declaring that the agreements in the forms set out in Exhibits 1 and 2 are invalid, unenforceable, and/or void because they are illegal and/or violate public policy. Plaintiff contends that, as a result, she is not bound by any of the duties, obligations, or conditions set forth in Exhibits 1 and 2. Moreover, as a further result, there is no agreement to arbitrate between the parties.

41. Defendants dispute these contentions.

42. Accordingly, Ms. Clifford desires a judicial determination of her rights and duties with respect to the alleged agreements in the forms set out in Exhibits 1 and 2.

#### **PRAYER FOR RELIEF**

WHEREFORE, Plaintiff prays for judgment against Defendants, and each of them, declaring that no agreement was formed between the parties, or in the alternative, to the extent an agreement was formed, it is void, invalid, or otherwise unenforceable.

#### **ON THE FIRST CAUSE OF ACTION**

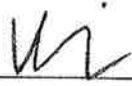
1. For a judgment declaring that no agreement was formed between the parties, or in the alternative, to the extent an agreement was formed, it is void, invalid, or otherwise unenforceable.

2. For costs of suit; and

3. For such other and further relief as the Court may deem just and proper.

DATED: March 6, 2018

AVENATTI & ASSOCIATES, APC

  
MICHAEL J. AVENATTI  
Attorneys for Plaintiff

# **Exhibit 1**

**CONFIDENTIAL SETTLEMENT AGREEMENT  
AND MUTUAL RELEASE; ASSIGNMENT OF  
COPYRIGHT AND NON-DISPARAGEMENT  
AGREEMENT**

**1.0 THE PARTIES**

1.1 This Settlement Agreement and Mutual Release (hereinafter, this "Agreement") is made and deemed effective as of the 28 day of October, 2016, by and between "EC, LLC" and/or **DAVID DENNISON**, (DD), on the one part, and **PEGGY PETERSON**, (PP), on the other part. ("EC, LLC," "DD" and "PP" are pseudonyms whose true identity will be acknowledged in a Side Letter Agreement attached hereto as "EXHIBIT A") This Agreement is entered into with reference to the facts and circumstances contained in the following recitals.

**2.0 RECITALS**

2.1 Prior to entering into this Agreement, PP came into possession of certain "Confidential Information" pertaining to DD, as more fully defined below, only some of which is in tangible form, which includes, but is not limited to information, certain still images and/or text messages which were authored by or relate to DD (collectively the "Property", each as more fully defined below but which all are included and attached hereto as Exhibit "1" to the Side Letter Agreement).

2.2 (a) PP claims that she has been damaged by DD's alleged actions against her, including but not limited to tort claims proximately causing injury to her person and other related claims. DD denies all such claims. (Hereinafter "PP Claims").

(b) DD claims that he has been damaged by PP's alleged actions against him, including but not limited to the alleged threatened selling, transferring, licensing, publicly disseminating and/or exploiting the Images and/or Property and/or other Confidential Information relating to DD, all without the knowledge, consent or authorization of DD. PP denies all such claims. (Hereinafter "DD Claims").

(c) The PP Claims and the DD Claims are hereinafter collectively referred to as "The Released Claims."

2.3 DD desires to acquire, and PP desires to sell, transfer and turn-over to DD, any and all tangible copies of the Property and any and all physical and intellectual property rights in and to all of the Property. As a condition of DD releasing any claims against PP related to this matter, PP agrees to sell and transfer to DD all and each of her rights in and to such Property. PP agrees to deliver each and every existing copy of all tangible Property to DD (and permanently delete any electronic copies that can not be transferred), and agrees that she shall not possess, nor directly nor indirectly disclose convey, transfer or assign Property or any Confidential Information to any Third Party, as more fully provided herein.

2.4 It is the intention of the Parties that Confidential Information, as defined herein, shall remain confidential as expressly provided hereinbelow. The Parties expressly acknowledge, agree and understand that the Confidentiality provisions herein and the



representations and warranties made by PP herein and the execution by her of the Assignment & Transfer of Copyright are at the essence of this Settlement Agreement and are a material inducement to DD's entry into this Agreement, absent which DD would not enter into this Agreement. DD expects and requires that PP never communicate with him or his family for any reason whatsoever.

2.5 The Parties wish to avoid the time, expense, and inconvenience of potential litigation, and to resolve any and all disputes and potential legal claims which exist or may exist between them, as of the date of this Agreement including but not limited to the PP Claims and/or the DD Claims. The Parties agree that the claims released include but are not limited to DD's Claims against PP as relates to PP having allowed, whether intentionally, unintentionally or negligently, anyone else other than those listed in section 4.2 herein below to become aware of the existence of and content of the Property, to have gained possession of the Property, and to PP's having allegedly engaged in efforts to disclose, disseminate and/or commercially exploit the Images and/or Property and/or Confidential Information, and any harm suffered by DD therefrom. The Parties agree that the claims released include but are not limited to PP's Claims against DD as relates to DD having allowed, whether intentionally, unintentionally or negligently, anyone else to have interfered with PP's right to privacy or any other right that PP may possess.

2.6 These Recitals are essential, integral and material terms of this Agreement, and this Agreement shall be construed with respect thereto. The Parties enter into this Agreement in consideration of the promises, covenants and conditions set forth herein, and for good and valuable consideration, the receipt of which is hereby acknowledged. It is an essential element of this Settlement Agreement that the Parties shall never directly or indirectly communicate with each other or attempt to contact their respective families. This matter, the existence of this Settlement Agreement and its terms are strictly confidential.

NOW, THEREFORE, the Parties adopt the foregoing recitals as a statement of their intent and in consideration of the promises and covenants contained herein, and further agree as follows:

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**3.0 SETTLEMENT TERMS****3.0.1.1 EC, LLC SHALL PAY TO PP \$130,000.00 U.S.D. AS FOLLOWS:**

- 3.0.1.1.1 \$130,000.00 USD shall be wired into PP's Attorney's Attorney Client Trust Account on or before 1600 hrs. PST on 10/27/16. (Hereinafter "Gross Settlement Amount"). PP's Attorney's Wiring Instructions are:

Bank Name:	City National Bank
Bank Address:	8641 Wilshire Blvd.
	Beverly Hills, CA 90211
ABA Routing No:	122016066
Beneficiary Account Name:	Keith M. Davidson & Associates, PLC, Attorney Client Trust Account
Beneficiary Account No:	
Beneficiary Address:	8383 Wilshire Blvd. Suite 510 Beverly Hills, CA 90211
SWIFT Code:	

- 3.0.1.1.2 Keith M. Davidson, Esq. shall receive the Gross Settlement Amount in Trust. No portion of the Gross Settlement Amount shall be disbursed by Attorney for PP unless and until PP executes all required Settlement Documents.

**3.1 Undertakings & Obligations by PP. PP will do each of the following by 11/01/16:**

- (a) PP shall execute this Agreement and return a signed copy to DD:

(b) PP shall transfer and/or assign any and all rights in and to the Property to DD (as set forth hereinbelow), and execute an Assignment & Transfer of Copyright, in the form attached hereto, and return a signed copy of same to DD's counsel;

(c) PP shall deliver to DD every existing copy of all tangible Property. PP shall completely divest herself of any and all artistic media, impressions, paintings, video images, still images, e-mail messages, text messages, Instagram message, facebook posting or any other type of creation by DD. PP shall transfer all physical, ownership and intellectual property rights to DD;

(1) PP shall deliver to DD any and all non-privileged correspondence concerning or related to DD between PP and any 3<sup>rd</sup> party.

(d) PP shall not, at any time from the date of this Agreement forward, directly or indirectly disclose or disseminate any of the Property or any Confidential Information (including confirmation of the fact that it exists or ever existed, and/or confirming any rumors as to any such existence) to any third party, as more fully provided herein.

(e) PP shall provide to DD (to the extent not already done so and set forth in paragraph 4.2 hereinbelow), summary details disclosing to whom PP (or anyone else on PP's behalf) disclosed, displayed to, disseminated, transferred to, provided a copy to, and/or

  
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distributed, sold, licensed or otherwise sought to have commercially exploit, the Images and/or Property and/or any Confidential Information.

(f) PP shall provide to DD's counsel the names and contact information of each and any persons or entities who: (i) PP has provided to or who otherwise obtained possession of the original and/or any copies of any of the Images and/or any Property, if any, (ii) to whom PP has scanned the Images and/or any Property at any time, and (iii) to whom PP knows had, has or may potentially have possession of a copy of the Images and/or any Property at any time, including but not limited to the present time (and specify with detail to which of the referenced categories (i.e., possession, shown, past, present, etc.) any name corresponds, the name so relates).

(g) PP shall provide to DD's counsel copies of any agreements and/or other documentation in PP's possession, custody or control, if any, regarding (e) and/or (f) above, that evidences who has or may have been provided a copy of any of the Property.

3.2 Transfer of Property Rights to DD. In further consideration for the promises, covenants and consideration herein, PP hereby transfers and conveys to DD all of PP's respective rights, title and interest in and to the Property, and any and all physical and intellectual property rights related thereto. Without limiting the generality of the foregoing, PP does hereby sell, assign, and transfer to DD, his successors and assigns, throughout the universe in perpetuity, all of PP's entire right, title, and interest (including, without limitation, all copyrights and all extensions and renewals of copyrights), of whatever kind or nature in and to the Property, without reservation, condition or limitation, whether or not such rights are now known, recognized or contemplated, and the complete, unconditional and unencumbered ownership and all possessory interest and rights in and to the Property, which includes, but is not limited to the originals, copies, negatives, prints, positive, proof sheets, CD-roms, DVD-roms, duplicates, outtake and the results of any other means of exhibiting, reproducing, storing, recording and/or archiving any of the Property or related material, together with all rights of action and claims for damages and benefits arising because of any infringement of the copyright to the Property, and assigns and releases to DD any and all other proprietary rights and usage rights PP may own or hold in the copyright and/or Property, or any other right in or to the Property. PP assigns and transfers to DD all of the rights herein granted, without reservation, condition or limitation, and agrees that PP reserves no right of any kind, nature or description related to the Property and contents therein. Notwithstanding the foregoing, if any of the rights herein granted are subject to termination under section 203 of the Copyright Act, or any similar provisions of the Act or subsequent amendments thereof, PP hereby agrees to re-grant such rights to DD immediately upon such termination. All rights granted herein or agreed to be granted hereunder shall vest in DD immediately and shall remain vested in perpetuity. DD shall have the right to freely assign, sell, transfer or destroy the Property as he desires. DD shall have the right to register sole copyright in and to any of the Property with the US Copyright Office. DD shall also have the right, in respect to the Property, to add to, subtract from, change, arrange, revise, adapt, into any and all form of expression or tangible communication, and the right to combine any of the Property with any other works of any kind and/or to create derivative works with any of the Property, and to do with it as she so deems. To the fullest extent allowable under the applicable law, PP shall irrevocably waive and assign to DD any of PP's so-called "moral rights" or "droit moral" (laws for the protection of copyrights outside of the United States), if any, or any similar rights under any principles of law which PP may now have or later have in the Property. With respect to and in furtherance of the above, PP agrees to and shall execute and deliver to DD an

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"Assignment & Transfer of Copyright", in the form attached hereto as Exhibit "B". For greater certainty the foregoing assignment shall be applicable worldwide.

3.2.1 Notwithstanding the foregoing paragraph 3.2, and without in anyway limiting or diminishing from the full transfer and assignment of rights therein without reservation, the Parties understand the purpose of the transfer of rights is to provide DD the fullest possible ability and remedies to prevent and protect against any publication and/or dissemination of the Property.

3.3 Delivery of the Property to DD. Concurrently upon execution of this Agreement, PP, as applicable, shall deliver to DD, by delivery to his counsel herein, all of the Property which is embodied in tangible form (all originals and duplicates), whether documents, canvasses, paper art, digital copies, letters, prints, electronic data, films, tapes, CD-Roms, DVD-Roms, Images recording tapes, photographs, negatives, originals, duplicates, contact sheets, audio recordings, Images recordings, magnetic data, computerized data, digital recordings, or other recorded medium or any other format of embodying information or data. Without limiting the generality of the foregoing, such tangible Property shall include all documents as defined by California Evidence Code §250 which contain any of the Property. PP represents and warrants that the materials delivered pursuant to the terms of this Paragraph 3.3 comprise the totality of all existing originals and duplicates of all Property in any tangible form, whether within their possession, custody or control, and including otherwise (and that PP knows of no other copies or possible or potential copies not in PP's possession and control and delivered pursuant to this paragraph), and that upon such delivery to DD, PP shall not maintain possession, custody or control of any copy of all or any portion of any tangible Property. The Property Delivered under this Paragraph shall become Exhibit 1 to the Side Letter Agreement. For avoidance of any doubt, PP, nor her attorney are entitled to retain possession of said Property after execution of this Agreement. The retention of said Property by PP is a material breach of this agreement.

3.3.1 This Agreement is conditioned on PP's compliance with each and every term of the Settlement Agreement including Paragraph 3.3 and the personal verification by DD or his attorney of the Images and that the Images are comprised of and captures the content previously represented to his counsel to exist and be captured therein (i.e., text messages between PP and DD)), all of which terms are essential and material.

#### 4.0 CONFIDENTIALITY & REPRESENTATIONS & WARRANTIES.

4.1 Definition of Confidential Information. "Confidential Information" means and includes each and all of the following:

(a) All *intangible* information pertaining to DD and/or his family, (including but not limited to his children or any alleged children or any of his alleged sexual partners, alleged sexual actions or alleged sexual conduct or related matters ),and/or friends learned, obtained, or acquired by PP, including without limitation information contained in letters, e-mails, text messages, agreements, documents, audio or Images recordings, electronic data, and photographs;

(b) All *intangible* information pertaining to the existence and content of the Property;

  
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(c) All *intangible* private information (i.e., information not generally available to and/or known by the general public) relating and/or pertaining to DD, including without limitation DD's business information, familial information, any of his alleged sexual partners, alleged sexual actions or alleged sexual conduct, related matters or paternity information, legal matters, contractual information, personal information, private social life, lifestyle, private conduct, (all information/items in 4.1 "(a)", "(b)" and "(c)" are sometimes collectively referred to as, "Intangible Confidential Information");

(d) All *tangible* materials of any kind containing information pertaining to DD learned, obtained, participated or acquired by PP, including without limitation letters, agreements, documents, audio or Images recordings, electronic data, and photographs, canvas art, paper art, or art in any other form on any media. The Images and Photos and all information/items in 4.1(d) are collectively referred to as, the "Property" and/or the "Tangible Confidential Information");

4.2 PP's Representations & Warranties Regarding Prior Disclosures of Tangible Confidential Information. PP represents and warrants that prior to entry into this Agreement, PP has directly or indirectly disclosed any *Tangible* an/or Intangible Confidential Information (i.e., any of the Property), to any Third Party, including without limitation disclosure or indirect disclosure of the content of such Confidential Information in tangible form, other than the following persons or entities to whom PP has made such prior disclosures (herein "PP Disclosed Individuals/Entities"):

- a) Mike Mosney
- b) Angel Ryan
- c) Gina Rodriguez
- d) Keith Munyan
- e) \_\_\_\_\_
- f) \_\_\_\_\_
- g) \_\_\_\_\_
- h) \_\_\_\_\_
- i) \_\_\_\_\_

PP shall not be responsible for any subsequent public disclosure of any of the Confidential Information (a) attributable directly to each of them; and/or (b) not disclosed hereinabove as a previously disclosed PP Disclosed Individuals/Entities, and any such disclosure shall be deemed a breach of this Agreement by PP. For greater clarity, PP must not induce, promote or actively inspire anyone to disclose Confidential Information.

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#### 4.3 Representations & Warranties and Agreements.

(a) Representations & Warranties and Agreements By DD. The following agreements, warranties and representations are made by DD as material inducements to PP to enter into this Agreement, and each Party acknowledges that she/he is executing this Agreement in reliance thereon:

(b) DD warrants and represents that, as relates to or in connection with any of PP's attempts to sell, exploit and/or disseminate the Property prior to the date of this Agreement, DD and his counsel will refrain (i) from pursuing any civil action against PP, and/or (ii) absent a direct inquiry from law enforcement, from disclosing PP's name to the authorities. Notwithstanding the foregoing, if DD is informed that or should or if it is believed that either of PP has possession, custody and/or control of any of the Property after the date of this Agreement and/or transferred any copies to any Third Party, and/or it is believed that any of PP, whether directly or indirectly, intends the release, use, display, dissemination, disclosure or exploitation, whether actual, threatened or rumored, of any for the Property, then DD and his counsel shall be entitled to, at DD's sole discretion, (i) contact the respective member of PP, including with legal demands and related statements of liability and legal action, and/or (ii) advance a civil action against the respective member of PP, and/or (iii) disclose any of PP's name to the authorities.

4.3.2 Representations & Warranties and Agreements By PP. The following agreements, warranties and representations are made by PP as material inducements to DD to enter into this Agreement, without which DD would not enter into this Agreement and without which DD would not agree to pay any monies whatsoever hereunder, and with the express acknowledgment that DD is executing this Agreement in reliance on the agreements, warranties, and representations herein which are at the essence of this Agreement, including, the following:

(a) PP agrees and warrants and represents that PP will permanently cease and desist from any efforts to and/or attempting to and/or engaging in and/or arranging the use, License, distribution, dissemination or sale of any of the Confidential Information and/or Property, including any Tangible and/or Intangible Confidential information created by or relating to DD;

(b) PP agrees and warrants and represents that PP will permanently cease and desist from any posting or dissemination or display of the Confidential Information, Tangible and/or Intangible Confidential information created by or relating to DD and/or Property, including the Images (including, but not limited to, to any form media outlet, on any blog or posting board, on the Internet, or otherwise);

(c) PP agrees and warrants and represents that PP will permanently cease and desist from using or disseminating or disclosing any information to any Third Persons (including, but not limited to, to any media outlet, on any blog or posting board, on the Internet, or otherwise) about any details of or as to the contents of the Confidential Information, Tangible and/or Intangible Confidential information created by or relating to DD and/or Property, including any Text Messages, and/or as to any other personal details of or about or pertaining to DD and/or his family and/or friends and/or social interactions;

(d) PP agrees and warrants and represents that PP will permanently cease and desist from and will not, at any time, make any use of or reference to the name, image or likeness

  
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of DD in any manner whatsoever, including without limitation, through any print or electronic media of any kind or nature for any purpose, including, but not limited to, on any websites;

(e) PP agrees and warrants and represents that any and all existing copies of the Images, Text Messages and any Property (other than as expressly specified in paragraphs 3.2 and 3.3 herein) have been turned over and provided to counsel; and PP further warrants and represents that the only copy of the Images and Property that has ever existed, at any time, has been turned over to DD's counsel pursuant to this Agreement, and the Images and any Property has never been transferred to or existed in any other form, including not in electronic form, nor on any computer, or electronic device and other storage media;

(f) PP warrants and represents that PP has not provided any copies, whether hard-copy or electronic copies, of the Property to anyone other than as specified in paragraph 4.2 herein);

(g) PP warrants and represents that the information PP is obligated to provide pursuant to the terms herein will be complete and truthful;

(h) PP warrants and represents that PP has not omitted or withheld any information that PP is obligated to provide pursuant to the terms herein;

(i) PP warrants and represents that PP has not contracted to earn and/or collect any monies as compensation from the sell, license and/or any other exploitation of the Images and/or any Property and/or any Confidential Information, Tangible and/or Intangible Confidential information created by or relating to DD nor any monies as compensation or an advance for any efforts to sell, license and/or any other exploitation of the Images and/or any Property and/or any Confidential Information or any Tangible and/or Intangible Confidential information created by or relating to DD;

(j) PP warrants and represents that PP has not assigned nor transferred, either in whole or in part, any purported rights in or to the Images and/or any Property to any other person or entity, other than to DD pursuant to this Agreement.

**4.3.3 Agreement By PP Not to Disclose/Use Confidential Information** Tangible and/or Intangible Confidential information created by or relating to DD. As further material inducements for DD to enter into this Agreement, PP agrees, represents and warrants that she shall not directly or indirectly, verbally or otherwise, publish, disseminate, disclose, post or cause to be published, disseminated, disclosed, or posted (herein "disclose"), any Confidential Information or Tangible and/or Intangible Confidential information created by or relating to DD to any person, group, firm or entity whatsoever, including, but not limited to, family members, friends, associates, journalists, media organizations, newspapers, magazines, publications, television or radio stations, publishers, databases, blogs, websites, posting boards, and any other enterprise involved in the print, wire or electronic media, including individuals working directly or indirectly for, or on behalf of, any of said persons or entities ("Third Parties" and/or Third Party"). In no event shall PP be relieved of such party's confidentiality obligations herein by virtue of any breach or alleged breach of this Agreement. In no event shall any dispute in connection with this Agreement relieve PP of her confidentiality obligations arising pursuant to this Agreement, and any disclosure of Confidential Information and/or Tangible and/or Intangible Confidential information created by or relating to DD in connection with any such

  
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proceeding or dispute shall constitute a breach of this Agreement. PP shall use their best efforts to prevent the unauthorized disclosure of Confidential Information in connection with any such proceeding or dispute.

4.3.4 Any direct or indirect disclosure of Confidential Information or Tangible and/or Intangible Confidential information created by or relating to DD to any Third Party by PP and/or any of her representatives, heirs, agents, children, family members, relatives, confidants, advisors, employees, attorneys, transferors, transferees, successors or assigns, and/or any friend of any of PP (collectively "PP Group"), after the date of this Agreement, shall be deemed a disclosure by PP in breach of the terms of this Agreement, entitling the non-breaching Party to all rights and remedies set forth herein.

4.3.5 PP separately and further warrants and represent that, prior to entering into this Agreement, that she has not written, published, caused to be published, or authorized the writing, publication, broadcast, transmission or public dissemination of any interview, article, essay, book, memoir, story, photograph, film, script, Images tape, biography, documentary, whether written, oral, digital or visual, whether fictionalized or not, about the opposing Party to this Agreement or their family, whether truthful, laudatory, defamatory, disparaging, deprecating or neutral, which discloses any Confidential Information and/or which includes any description or depiction of any kind whatsoever whether fictionalized or not, about any Party to this agreement or their respective family, other than as expressly disclosed by PP hereto in writing and as set forth herein in paragraph 4.2 above.

4.3.6 Agreement By PP Not to Disparage DD. PP hereby irrevocably agrees and covenants that she shall not, directly or indirectly, publicly disparage DD, nor write, publish, cause to be published, or authorize, consult about or with or otherwise be involved in the writing, publication, broadcast, transmission or dissemination of any book, memoir, letter, story, photograph, film, script, Images, interview, article, essay, biography, diary, journal, documentary, or other written, oral, digital or visual account or description or depiction of any kind whatsoever whether fictionalized or not, about DD or his family, whether truthful, laudatory, defamatory, disparaging, deprecating or neutral. PP further warrants and represents that PP has not and will not enter into any written or oral agreement with any third party purportedly requiring or obligating PP to do so. For greater clarity PP will never discuss with anyone the contents of this Settlement Agreement, nor will she voluntarily confirm the existence of this Settlement Agreement.

4.4 Disclosure Of Confidential Information Is Prohibited: The Parties to this Agreement hereby recognize and agree that substantial effort and expense have been dedicated to limit the efforts of the press, other media, and the public to learn of personal and business affairs involving DD. PP further acknowledges that any future disclosure of Confidential Information to any Third Party would constitute a serious and material breach of the terms of this Agreement, and shall constitute a breach of trust and confidence, invasion of privacy, and a misappropriation of exclusive property rights, and may also constitute fraud and deceit. Some of the Confidential Information may also constitute and include proprietary business information and trade secrets which have independent economic value. The Parties hereto acknowledge that any unauthorized use, dissemination or disclosure of Confidential Information, or the fabrication and dissemination of false and/or misleading information, about DD would result in irreparable injury to him, and would be injurious to a reasonable person, and/or would constitute an injurious violation of the right of privacy or publicity, and/or would be injurious to his business,

  
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profession, person, family and/or career. The Parties acknowledge that substantial and valuable property rights and other proprietary interests in the exclusive possession, ownership and use of Confidential Information, and recognizes and acknowledges that such Confidential Information is a proprietary, valuable, special and unique asset which belongs to DD and to which the PP has no claim of ownership or other interest.

4.4.1 Disclosures Permitted By PP. Notwithstanding the foregoing, PP shall only be permitted to disclose Confidential Information to another person or entity only if compelled to do so by valid legal process, including without limitation a subpoena duces tecum or similar legal compulsion, provided that PP shall not make any such disclosure unless PP has first provided DD with notice of such order or legal process not less than ten (10) days in advance of the required date of disclosure pursuant to the Written Notice provisions set forth hereinbelow, providing DD with an opportunity to intervene and with full and complete cooperation should she choose to oppose such disclosure. PP agrees that if the valid legal process can be stopped by her consent or at her behest then PP shall agree to use best efforts to avoid the disclosure of the Confidential Information.

## 5.0 REMEDIES

5.1 DD's Remedies for Breach of Agreement. Each breach or threatened breach (e.g., conduct by PP reflecting that said person intends to breach the Agreement), including without limitation by breach of any representation or warranty, by failing to deliver to DD all tangible Property as required, by the disclosure or threatened disclosure of any Confidential Information to any Third Party by PP (herein "Prohibited Communication"), or otherwise, shall render PP liable to DD for any and all damages and injuries incurred as a result thereof, including but not limited to the following, all of which rights and remedies shall be cumulative:

5.1.1 Disgorgement of Monies: In the event an Arbitrator determines there has been a breach or threatened breach of this Agreement by PP, PP shall be obligated to account to, and to disgorge and turn over to DD any and all monies, profits, or other consideration, or benefits, which PP, or anyone on PP's behalf or at PP's direction, directly or indirectly derive from any disclosure or exploitation of any of the Confidential Information; and

5.1.2 Liquidated Damages: PP agrees that any breach or violation of this Settlement Agreement by either of PP individually or the PP Group by his/her/their unauthorized disclosure of any of the Confidential Information (as defined in paragraphs 4.1(a), (b), (c), and (d)) to any Third Party, and/or any unauthorized exploitation or prohibited use of the same, and/or by the breach of and/or by any false representations and warranties set forth in this Agreement, and/or any public disparagement of DD by PP (collectively, the "LD Breach Terms"), shall result in substantial damages and injury to DD, the precise amount of which would be extremely difficult or impracticable to determine, even after the Parties have made a reasonable endeavor to estimate fair compensation for such potential losses and damages to DD. Therefore, in addition to disgorgement of the full amount of all monies or other consideration pursuant to paragraph 5.1.2, in the event an Arbitrator determines there has been a breach of the LD Breach Terms of this Agreement by PP individually or the PP Group, PP shall also be obligated to pay, and agree to pay to DD the sum of One-Million Dollars (\$1,000,000.00 as a reasonable and fair amount of liquidated damages to compensate DD for any loss or damage

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resulting from each breach, it being understood that the Liquidated damages calculation is on a per item basis. The Parties agree that such sum bears a reasonable and proximate relationship to the actual damages which DD will or might suffer from each breach of the terms of this Agreement and that this amount is not a penalty. Alternatively, at DD's sole discretion, DD may seek to recover actual damages proximately caused by each such breach, according to proof. Any other breaches not a LD Breach Terms shall be subject to a claim for actual damages according to proof; furthermore, any monies held in Trust by PP's Attorney shall be frozen and shall not be disbursed to PP until the Arbitrator finally resolves the allegation of Breach.

**5.1.3 Injunctive Relief.** PP acknowledges and agrees that any unauthorized disclosure to Third Parties of any Confidential Information will cause irreparable harm to DD, which damages and injuries will most likely not be measurable or susceptible to calculation. PP further acknowledges and agrees that any breach or threatened breach of this Agreement due to the unauthorized disclosure or threatened disclosure by PP to Third Parties, of any Confidential Information shall entitle DD to immediately obtain, either from the Arbitrator and/ or from any other court of competent jurisdiction, an *ex parte* issuance of a restraining order and preliminary injunction or other similar relief (herein "Injunctive Relief") without advance notice to any of PP, preventing the disclosure or any further disclosure of Confidential Information protected by the terms hereof, pending the decision of the Arbitrator or Court. The Parties further acknowledge and agree that in connection with any such proceeding, any Party may obtain from the Court or Arbitrator on an *ex parte* application or noticed motion without opposition, an order sealing the file in any such proceeding, and the Parties stipulate to the factual and legal basis for issuance of an order sealing the file in any such proceedings. The rights and remedies set forth in this Injunctive Relief Section are without prejudice to any other rights or remedies, legal or equitable, that the Parties may have as a result of any breach of this Agreement.

**5.2 Dispute Resolution.** In recognition of the mutual benefits to DD and PP of a voluntary system of alternative dispute resolution which involves binding confidential arbitration of all disputes which may arise between them, it is their intention and agreement that any and all claims or controversies arising between DD on the one hand, and PP on the other hand, shall be resolved by binding confidential Arbitration to the greatest extent permitted by law. Arbitration shall take place before JAMS ENDISPUTE ("JAMS") pursuant to JAMS Comprehensive Arbitration Rules and Procedures (including Interim Measures) ("JAMS Rules") and the law selected by DD, (such selection shall be limited to either, California, Nevada or Arizona), or before ACTION DISPUTE RESOLUTION SERVICES ("ADRS") pursuant to the ADRS Rules (including Interim Measures) and the law selected by DD (whichever the claimant elects upon filing an arbitration), in a the location selected by DD, and will be heard and decided by a sole, neutral arbitrator ("Arbitrator") selected either by agreement of the Parties, or if the Parties are unable to agree, then selected under the Rules of the selected arbitration service. The costs and fees associated with any Arbitrator and/or Arbitration service shall be split equally among the parties to any such dispute. The Parties shall have the right to conduct discovery in accordance with the California Code of Civil Procedure Section 1283.05 *et. seq.* or any similar provision existing in the jurisdiction selected by DD and the written discovery requests and results of discovery shall be deemed to constitute Confidential Information. The Arbitrator shall have the right to impose all legal and equitable remedies that would be available to any Party before any governmental dispute resolution forum or court of competent jurisdiction, including without limitation temporary, preliminary and permanent injunctive relief, compensatory damages, liquidated damages, accounting, disgorgement, specific performance, attorneys fees and costs,

  
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and punitive damages. It is understood and agreed that each of the Parties shall bear his/its own attorneys' fees, expert fees, consulting fees, and other litigation costs (if any) ordinarily associated with legal proceedings taking place in a judicial forum, subject to the Arbitrator's reassessment in favor of the prevailing party to the extent permitted by law. **Each of the Parties understands, acknowledges and agrees that by agreeing to arbitration as provided herein, each of the Parties is giving up any right that he/she/it may have to a trial by judge or jury with regard to the matters which are required to be submitted to mandatory and binding Arbitration pursuant to the terms hereof. Each of the Parties further understands, acknowledges and agrees that there is no right to an appeal or a review of an Arbitrator's award as there would be a right of appeal or review of a judge or jury's decision.**

## 6.0 MUTUAL RELEASES

6.1 Except for the rights and obligations of the Parties set forth in this Agreement, DD, for himself, and each of his representatives, agents, assigns, heirs, partners, companies, affiliated companies, employees, insurers and attorneys, absolutely and forever releases and discharges PP, individually, and all of PP's heirs, and PP's attorneys, and each of them ("PP Releasees"), of and from any and all claims, demands, damages, debts, liabilities, accounts, reckonings, obligations, costs (including attorney's fees), expenses, liens, actions and causes of actions of every kind and nature whatsoever, whether known or unknown, from the beginning of time to the effective date of this Agreement, including without limitation any and all matters, facts, claims and/or defenses asserted or which could have been asserted in the Matter, or which could have been asserted in any other legal action or proceeding, except as may be provided herein (the "DD Released Claims").

6.2 Except for the rights and obligations of the Parties set forth in this Agreement, PP, for herself, and her representatives, agents, assigns, heirs, partners, companies, affiliated companies, employees, insurers and attorneys, absolutely and forever release and discharge DD, individually, and each of his representatives, agents, assigns, heirs, partners, companies, affiliated companies, subsidiaries, employees, attorneys, successors, insurers, and each of them ("DD Releasees"), of and from any and all claims, demands, damages, debts, liabilities, accounts, reckonings, obligations, costs (including attorney's fees), expenses, liens, actions and causes of actions of every kind and nature whatsoever, whether known or unknown, from the beginning of time to the date of this Agreement, including without limitation any and all matters, facts, claims and/or defenses asserted or which could have been asserted in the Action, or which could have been asserted in any other legal action or proceeding (the "PP Released Claims").

6.3 The subject matter referred to in paragraphs 6.1 and 6.2, above (i.e., the DD Released Claims and PP Released Claims), are collectively referred to as the "Released Matters."

6.4 The Parties hereto, and each of them, hereby warrant, represent and agree that each of them is fully aware of §1542 of the Civil Code of the State of California, which provides as follows:

"A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor."

  
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The Parties, and each of them, voluntarily waive the provisions of California Civil Code § 1542, and any other similar federal and state law as to any and all claims, demands, causes of action, or charges of every kind and nature whatsoever, whether known or unknown, suspected or unsuspected.

6.4.1 For avoidance of any doubt, by virtue of this Settlement and this Settlement Agreement, the parties hereby waive any unknown claims against each other individually, and each of their representatives, agents, assigns, heirs, partners, companies, affiliated companies, subsidiaries, employees, attorneys, successors, insurers, and each of them.

6.5 Each of the Parties hereto acknowledges and agrees that this Agreement constitutes a settlement and compromise of claims and defenses in dispute, and shall not be construed in any fashion as an admission of liability by any party hereto.

#### 7.0 CONFIDENTIALITY OF THIS AGREEMENT

7.1 The Parties, respectively, shall not to disclose the terms of this Agreement, either directly or indirectly, to the media or to anyone else other than their respective attorneys and representatives and/or as may be required by law. PP may not comment or make any press releases or otherwise discuss the resolution of the subject of this Agreement.

#### 8.0 MISCELLANEOUS TERMS

8.1 Entire Agreement. This Agreement constitutes the entire agreement and understanding concerning the Released Matters hereof between the Parties hereto and supersedes any and all prior negotiations and proposed agreement and/or agreements, written and/or oral, between the Parties. Each of the Parties hereto acknowledges that neither they, nor any other party, nor any agent or attorney of any other party has made any promise, representation, or warranty whatsoever, expressed or implied, written or oral, which is not contained herein, concerning the subject matter hereof, to induce it to execute this Agreement, and each of the Parties hereto acknowledges that she/he has not executed this Agreement in reliance on any promise, representation, and/or warranty not contained herein. This Agreement shall be binding on and inure to the benefit of the Parties, the Releasees, and each of their respective successors and assigns and designees.

8.2 DD's Election of either California, Nevada or Arizona Law & Venue. This Agreement and any dispute or controversy relating to this Agreement, shall in all respects be construed, interpreted, enforced and governed by the laws of the State of California, Arizona or Nevada at DD's election. Attorneys' Fees in the case of a Dispute. In the event of any dispute, action, proceeding or controversy regarding the existence, validity, interpretation, performance, enforcement, claimed breach or threatened breach of this Agreement, the prevailing party in any resulting arbitration proceeding and/or court proceeding shall be entitled to recover as an element of such Party's costs of suit, and not as damages, all attorneys' fees, costs and expenses incurred or sustained by such prevailing Party in connection with such action, including, without limitation, legal fees and costs.

  
PP

8.3 Attorney Fees and Costs in Formation of this Agreement. The Parties shall each bear their own costs, expert fees, attorneys' fees and other fees incurred in connection with the creation this Settlement Agreement.

8.4 Waivers; Modification. This Agreement cannot be modified or changed except by written instrument signed by all of the Parties hereto. No waiver of any of the provisions of this Agreement shall be deemed to constitute a waiver of any other provision, whether or not similar, nor shall any waiver constitute a continuing waiver. No waiver shall be binding unless executed in writing by the party making the waiver.

8.5 Scope of Provisions/Severability/Headings. None of the Parties hereto shall be deemed to be the drafter of this Agreement, but it shall be deemed that this Agreement was jointly drafted by each of the Parties hereto. Should any provision of this Agreement be found to be ambiguous in any way, such ambiguity shall not be resolved by construing this Agreement in favor of or against any party herein, but rather construing the terms of this Agreement as a whole according to their fair meaning. In the event that any provision hereof is deemed to be illegal or unenforceable, such a determination shall not affect the validity or enforceability of the remaining provisions thereof, all of which shall remain in full force and effect. Notwithstanding the foregoing, if a provision is deemed to be illegal the Parties agree to waive any defense on said grounds. In the event that such any provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law. The captions appearing at the commencement of certain paragraphs herein are descriptive only and for convenience of reference. Should there be any conflict between any such caption or heading and the paragraph at the caption of which it appears, the paragraph, and not such caption, shall control and govern.

8.6 Advice of Counsel and Understanding of this Binding Agreement. Each of the Parties represents, acknowledges, and declares that she/he has received the advice of legal counsel of his/her own choosing regarding the form, substance, and effect of this Agreement. Each of the Parties represents, acknowledges, and declares that she/he has carefully read this Agreement, knows and understands this Agreement's contents, and signs this Agreement freely, voluntarily, and without either coercion or duress. Each of the Parties represents and warrants that she/he is fully competent to manage his/her business affairs, and that she/he has full power and authority to execute this Agreement, and to do any and all of the things reasonably required hereunder; and that this Agreement, when signed by all Parties, is a valid and binding agreement, enforceable in accordance with its terms.

8.7 Further Execution. In order to carry out the terms and conditions of this Agreement, PP agrees to promptly execute, upon reasonable request, any and all documents and instruments necessary to effectuate the terms of this Agreement.

8.8 Notice Provisions. Any notice, demand or request that one Party desires, or is required to give (including service of any subpoena, court pleadings, summons and/or complaint), to the other Party must be promptly communicated to the other Party by using their respective contact information below, by both (i) e-mail or facsimile; and (ii) telephone. Either Party may change his or her contact information by notifying the other Party of said change(s) pursuant to the applicable terms herein.

  
PP

8.8.1 To DD as follows:

ESSENTIAL CONSULTANTS, LLC  
c/o: MICHAEL BROWN, ESQ.  
500 PARK AVENUE 410A  
NEW YORK, NY 10022

8.8.2 To PP, as follows:

C/O KEITH M. DAVIDSON, ESQ.  
 8383 Wilshire Boulevard, Suite 510  
 Beverly Hills, CA 90211  
 tel. 323.658.5444  
 fax. 323-658-5444  
 e-mail: keith@KmdLaw.com

8.9 . This Agreement may be executed with one or more separate counterparts, each of which, when so executed shall be deemed to be an original and, together shall constitute and be one and the same instrument. Any executed copies or signed counterparts of this Agreement, the Declaration, and any other documentation may be executed by scanned/printed pdf copies of signatures and/or facsimile signatures, which shall be deemed to have the same force and effect as if they were original signatures.

IN WITNESS WHEREOF, by their signatures below, the Parties each have approved and executed this Agreement as of the effective date first set forth above.

DATED: \_\_\_\_\_, 2016

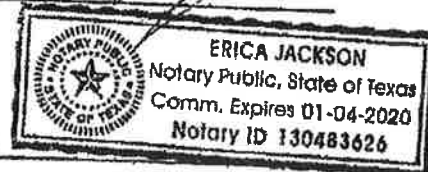
DD

DATED: Oct 28, 2016

PP

DATED: 10/28, 2016

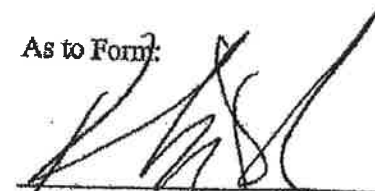
EC, LLC



PP

DATED: 10/3/16, 2016

As to Form:

  
\_\_\_\_\_  
Keith M. Davidson, Esq., Attorney for PP



DATED: \_\_\_\_\_, 2016

As to Form:

\_\_\_\_\_  
Attorney for DD

DATED: 10/28, 2016

As to Form:

  
\_\_\_\_\_  
MICHAEL D. COHEN, Esq.  
Attorney for   
ESSENTIAL CONSULTANTS, LLC

  
\_\_\_\_\_  
PP

# **Exhibit 2**



**EXHIBIT "A" TO THE CONFIDENTIAL  
SETTLEMENT AGREEMENT AND RELEASE;  
ASSIGNMENT OF COPYRIGHT AND NON-  
DISPARAGEMENT AGREEMENT**

**SIDE LETTER AGREEMENT**

**DATED 10/28/2016.**

To Whom It May Concern:

This Side Letter agreement is entered into by and on behalf of the Parties with respect to the Confidential Settlement Agreement and Mutual Release entered into by and between them on or about Oct 28, 2016 ("Settlement Agreement"), in which Stephanie Gregory Clifford a.k.a. Stormy Daniels, is referred to by the pseudonym, "PEGGY PETERSON," and [REDACTED] is referred to by the pseudonym "DAVID DENNISON."

It is understood and agreed that the true name and identity of the person referred to as "PEGGY PETERSON" in the Settlement Agreement is Stephanie Gregory Clifford a.k.a. Stormy Daniels and that any reference or designation to PEGGY PETERSON shall be deemed the same thing as referring to Stephanie Gregory Clifford a.k.a. Stormy Daniels by her true name as identified herein.

It is understood and agreed that the true name and identity of the person referred to as "DAVID DENNISON" in the Settlement Agreement is [REDACTED], and that any reference or designation to DAVID DENNISON shall be deemed the same thing as referring to [REDACTED] by his true name as identified herein.

It is understood and agreed that the true name and identity of the entity referred to as "EC, LLC" in the Settlement Agreement is [REDACTED] LLC and that any reference or designation to EC, LLC shall be deemed the same thing as referring to [REDACTED] LLC, by its true name as identified herein.

It is further acknowledged and agreed by the parties that notwithstanding the provisions of Paragraph 7.1 of the Settlement Agreement (which provides that the Settlement Agreement constitutes the entire agreement between the Parties with respect to the matters herein and in supersedes all prior and contemporaneous oral and written agreements and discussions pertaining to the matters herein), this Side Letter agreement shall be deemed part of the agreement between the Parties. Accordingly, Paragraph 7.1 of the Settlement Agreement is hereby amended via supplanting to provide as follows:

**"7.1.1 Integration.** The Side Letter agreement entered into by the Parties concurrently with their entry into this Agreement shall be deemed part of this Agreement, and this Agreement and the Side Letter agreement together constitute the entire agreement between the Parties with



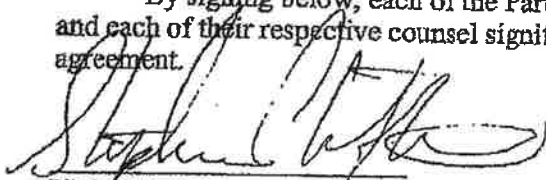
respect to the matters herein and supersedes all prior and contemporaneous oral and written agreements and discussions pertaining to the matters herein."

For avoidance of doubt, it is further agreed that this Side Letter agreement shall constitute Confidential Information as defined in the Settlement Agreement, that neither this Side Letter agreement nor any portion hereof may be disclosed to anyone except as and to the extent expressly provided in the Settlement Agreement, and that any unauthorized disclosure or use of this Side Letter agreement or any portion hereof shall constitute a material breach of the confidentiality provisions of the Settlement Agreement.

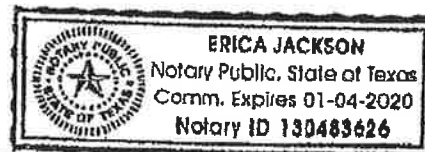
It is further agreed that neither party shall keep a copy of this document, and that only Keith M. Davidson, Esq. AND [REDACTED] counsel for the parties herein), shall maintain possession of it or access to this Side Letter agreement. FOR AVOIDANCE OF DOUBT, THE PARTIES HERETO AGREE AND CONFIRM THAT THIS SIDE LETTER AGREEMENT IS DEEMED "ATTORNEY'S EYES ONLY."

This Side Letter agreement may be executed in counterparts and when each Party has signed and delivered one such counterpart to the other Party, each counterpart shall be deemed an original, and all counterparts taken together shall constitute one and the same Agreement, which shall be binding and effective as to the Parties. The Agreement may be executed by facsimile or electronic PDF signatures, which shall have the same force and effect as if they were originals.

By signing below, each of the Parties signifies their agreement to the terms hereof and each of their respective counsel signify their approval as to the form of this letter agreement.

  
PEGGY PETERSON a.k.a. Stephanie Gregory  
Clifford a.k.a. Stormy Daniels

10/28/16  
date




DAVID DENNISON a.k.a. \_\_\_\_\_

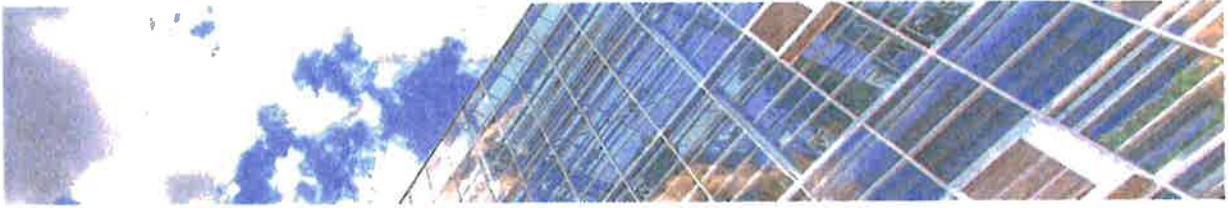
date

  
Keith M. Davidson, Esq.

10/31/16  
date

  
\_\_\_\_\_, Esq.  
[REDACTED]

10/28/16  
date



## EXECUTIVE SUMMARY

Note: This information is true and correct as of the date of this Preliminary Report of Findings (May 8, 2018) to the best of our knowledge. Additional information is being obtained on a near daily basis. The below information and findings, therefore, are subject to change.

## BACKGROUND

### Michael Dean Cohen

- Michael Dean Cohen ("Mr. Cohen") is an attorney licensed in the State of New York. He is a graduate of Cooley Law School and a resident of Manhattan, New York City, New York.
- Mr. Cohen served at the right hand of Mr. Donald J. Trump ("Mr. Trump") as Mr. Trump's attorney beginning in approximately 2007 and continuing until at least April of this year. During this same approximate time period, Mr. Cohen also occupied a senior position with the Trump Organization (although it is unclear as to when he formally left the company).
- Importantly, at all relevant times, Mr. Cohen and Mr. Trump have consistently referred to Mr. Cohen as Mr. Trump's attorney. In fact, in answering reporters' questions on Air Force One on April 5, 2018, Mr. Trump, referring to Mr. Cohen, stated "Michael is my attorney" (present tense).

### Essential Consultants, LLC

- On or about October 17, 2016, Michael D. Cohen established a limited liability company named Essential Consultants, LLC ("Essential") by filing the requisite paperwork with the Secretary of State in Delaware.
- At all material times, Essential has been exclusively owned and controlled by Mr. Cohen.

**FIRST REPUBLIC BANK****Establishment of Essential Consultants Bank Account at First Republic Bank**

- First Republic Bank ("First Republic") is a financial institution offering private banking, private business banking, and private wealth management, including investment, trust, and brokerage services.
- In October 2016, less than one month before the 2016 Presidential Election, Mr. Cohen established a new business account at a First Republic Bank branch ("First Republic") located in Manhattan, New York City, New York.
- In connection with the establishment of that account, Mr. Cohen was required to make certain representations to First Republic regarding Essential's business as part of First Republic's Know Your Customer ("KYC") anti-money laundering protocol.
- In order to establish the account, Mr. Cohen subsequently submitted information claiming, among other things, the following:
  - (a) Essential is a real estate consulting company that collects fees for investment consulting work;
  - (b) The company's typical clients are U.S.-based high net worth individuals;
  - (c) The company's primary source of funds will be derived from within the U.S. or a U.S.-based company;
  - (d) The company expected one (1) to twenty (20) incoming domestic only wires totaling \$1,000 to \$10,000 each month for consulting fees, and one (1) to twenty (20) ACH credits and electronic transfers totaling \$1,000 to \$10,000 each month;
  - (e) No outgoing wire transfers and debits related to ACH or electronic transfers were expected; and
  - (f) Receipts of the business would be internally transferred to Mr. Cohen's personal account at First Republic Bank.
- As set forth below, the above representations made to the bank were false when made and continued to be false at all material times based on the activity occurring in the account. *This likely constitutes bank fraud.*
- Following the submission of the required information by Mr. Cohen, First Republic opened a business account for Essential bearing account number

The Payment to Stephanie Clifford (aka Stormy Daniels) and Subsequent Reimbursement

- On October 27, 2016 Mr. Cohen caused a wire of \$130,000 from Essential Consultants' account at First Republic Bank to be sent to an Attorney-Client Trust Account of Keith M. Davidson & Associates at City National Bank located in California. The wire originated from First Republic Bank's operations located in California. *Note: this fact may provide the State of California with jurisdiction over possible state criminal charges associated with this payment.*
- Mr. Cohen has previously claimed that the source of funds from the \$130,000 payment was a home equity line of credit advance conducted on October 26, 2016. This has yet to be confirmed. *However, as detailed below, within approximately 75 days of the payment to Ms. Clifford, Mr. Viktor Vekselberg, a Russian Oligarch with close ties to Russian President Vladimir Putin, caused substantial funds to be deposited into the bank account from which Mr. Cohen made the payment. It appears that these funds may have replenished the account following the payment to Ms. Clifford.*

Additional Possible Fraudulent and Illegal Financial Transactions

- From October 2016 through January 2018, Mr. Cohen used his First Republic account to engage in suspicious financial transactions totaling \$4,425,033.46.
- Chief among these suspicious financial transactions are approximately \$500,000 in payments received from Mr. Viktor Vekselberg, a Russian Oligarch with an estimated net worth of nearly \$13 Billion. Mr. Vekselberg and his cousin Mr. Andrew Intrater routed eight payments to Mr. Cohen through a company named Columbus Nova LLC ("Columbus") beginning in January 2017 and continuing until at least August 2017.
- Columbus Nova is a private equity firm founded in 2000 with over \$2 billion in assets. Mr. Intrater is the CEO of Columbus Nova. Columbus Nova is the U.S. investment vehicle for Renova Group, a multi-national company controlled by Mr. Vekselberg. Renova group holds investments in various interests, including mining, oil, and telecommunications.
- *Mr. Cohen inexplicably accepted these payments while he was the personal attorney to the President and holding himself out at times as employed by the Trump Organization (with few other clients). This was occurring at the same time significant questions were being raised relating to (a) the involvement of Russia and Vladimir Putin in the 2016 Presidential Election and (b) the extent of the relationship between Mr. Putin and Mr. Trump.*

- Also included in these suspicious financial transactions are four payments in late 2017 and early 2018 totaling \$399,920 made by global pharmaceutical giant Novartis directly to Essential in four separate transactions of \$99,980 each (just below \$100,000). Following these payments, reports surfaced that Mr. Trump took a dinner meeting with the incoming CEO of Novartis before Mr. Trump's speech at the World Economic Forum in Davos, Switzerland in late January 2018.  
<https://www.fiercepharma.com/pharma/during-davos-trip-trump-takes-meeting-novartis-bayer-ceos-and-other-execs>.
- In addition, Essential received \$200,000 in four separate payments of \$50,000 in late 2017 and early 2018 from AT&T.
- Essential also received a \$150,000 payment in November 2017 from Korea Aerospace Industries LTD.
- The details of the above referenced payments and others are as follows:

*Monies Received from Columbus Nova LLC  
(controlled by Viktor Vekselberg and his cousin Andrew Intrater)*

- Approximately \$500,000 over eight transactions from January to August 2017

*Monies Received from Korea Aerospace Industries LTD*

- November 27, 2017 - \$150,000

*Monies Received from Novartis Investments SARL  
(Wire Transfers originating from UBS Switzerland)*

- October 5, 2017 – \$99,980
- November 3, 2017 – \$99,980
- December 1, 2017 – \$99,980
- January 5, 2018 – \$99,980



*Monies Received from AT&T*

- October 3, 2017 – \$50,000
- November 7, 2017 – \$50,000
- December 5, 2017 – \$50,000
- January 3, 2018 – \$50,000

*Monies Received by Michael Cohen from Elliott Broidy*

- As detailed below, Mr. Cohen (through Essential and/or Michael D. Cohen & Associates) received at least \$187,500 from Mr. Elliott Broidy that originated from an account held in Mr. Broidy's name at Bank of America. The business purpose of these payments is unclear.

CITY NATIONAL BANKTransactions Involving Elliott Broidy, Keith Davidson, Real Estate Attorneys' Group, and Essential Consultants, LLC / Michael Cohen

- Keith M. Davidson & Associates, APLC is a law firm located in Beverly Hills, California. The firm is owned by attorney Keith Davidson. The firm maintains three accounts at City National Bank ("CNB") and the banking relationship began in May 2011.
- Mr. Elliott Broidy
  - Former Deputy National Finance Chairman for the Republican National Committee.
  - Venture capitalist and prominent Republican fundraiser.
  - CEO of Broidy Capital Management.
  - Owner of Circinus, a private security company, which has hundreds of millions of dollars in contracts with foreign nationals.
- Real Estate Attorneys' Group APLC ("REAG") is a firm specializing in the commercial real estate industry.

Possible Fraudulent and Illegal Financial Transactions

- October 27, 2016: \$130,000 payment from Essential Consultants, LLC (First Republic Bank) to Keith Davidson & Associates (CNB).
- November 30, 2017: \$200,000 incoming wire from Elliott Broidy (Bank of America account) into REAG account (CNB)
- December 5, 2017: \$200,000 internal transfer from REAG to Keith Davidson & Associates
- December 29, 2017: \$62,500 incoming wire from Elliott Broidy (Bank of America) into REAG account (CNB)
- January 2, 2018: \$62,500 outgoing wire from REAG (CNB) to Essential Consultants, LLC (First Republic Bank)
- January 31, 2018: \$62,500 incoming wire from Elliott Broidy (Bank of America) into REAG account (CNB)
- January 31, 2018: \$62,500 outgoing wire from REAG (CNB) to Michael D. Cohen & Associates (First Republic Bank)
- March 1, 2018: \$62,500 incoming wire from Elliott Broidy (Bank of America) into REAG account (CNB)
- March 1, 2018: \$62,500 outgoing wire from REAG (CNB) to Michael D. Cohen & Associates (First Republic Bank)

MORGAN STANLEY SMITH BARNEYEstablishment of Michael Cohen Bank Account at Morgan Stanley Smith Barney

- Mr. Cohen opened two individual accounts at Morgan Stanley Smith Barney

Possible Fraudulent and Illegal Financial Transactions

- From July 13, 2017 through September 8, 2017, Mr. Cohen deposited three checks in the amounts of \$505,000, \$250,000, and \$250,000 in his Morgan Stanley account.
- Each deposit was remitted from an account held at First Republic Bank in the name of Essential Consultants, LLC.

- All three deposits appear to have no legitimate business purpose.

### STANDARD CHARTERED BANK

#### Possible Fraudulent and Illegal Financial Transactions

- Singapore. On July 14, 2016, Mr. Cohen cashed a check for \$700.00 in Palm Beach County, Florida. The originator of the check was KCS Outsourcing Solutions Pte Ltd. ("KCS"), a provider of corporate services, including taxation advisory, auditing, and consulting services located in Singapore.
- On February 22, 2017, Mr. Cohen received another check from KCS for \$2,998.00.
- Hungary. Mr. Cohen received two wire transfers totaling \$10,980.00 from KOBE EVA KERESKEDELMi to an account in Singapore at DBS Bank.
  - It is unclear what line of business KOBE EVA is engaged in. KOBE EVA may be a travel agency located in Budapest, Hungary. Third-party websites identify it as a retailer of newspapers and stationery items.
  - The remittances reference an invoice and a "Ms. Nikolett Vadjá."
- Malaysia & Canada. Mr. Cohen received a wire transfer in the amount of \$4,250.00 from Actuarial Partners Consulting SDN BHD to an account in Toronto at Toronto Dominion Bank.
  - Actuarial Partners is a provider of actuary services in Malaysia.
  - Mr. Cohen utilized a Canadian address belonging to Blue Cloud Immigration Inc., a company that assists individuals seeking immigration to Canada and appears to have ties to the United Arab Emirates (UAE).
- Taiwan. Mr. Cohen conducted a wire transfer from an account at Union Bank of Taiwan to an account at Bank of America in the amount of \$675.00.
- Kenya & Israel. Mr. Cohen received one wire transfer in the amount of \$980.00 from a Kenyan bank from accountholders Netanel Cohen and Stav Hayun to an account in Israel at Bank Hapoalim.



### PLEA AND COOPERATION AGREEMENT

1. This is the plea and cooperation agreement between the Attorney General of the State of New York ("the Attorney General") and defendant Elliott B. Broidy ("Broidy"). This memorandum of agreement constitutes the entire agreement between Broidy and the Attorney General. There are no promises, agreements, or conditions, express or implied, other than those set forth in this document. No modification, deletion, or addition to this agreement will be valid or binding on either party unless put into writing and signed by both parties.
2. Broidy agrees to prosecution by means of a Superior Court Information. On a date determined by the Attorney General, Broidy shall surrender upon a felony complaint and appear to be arraigned in New York County Criminal Court where he shall waive his right to a grand jury proceeding, and his right to prosecution by means of indictment.
3. Broidy will appear before the Court where New York County Superior Court Information Number 5695/2009 ("the SCI") is pending and request that the Court approve this Agreement. This Agreement will become effective only upon the Court's approval. Upon the Court's approval, Broidy will plead guilty as set forth in paragraph 4 below. At the time of the plea, Broidy will waive all defenses and all rights of appeal, and shall sign a waiver of appeal form as provided by the Attorney General.
4. Broidy will plead guilty under the SCI to one count of rewarding official misconduct in the second degree, in violation of Penal Law §200.20, a class E felony, in full satisfaction of the SCI and the conduct set forth in the allocution, which is attached in Exhibit A. At the time of the plea, Broidy shall allocute under oath as set forth in Exhibit A.
5. Broidy consents to any and all adjournments of his sentencing and any other proceedings under the SCI as may be requested by the Attorney General for the purpose of continuing Broidy's cooperation pursuant to this Agreement. If necessary to facilitate Broidy's cooperation, the plea described in paragraphs 3 and 4 above may be postponed or the entry of the plea may be postponed, and Broidy consents to all such postponements.
6. Broidy agrees to pay \$18 million in stipulated forfeiture, which is the total amount the Attorney General will seek to recover from Broidy directly. This stipulated forfeiture shall be distributed in accordance with the provisions of CPLR §1349, as though the Attorney General's Office had prevailed upon a forfeiture action. The payment shall be paid according to the following schedule: \$4 million shall be paid no later than June 30, 2010; \$7 million shall be paid no later than June 30, 2011; and the remaining \$7 million shall be paid no later than three years from the date of this agreement. These payments shall be made by wire transfer according to instructions to be provided by the Attorney General. Broidy understands and agrees that failure to pay any part of this payment when due shall be deemed a material breach of this agreement.

7. Broidy shall not directly or indirectly solicit or receive investments from the State of New York or any governmental entity within the State of New York, and for a period of five years from the date of this agreement shall not directly or indirectly enter into any contracts with the State of New York or any governmental entity within the State of New York.

8. Broidy's cooperation shall be as set forth in this paragraph. Failure to comply with this paragraph in any respect shall be a violation of this Agreement.

a. Broidy shall fully, fairly, and truthfully disclose all information and produce all records and other evidence in his possession, custody, or control which are either (i) relevant to any criminal conduct whatsoever about which he has any knowledge or information, whether such conduct has occurred before or after this Agreement has become effective, and whether or not he is questioned about such conduct, or (ii) relevant to any inquiry made by the Attorney General. Broidy shall provide such disclosures and evidence to the Attorney General and to such investigators, inspectors, detectives, or staff persons of government agencies or other organizations as the Attorney General may direct.

b. Broidy shall fully, fairly, and truthfully testify before the grand jury, at any trial, and at any other proceeding, at any date and time that the Attorney General may direct. Whenever directed by the Attorney General to testify at any proceeding, Broidy shall not assert any privilege against self-incrimination, and if directed to testify before a grand jury, Broidy shall waive immunity pursuant to Criminal Procedure Law § 190.45.

c. Broidy shall actively participate in ongoing investigations by the Attorney General. Active participation shall be as the Attorney General directs and only as the Attorney General directs. Active participation may include, but is not limited to, consenting to the release of records, repatriating money and assets, engaging in transactions, attending meetings, making telephone calls, and recording, or consenting to the recording of, transactions, meetings, and telephone calls.

d. Upon request by the Attorney General at any time, Broidy shall provide accurate and complete written disclosure of his financial condition, including disclosure of all assets, liabilities, sources of income, and expenses. The Attorney General may direct that such disclosure be sworn to and made on a form provided by the Attorney General. Broidy's obligation shall include but not be limited to: (i) the disclosure of any and all interests, direct or indirect, in any and all real or personal property, whether tangible or intangible, including all interests in property held by or in the names of other persons or entities, wherever located; (ii) taking all steps necessary to obtain disclosure of financial information from other persons if requested by the Attorney General; and (iii) providing any and all supplemental financial disclosure requested by the Attorney General, including but not limited to providing documents and other tangible items.

e. Broidy shall commit no further crimes.

f. Broidy shall not knowingly make any statement or commit any act that might compromise the safety or identity of any investigator or the confidentiality of any investigation, provided that Broidy must make such statement or do such act if required by law. If Broidy becomes aware that such statement or act may be required by law, he must immediately, and prior to making such statement or doing such act, notify the Attorney General.

g. Broidy shall meet whenever requested by the Attorney General, with the Assistant Attorneys General or investigators, inspectors, detectives, or staff persons of government agencies or other organizations, as the Attorney General may direct.

9. If Broidy fully complies with this Agreement, as determined solely by the Attorney General:

a. The Attorney General will inform the Court of the nature and extent of Broidy's criminal conduct and the nature, extent, and value of his cooperation. At the time of sentencing, the Attorney General will make a sentencing recommendation to the Court.

b. Broidy understands that the Court has the authority to impose any lawful sentence, including a sentence of incarceration, pursuant to his guilty plea. The maximum permissible sentence for rewarding official misconduct in the second degree is imprisonment for a term of  $1 \frac{1}{3}$  – 4 years, plus applicable monetary sanctions such as a fine, restitution, and reparation.

10. If Broidy violates this Agreement in any respect, as determined solely by the Attorney General:

a. If Broidy has not yet pleaded guilty pursuant to paragraph 4 above, the Attorney General may prosecute Broidy pursuant to the SCI and by a separate accusatory instrument. The Attorney General may charge Broidy with additional crimes of which the Attorney General has knowledge, provided that any crime charged would not have been time-barred if charged on or before the date of this agreement. As to any such prosecution, Broidy consents to any consolidation of his SCI or indictment with another related indictment.

b. If Broidy has pleaded guilty pursuant to paragraph 4 above, the Attorney General may request at any time that the Court order entry of the guilty plea and impose sentence based on Broidy's guilty plea. The Attorney General may request the maximum sentence authorized by law as set forth in paragraph 9 above.

c. In any prosecution, the Attorney General may offer, in the Attorney General's case-in-chief, in any defense case, or in rebuttal, any statement or testimony Broidy has made or given, and any property Broidy has produced, whether before or after the date of this Agreement, and Broidy waives all Constitutional, statutory, and other legal claims that any such statement, testimony, evidence, or leads derived therefrom

should be suppressed. In any sentencing proceeding, the Attorney General will inform the Court of the nature and extent of Broidy's criminal conduct and breach of this Agreement, and may offer any statement or testimony Broidy has made or given, and any property Broidy has produced, in the course of his cooperation with the Attorney General, whether before or after the date of this Agreement.

d. The Attorney General may request, if necessary, that the plea be entered and sentence be imposed in Broidy's absence. Broidy understands that the Court may so enter the plea and impose sentence.

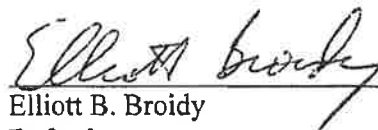
e. Broidy understands that the Court has the authority to impose any lawful sentence.

11. The Attorney General shall not be deemed, by any act, statement, or omission, to have waived any violation of this Agreement unless such waiver is put into writing and signed by both parties.

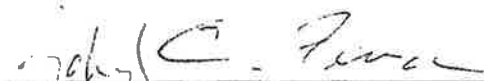
12. This agreement supersedes any prior agreement between the parties. Nothing in this agreement shall bar the prosecution of Broidy for the crimes of perjury or contempt should Broidy fail to testify truthfully in any grand jury proceeding, pre- or post-trial hearing, trial or other proceeding.

13. This Agreement is limited to the New York State Attorney General and cannot bind other government agencies.


Dated: New York, New York  
December 1, 2009



Elliott B. Broidy  
Defendant



Ralph C. Ferrara, Esq. b7C b7E  
Attorney for Elliott B. Broidy



Ellen Nachtigall Biben  
Special Deputy Attorney General  
For Public Integrity

APPROVED:



Justice of the New York State Supreme Court

## EXHIBIT A

From in or about November 2002 through in or about November 2009, I, acting in concert with high-ranking officials at the Office of the New York State Comptroller, including David Loglisci, the former head of alternative investments and chief investment officer of the New York State Common Retirement Fund, knowingly conferred and offered and agreed to confer benefits upon public servants for having violated their duties as public servants.

In seeking investments from the New York State Common Retirement Fund, I made payments for the benefit of high-ranking officials at the Office of the New York State Comptroller, who had influence and decision-making authority over investment decisions. I made these payments upon the agreement and understanding that the Office of the New York State Comptroller officials would exercise their judgment and discretion in favor of Markstone Capital Partners, and in violation of their fiduciary and other duties as public officials. Further, I concealed the fact and circumstances of these payments from investment staff and others at the Office of the New York State Comptroller, aside from those individuals who were complicit with me. In connection with this arrangement, the New York State Common Retirement Fund made investments with Markstone Capital Partners of approximately \$250,000,000.

Pursuant to my agreement and understanding with Office of the New York State Comptroller officials, I made the following illicit payments, among others:

- i. In or about January 2003, I entered into a sham consulting agreement pursuant to which I paid or caused to be paid in excess of \$380,000 to a consultant over a period of more than two years. At my direction, Markstone Capital Partners failed to comply with its obligation to disclose these as payments in connection with the New York State Common Retirement Fund investment in Markstone.
- ii. At the direction of a certain high-ranking Office of the New York State Comptroller official, between in or about October 2003 and in or about October 2005, I paid in excess of \$130,000 to two friends of the official. In order to disguise certain of these payments, I entered into a sham loan agreement with one of the official's friends, which purported to govern the payments. However, I never intended to, nor did I seek repayment of any of these payments, whether covered by the loan agreement or otherwise.
- iii. On at least five occasions, between in or about April 2003 and in or about June 2006, I traveled to Israel, and on one occasion to Italy, with high-ranking officials of the Office of the New York State Comptroller. In connection with these trips, I paid at least \$75,000 in travel expenses incurred by Office of the New York State Comptroller officials, as well as the expenses of one official's adult children. To conceal these payments, I financed some of the expenses through charitable organizations, and thereby caused false invoices to be submitted to Office of the New York State Comptroller.

## **Cuomo Announces Guilty Plea By Founder Of Private Equity Firm In Continuing Investigation Of Pay-to-play Kickback Scheme At State Pension Fund**

NEW YORK, N.Y. (December 3, 2009) - Attorney General Andrew M. Cuomo today announced a felony guilty plea by Elliott Broidy, a founder and Chairman of Markstone Capital Group LLC, for his involvement in a pay-to-play kickback scheme at the Office of the New York State Comptroller ("OSC").

Broidy acknowledged paying nearly one million dollars in gifts for the benefit of OSC officials to obtain a \$250 million investment from the New York State Common Retirement Fund ("CRF") in Markstone Capital Partners, L.P. (the "Markstone Fund"). Broidy pleaded guilty to a felony charge of rewarding official misconduct and will cooperate in the Attorney General's ongoing investigation. Broidy will also forfeit \$18 million in connection with his plea.

Today's announcement arises from a two-year, ongoing investigation into corruption involving the OSC and the CRF. The charges to date allege a complex criminal scheme involving numerous individuals operating at the highest political and governmental levels under former Comptroller Alan Hevesi, in which the State pension fund was used as a piggy bank for the Comptroller's chief political aide and a favor bank for political allies and other friends.

"Broidy paid nearly a million dollars in bribes to get a quarter billion dollar investment. For Broidy, this was a small price to pay. For New York taxpayers, the harm is incalculable," said Attorney General Cuomo. "Corruption corrodes the integrity of the pension system and the public's trust in government. That is too high a price to bear."

Markstone is a private equity firm headquartered in Los Angeles, California with an office in Israel. The Markstone Fund focuses on corporate buyout investments in privately held companies in Israel. Broidy resigned from his management role in Markstone on December 1, 2009. Broidy was also a trustee of the Los Angeles Fire and Police Pension fund from 2002 until he resigned in May 2009.

In his allocution to the Court, Broidy acknowledged making a series of payments to help induce and then increase the CRF's investment in the Markstone Fund. The CRF ultimately committed \$250 million to the Markstone Fund and paid over \$18 million in management fees to Markstone. Broidy acknowledged that he had an agreement or understanding with certain high-ranking OSC officials: in exchange for certain benefits from Broidy, the OSC officials would exercise their judgment or discretion to benefit Markstone. Broidy acknowledged the following illicit arrangements:

- ▶ Broidy funneled \$300,000 to "Chooch," a movie produced by brothers of David Loglisci, the Chief Investment Officer at OSC under Hevesi. To hide the payments, Broidy made them through a

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friend, with the understanding that Broidy would reimburse him, which Broidy did. **FSFP Exhibit 4**

- Broidy entered into a sham consulting agreement with a family member of a senior OSC official. Broidy paid more than \$380,000 to the consultant over a period of more than two years.
- Broidy paid over \$90,000 to the girlfriend of a high-ranking OSC official from April 2004 through October 2005. The payments were used to cover the girlfriend's living expenses and rent. Broidy also covered the girlfriend's hospital bills. Broidy also agreed to pay \$5,500 a month to a relative of the girlfriend beginning in October 2003, for a total of \$44,000. These payments were concealed through a sham loan agreement between Broidy and the relative.
- In connection with the CRF's investment in the Markstone Fund, Broidy traveled to Israel with a very high-ranking OSC official on at least five occasions and on one occasion to Italy. Relatives of the OSC official were present on some of the trips. Broidy subsidized these trips, paying for accommodations and services for the OSC official, the relatives, and Loglisci. Broidy paid at least \$75,000 for first class airfare, luxury hotel suites, a car and driver, a helicopter tour, and security detail on these trips. To conceal these payments, Broidy financed these expenses through charities and caused false invoices to be submitted to the OSC.

Broidy pleaded guilty before Justice Bart Stone in the State Supreme Court, New York County, Part 31, and was released on his own recognizance with travel restrictions. Broidy faces a possible sentence of up to 4 years in prison for the charge of rewarding official misconduct, a Class E felony.

Attorney General Cuomo's investigation into corruption at the CRF has led to a number of criminal charges to date, including charges against Morris and Loglisci, former Liberal Party Chair Ray Harding, and investment advisor Saul Meyer. Meyer, Harding, hedge fund manager Barrett Wissman, and Julio Ramirez, an unlicensed placement agent, have pled guilty to Martin Act securities fraud charges for conduct related to the pension fund. Morris and Loglisci are presumed innocent until they are proven guilty in court.

Cuomo also issued subpoenas in May to over 100 investment firms and agents after his investigation found that 40 to 50 percent of agents obtaining investments from New York pension funds were unregistered.

Earlier this year, Cuomo announced his Public Pension Fund Reform Code of Conduct, which would eliminate pay to play in state public pension funds. To date, seven firms have signed onto the Code: The Carlyle Group, Riverstone Holdings, Pacific Corporate Group, HM Capital, Falconhead Capital, Levine Leichtman Capital Partners, and Access Capital Partners. These firms collectively have agreed to return nearly \$60 million associated with New York State Common Retirement Fund investments; these funds will principally be provided to the CRF for the benefit of the pension holders.



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In July, the United States Securities & Exchange Commission proposed new pay-to-play rules that would institutionalize Cuomo's Code of Conduct nationwide. **ESEP Exhibit 4**

The investigation was conducted by Stacy Aronowitz, Deputy Chief of the Public Integrity Bureau, and Assistant Attorneys General Emily Bradford, Rachel Doft, Noah Falk, and Amy Tully, under the supervision of Ellen Nachtigall Biben, Special Deputy Attorney General for Public Integrity, and Linda A. Lacewell, Special Counsel.

**Attorney General's Press Office: (212) 416-8060**

**[nyag.pressoffice@ag.ny.gov](mailto:nyag.pressoffice@ag.ny.gov)**

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Ring In "Operation Yellow Brick Road"**

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Wash For Allegedly Cheating Over 150  
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**FSFP Exhibit 4**

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Reverses Course After Pressure, Signals Intent  
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