



Laurence A. Levy
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September 3, 2019

VIA EMAIL CELA@Fec.gov

Ms. Kathryn Ross
 Paralegal
 Federal Election Commission
 Office of Complaints Examination and Legal Administration
 1050 First Street, NE
 Washington, DC 20463

Re. MUR 7442

Dear Ms. Ross:

We submit this response to the supplement to the compliant denominated MUR 7442, on behalf of our clients, Global Energy Producers, LLC, Igor Fruman, Lev Parnas, and Aaron Investments I, LLC. The supplemental complaint repeats the incorrect allegation that Global Energy Producers (“GEP”) is not a real company, rather that it is simply a shell from which to make disguised political contributions that actually come from another source. It again tars an attorney in Florida by accusing him of, “specializing in navigating rules for foreign buyers using shell companies to launder money through U.S. real estate....”, without providing any evidence that such a questionable transaction occurred here.

GEP is an active and ongoing business, demonstrating the falsity of the root claim by the complainant. As noted in the original response by sworn affidavits, GEP has hired personnel, entered into an agreement with a major international energy company, funded extensive travel by its principals, and is now on the cusp of finalizing its first major energy deal involving international energy assets being sold to a European country.ⁱ The agreement is being finalized and the arrangements must be kept confidential, however GEP is prepared to provide a copy of the public aspects of the transaction when it is completed and operational later this year.ⁱⁱ

As previously noted, the funds used by GEP to make the subject contribution came from the investment into GEP by its founders principally Mr. Fruman and Mr. Parnas. At all times the funds were intended for the benefit of GEP and have been expended in furtherance of GEP’s business interests. The contribution made by wire transfer was noted as coming from GEP, and the address for GEP was provided to America First Action at the time of the contribution. In addition, the principals made other contributions, in their individual capacities, showing GEP as their employer, which further demonstrates the that Mr. Parnas and Mr. Fruman were not in any way trying to hide their identities or their connection to GEP.

The supplemental complaint provides an insight that the funds for the contribution were actually disbursed from an account controlled by Mr. Parnas and his wife, Aaron Investments I, LLC, not directly from the GEP account. Upon seeing this record Mr. Parnas and Mr. Fruman had their recollections refreshed as to the details of the \$325,000 contribution from GEP to America First Actionⁱⁱⁱ.

As stated in the original response Mr. Fruman and Mr. Parnas put approximately two million dollars into their new business ventures, which included Global Energy Producers, LLC, Global Energy Developers/Miami, LLC (a real estate investment vehicle), and Global Energy Partners, LLC (a holding company).^{iv} \$1,260,329.80 was generated by Mr. Fruman, through a real estate transaction, on, or about May 15, 2018, with the funds intended for GEP.^v As previously stated Mr. Fruman has had significant success investing in real estate and restaurants in the United States, and Mr. Fruman wanted to include a real estate business as part of the multiple Global named corporate LLC's he and Mr. Parnas formed together. Mr. Furman paid off a thirty percent partner in a New York City restaurant property, Mamo, and put that interest into Global Developers Miami, LLC, one of the related businesses he and Mr. Parnas had started.^{vi} In addition, Mr. Fruman took a loan against a property he owned at 10295 Collins Avenue, in Bal Harbour, Florida in the amount of three million dollars. He used that money to pay off the aforementioned restaurant interest, pay the expenses of getting a loan, and dedicated the remaining cash to an investment in GEP, and their fledgling business.^{vii} The documents from the closing, Exhibit J, demonstrates that the funds came from the property transaction, involving a United States property, owned by a United States citizen, which was mortgaged to a private lender group based in Livingston, New Jersey, with loan servicing by Evergreen Note Servicing, a company in Reno, Nevada.^{viii} Moreover, Ross Commercial Loans was the broker that introduced Mr. Fruman to the lenders; he had no prior relationship to them or with the Jacobson Law Firm that represented the lender.^{ix}

The net cash from the aforementioned transaction was intended to go straight to GEP, for operational expenses, and such other expenses as would be appropriate.^x In the interim funds were held by a law firm, The Jacobs Group, in a client trust account from which they were to transfer the funds to the GEP account at the closing on May 15, 2018, however the GEP bank account had not been fully opened on that date, rather it was opened on May 17, 2018.^{xi} The transfer to Aaron Investment was simply an accommodation to hold the funds in a vehicle controlled by Mr. Parnas, as one of the two principals of GEP, until such time as they completed other organizational work, including but not limited to opening a business account with Chase Bank.^{xii} At all times the Aaron Investment was simply a vehicle from which the partners could operate and move funds around to their various business interests as they were building said business. Indeed, on May 22, they transferred \$100,000 from Aaron Investments to GEP for its initial operational needs.^{xiii} And, at all times they maintained books and records demonstrating funds taken from the Aaron Investment account, for the benefit of GEP, were recorded as GEP funds.^{xiv} It is not uncommon with fledgling companies, related through the same private ownership to move funds from one to the other as needed, as long as the books and records accurately reported the transactions.

The contribution to America First Action for \$325,000 was made with funds dedicated, and raised for the purpose of funding GEP, and made on May 17, 2019, the same day the GEP bank account was opened.^{xv} Mr. Parnas and Mr. Fruman had forgotten that the contribution came from the Aaron Investment account, not the bank account because they were setting up the bank account, while temporarily using funds from the Aaron Account for business purposes. ^{xvi} They did recall that the transaction was labeled as coming from GEP, that it was credited on GEP's books as an investment in and contribution out, as GEP was always the intended owner of said funds. Further, at all times they acted in good faith to accurately report the contribution as being made by GEP. As noted, Mr. Parnas and Mr. Fruman wanted the world to know their fledgling energy trading company was 'for real', in part by garnering attention for the six-figure contribution from GEP to America First Action.^{xvii} In taking such action they were following both their own and common business practices of moving money around through various closely held businesses to have the most flexibility in developing and operating the business, while documenting the transfers to ensure accurate records for each entity.^{xviii}

To characterize the contribution as being sourced from anything but GEP would be false, misleading and frustrate the disclosure rules of the Commission. Recognizing that GEP is a real and ongoing business, not a phony shell, or a disguised political action committee as the complaint would like you to believe, required reporting the contribution as coming from GEP. Indeed, GEP's principals have spent more time in Europe than in the US in the last several weeks as they are diligently closing a multimillion dollar energy trading agreement in Europe. They anticipate the GEP agreement will be fully executed by early September, and be made public in the fourth quarter of this year.^{xix} They also anticipate filing the GEP 2018 tax return in late September or early October, which will document the transaction related to the \$325,000 contribution.

It is also worth noting that Mr. Parnas and Mr. Fruman are relative neophytes in terms of making large contributions to support political candidates. Each has informed in their original affidavits that they were excited by Mr. Trump's candidacy and policies, as such for the first time they became significant political donors. They made sure to have the contribution by wire transfer annotated to show it was from GEP. While it may have been a better practice to wait until the GEP bank account was set up and fully funded, and then wait some time---a week, a month, something else---before making the contribution, isn't that simply a case of form over function.

Advisory Opinions, Matters Under Review, and case law support the legal requirement to reveal the true source of funds when making a federal political contribution. However, the cases all involve attempts to mask the true identity of the donor, not, as here, an attempt to properly identify the business responsible for making the contribution. For example in MUR 7472, Mr. Barletta made \$39,800 in federal political contributions which were all reimbursed to him by corporations, thus the true source of the contributions were the corporations, which were also barred from making such contributions. See also, MUR 7005, which found Mr. Victor of TransGas Development Systems, LLC directed employees and relatives to either write a check to a political candidate which he then reimbursed through his company, or he purchased bank checks with company assets and then falsely reported they were from the other individuals.

Once again, an effort to circumvent the law and make additional contributions to a political candidate by falsifying the true source of the funds.

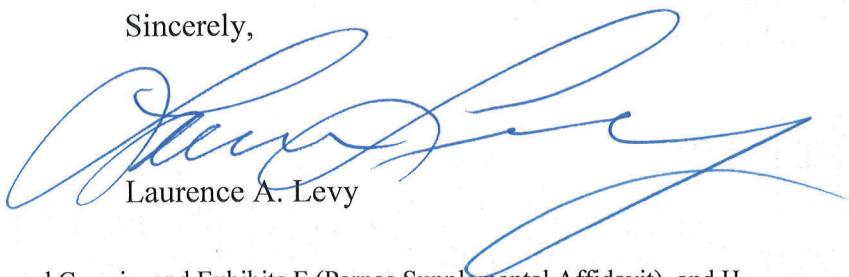
In MUR 6485 (W.Spahn LLC), cited in GEP's initial response the Commission found a violation because the respondent admittedly created an LLC for the sole purpose of making a disguised contribution to avoid adverse publicity for making such a contribution. And, the respondent closed the LLC immediately after making the subject million-dollar contribution. Unlike that situation GEP was formed, and continues to operate as an international energy trading company and made a knowing contribution on behalf of their fledgling, but ongoing business.^{xx} In the supplemental to the First General Counsel's Report in MUR 6485, Counsel wrote, "We write to clarify our discussion at page 6, concerning the "true source" of a contribution under 52 U.S.C. §30122. Specifically, the fact that another person exercises "direction or control" over an LLC intermediary may be consistent with a conclusion that the other person was the true source of a contribution, but that fact alone is not sufficient to resolve the true source inquiry. Rather, the analysis requires examination of whether a source transmitted property to another with purpose that it be used to make or reimburse a contribution." In the present situation Mr. Parnas and Mr. Furman transferred funds as an investment in their new company, GEP, which they believed could most effectively further their business interests by contributing the funds to America First Action.^{xxi} GEP was not a phony shell company set up to hide the true source of funds, rather it was and is an ongoing business practicing in a field where the perception of wealth and being politically active are important factors leading to success.

Unlike straw donors who try to hide the real donor, Mr. Parnas and Mr. Fruman invested in their fledgling business, Global Energy Producers, and believed one of the best ways to establish the new firm was to make a six figure political donation to an organization supportive of the incumbent administration. They were admittedly sloppy in moving funds into the GEP account, but any error was born of ignorance of the technical rules in an attempt to truthfully and fully disclose the contribution they documented in the books and records of GEP. Mr. Parnas and Mr. Fruman viewed the temporary placement of funds in Aaron Investments I, LLC, no differently than if they had put the funds into a bank account. The funds at all times were raised, transformed and used for the benefit of GEP and therefore appropriately reported as a contribution from GEP.

Conclusion

For each of the foregoing reasons in this supplemental response and the original response, the Commission should find no reason to believe a violation of federal election law occurred and dismiss this compliant.

Sincerely,



Laurence A. Levy

ⁱ See original affidavits of Parnas, Furman, and Correia, and Exhibits F (Parnas Supplemental Affidavit), and H (Fruman Supplemental Affidavit) and Ex G, an ADP payroll report

ⁱⁱ See Exhibits F and H (see Fruman and Parnas Affidavits)

ⁱⁱⁱ See Fruman and Parnas Affidavits

^{iv} See original affidavits of Parnas, Correia, and Fruman.

^v See Fruman and Parnas Affidavits.

^{vi} See Fruman and Parnas Affidavits and Ex. J.

^{vii} See Fruman and Parnas Affidavits and Ex. J.

^{viii} See Exhibit 8.

^{ix} See Fruman Affidavit and Ex. J.

^x See Fruman and Parnas Affidavits.

^{xi} See Ex. J, K and Fruman Affidavit

^{xii} See Fruman and Parnas Affidavits

^{xiii} See Fruman and Parnas Affidavits & Ex. K and L

^{xiv} See Fruman and Parnas Affidavits and Ex. J & L

^{xv} See Ex. K and Fruman and Parnas Affidavits

^{xvi} See Fruman and Parnas Affidavits.

^{xvii} See Fruman and Parnas Affidavits.

^{xviii} See Fruman and Parnas Affidavits.

^{xix} See Fruman and Parnas Affidavits.

^{xx} See Fruman and Parnas Affidavits.

^{xxi} See Fruman and Parnas Affidavits.

EXHIBIT F

BEFORE THE FEDERAL ELECTION COMMISSION**MUR 7442**

I, Lev Parnas in accordance with the provisions of 28 U.S.C. §1746, make the following statement in support of the response of myself, Mr. Igor Fruman, Global Energy Producers, LLC and Aaron Investments I, LLC to MUR 7442; it is provided to the best of my recollection.

1. On October 12, 2018 I filed an affidavit in MUR 7442 regarding a contribution made by Global Energy Producers ("GEP") to America First Action for \$325,000. Said contribution was made with funds dedicated to GEP for the purpose of establishing our new business and pursuing a business plan.
2. As previously indicated we were very impressed with President Donald Trump and made a decision to support him through a contribution to America First Action, out of the initial funds we made available for GEP.
3. As previously indicated we believed it good business to make the contribution from our developing business focusing on international energy sales, in particular selling liquid natural gas in Eastern Europe where we had other business operations and many business and friendship contacts. We believed a significant contribution from our fledgling company would both support political beliefs we subscribed to, and also demonstrate that GEP is a significant new force in the industry.
4. We have continued to travel to Europe and other parts of the world working on putting together energy deals for GEP. In the last 60 days we have spent significant time in Spain, Vienna, and various US cities, working toward a significant contract. We've already entered into an agreement with a global energy trading company to work together on new deals.
5. We are completing a multi-million dollar contract to provide liquid natural gas in Europe, which we expect to be operational at the end of this year. Major energy contracts of this

nature often have a long lead time to get them done, this is especially so for contracts with new business entities.

6. GEP continues to be an active and vital company in the energy business, without regard to the complaints allegation that it isn't a real business. GEP continues to pay staff through ADP, fund travel and research, and as noted is on the cusp of signing its first major energy contract. (see Exhibit G)
7. It has been brought to my attention through the supplemental complaint, that the funds earmarked for GEP used to make the contribution, which also included a clear notation that the contribution was from and on behalf of GEP, came from an intermediary holding account, controlled by my wife and me.
8. The funds used came from a real estate investment as previously stated. We set up three companies, one of which was GEP, one is a holding company and one was the real estate company. Global Energy Developers/Miami LLC. It was, and still is our practice to move money around among the accounts as funds are needed for specific purposes, while having our accountants document the transactions.
9. The complaint alleges the attorney escrow account the funds came from somehow is involved in 'washing' foreign funds in the U.S. Without regard to the spurious character assassination the attorney in question was the lender's attorney, not our attorney, and we were introduced to the lender by a Florida broker, Russ Commercial Loans. We consulted Greenspoon & Marder our Miami Corporate law firm on this transaction, and the same firm was retained by Mr. Fruman in the real estate transaction involving a property he owned in the United States. (see Exhibit J)
10. Funds from the transaction were then designated for investment into GEP and our other business entities. When the funds were released from the escrow account on May 15, 2018 we had not yet set up the bank account for GEP, so the funds were deposited into an account controlled by me and my wife, specifically, Aaron Investments I, LLC. (see

Exhibit K) The funds were always intended to be temporarily held in Aaron Investment I until such time as we fully established the bank accounts for our new businesses and needed funds for same.

11. While we believed we had transferred the funds to GEP prior to making the contribution we now have been reminded that the funds were transmitted from Aaron Investment I to America First Action, with a notation that the funds were from GEP.
12. It was always our intention to be clear and transparent in making a contribution to America First Action from GEP, without regard to the funds being drawn on a temporary holding account. Had we remembered that fact we would have expressed it to the FEC in our prior response.
13. It was our intention to lay down a marker showing GEP as a significant participant in the Global Energy business by making the large contribution to America First Action from GEP. The accounting records of GEP so reflect the \$325,000 as an investment in GEP and a political contribution from GEP. (See Exhibit L)
14. At all times the contribution was made from funds we dedicated to GEP, for GEP's purposes and took reasonable actions to make sure the funds were so labeled and recorded in the Company's books. We were and are proud that our fledgling business could participate in the political process in a way that furthered its business and philosophical interests.
15. The \$325,000 contribution was part of the investment we put into GEP in May of 2018. My partner, Igor Fruman provided the investment funds to keep from a mortgage transaction involving a United States property he owned in Florida. (See Exhibit J)
16. To recap, first the complaint alleged GEP wasn't a real business and we were trying to hide our identities' as the contributors. Clearly, I had no interest in hiding my identity, indeed I made other contributions from my own funds showing my position at GEP and such has been disclosed by the recipients. Now it claims that we made multiple transfers

of funds to hide the original source and suggests it is an investment by some unknown foreign source. It is not, the funds came from United States real estate investments by United States citizens, for the purpose of establishing GEP. (See Exhibit J)

17. While I have significant business experience both I and my partner are relative neophytes in making political contributions, certainly anything as significant as the \$325,000 contribution in question. We had no intent to hide the source of the funds, rather we wanted to publicly acknowledge GEP as the donor. In my experience running other closely held LLC organizations I regularly moved money from one entity to another as needed, and documented same on the entity books.
18. The records of GEP demonstrates that at the time of the contribution, we recorded the investment in GEP, and the contribution from GEP, in the books and records of GEP. (see Exhibit L), the accountant records for GEP for the relevant time. And we will so record and report the transaction in our first tax filing now due in October.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true.

Dated: September 3, 2019



Lev Parnas

Subscribed and sworn to before me this 3rd day of September 2019

NAZHA SALHI

Notary Public



EXHIBIT G

Payroll Details

Hours and Earnings				Taxes				Deductions				Employer	
Description	Hours	Rate	Amount		Tax	Amount		Deduction	Amount	Net Pay		Liability	Amount
Pay Frequency: Biweekly													
Employee: Van Rensburg, Andre				SSN: xxx-xx-8852									
Regular	80.00		2,307.69	FED FIT		151.50				2,279.66	FED SOCSEC-ER		143.08
Misc	0.00		300.00	FED SOCSEC		143.07					FED MEDCARE-ER		33.46
reimbursement				FED		33.46							176.54
non-taxable				MEDCARE									
	<hr/> 80.00		<hr/> 2,607.69			<hr/> 328.03							
Check Date: 11/02/2018 / Direct Deposit / Checking / Account No: XXXXXXXXX8377 \$2,279.66													
Employee: Van Rensburg, Deanna J				SSN: xxx-xx-2009									
Regular	0.00		2,884.61	FED FIT		239.88				2,560.70	FED SOCSEC-ER		178.85
Misc	0.00		136.64	FED SOCSEC		178.85					FED MEDCARE-ER		41.83
reimbursement				FED		41.82							220.68
non-taxable				MEDCARE									
	<hr/> 0.00		<hr/> 3,021.25			<hr/> 460.55							
Check Date: 11/02/2018 / Direct Deposit / Checking / Account No: XXXXXXXXX8377 \$2,560.70													
Pay Frequency Totals: Biweekly													
Regular	80.00		\$5,192.30	FED FIT		\$391.38				\$4,840.36	FED SOCSEC-ER		\$321.93
Misc	0.00		\$436.64	FED SOCSEC		\$321.92					FED MEDCARE-ER		\$75.29
reimbursement				FED		\$75.28							\$397.22
non-taxable				MEDCARE									
	<hr/> 80.00		<hr/> \$5,628.94			<hr/> \$788.58							
Total Employees - Biweekly: 2													
Company Totals:													
Regular	80.00		\$5,192.30	FED FIT		\$391.38				\$4,840.36	FED SOCSEC-ER		\$321.93
Misc	0.00		\$436.64	FED SOCSEC		\$321.92					FED MEDCARE-ER		\$75.29
reimbursement				FED		\$75.28							\$397.22
non-taxable				MEDCARE									
	<hr/> 80.00		<hr/> \$5,628.94			<hr/> \$788.58							
Total Employees - Company: 2													

Payroll Summary

Check Date	Name	Hours	Total Paid	Tax Withheld	Deductions	Net Pay	Check No	Employer Liability	Total Expense
Pay Frequency: Biweekly									
12/14/2018	Van Rensburg, Andre	80.00	2,307.69	328.03	0.00	1,979.66	DD	176.54	2,484.23
12/14/2018	Van Rensburg, Deanna J	0.00	2,979.61	460.55	0.00	2,519.06	DD	220.68	3,200.29
Pay Frequency Totals: Biweekly		80.00	\$5,287.30	\$788.58	\$0.00	\$4,498.72		\$397.22	\$5,684.52
Total Net Pays for Biweekly Frequency: 2									
Company Totals:		80.00	\$5,287.30	\$788.58	\$0.00	\$4,498.72		\$397.22	\$5,684.52
Total Net Pays for Company: 2									

EXHIBIT H

BEFORE THE FEDERAL ELECTION COMMISSION
MUR 7442

I, Igor Fruman, in accordance with the provisions of 28 U.S.C. §1746, make the following statement in support of the response of myself, Mr. Lev Parnas, GlobalEnergy Producers, LLC and Aaron Investments I, LLC to MUR 7442; it is provided to the best of my recollection.

1. On October 12, 2018 I filed an affidavit in MUR 7442 regarding a contribution made by Global Energy Producers ("GEP") to America First Action for \$325,000. Said contribution was made with funds dedicated to GEP for the purpose of establishing our new business and pursuing a business plan.
2. As previously indicated my colleague Lev Parnas and I were very impressed with President Donald Trump and made a decision to support him through a contribution to America First Action. We did so out of the initial funds we made available for GEP.
3. As previously indicated we believed it good business to make the contribution from our developing business focusing on international energy sales, in particular selling liquid natural gas in Eastern Europe where we had other business operations and many business and friendship contacts. We believed a significant contribution from our fledgling company would both support political beliefs we subscribed to, and also demonstrate that GEP is a significant new force in the industry.
4. We have continued to travel to Europe and other parts of the world working on putting together energy deals for GEP. In the last 60 days we have spent significant time in Spain, Vienna, and various US cities, working toward a significant contract. We've already entered into an agreement with an American global energy trading company to work together on new deals.
5. We are in the process of completing a multi-million-dollar contract to provide liquid natural gas in Europe, which we expect to be operational at the end of this year. Major energy contracts of this nature often have a long lead time to get them done, this is especially so for contracts with new business entities.
6. GEP continues to be an active and vital company in the energy business, without regard to the complaint's allegation that it isn't a real business. GEP continues to pay staff through ADP, fund travel and research, and as noted is on the cusp of signing its first major energy contract. (See Ex G)
7. It has been brought to my attention through the supplemental complaint, that the funds earmarked for GEP used to make the contribution, which also included a clear notation that the contribution was from and on behalf of GEP, came from an intermediary holding account.

8. While we believed we had transferred the funds to GEP prior to making the contribution we now realize the funds were transmitted from Aaron Investment I to America First Action, with a notation that the funds were from GEP.
9. The funds used came from a real estate investment as previously stated. We set up three companies, one of which was GEP, one is a holding company and one was the real estate company, Global Energy Developers/Miami LLC. It was, and still is our practice to move money around among the accounts as funds are needed for specific purposes, while having our accountants document the transactions.
10. The complaint alleges the attorney escrow account the funds came from is somehow involved in 'washing' foreign funds in the U.S. Without regard to the spurious character assassination. The attorney in question was the lender's attorney, not our attorney, and we were introduced to the lender by a Florida broker, Ross Commercial Loans. We retained the Miami law firm of Greespoon and Marder to represent me in the real estate transaction involving a property I owned in the United States. (See Ex. J)
11. I owned a valuable property at 10295 Collins Avenue, Apartment 1508, Bal Harbor, Florida, which I decided to borrow against to invest in our new businesses. The proceeds of the loan paid off a lien on a 30% interest in a restaurant in New York City, Mamo, which interest I put into our Global Energy Developers/Miami LLC, our real estate investment company. The over \$1,200,000 in liquid assets I received I dedicated to the new business ventures, with Mr. Parnas, primarily GEP.
12. We used Ross Commercial Loans as a broker to connect us with the private lender. The lender used the Jacobson Law firm, while we used the Miami firm of Greespoon and Marder for consultation as well as for a subsequent sale of the subject property. I didn't have any prior relationship with the lender or the Jacobson law firm prior to this transaction. (See Ex. J)
13. We settled the transaction on May 15, 2018, at which time the funds from the lawyer's trust account was to be disbursed. I had intended to put the funds directly into the GEP bank account, but we hadn't completed the process of opening a business account at the J.P Morgan Chase bank until May 17, 2018. (See Ex. K)
14. As has recently been brought to my attention we put the funds temporarily in Aaron Investment I, LLC, a business controlled by my partner, Lev Parnas.
15. I note that while I refer to Mr. Parnas as my partner in the three businesses, they have been set up as LLC's and will be treated as subchapter S corporations.
16. Because we had discussed with representatives of America First Action making a large contribution from GEP in May of 2018, we took the funds from the Aaron Investment account instead of waiting to move the funds to the GEP account at Chase, and then wiring the funds from that account once they cleared.

17. A few days after the subject contribution was made we transferred \$100,000 from the Aaron Investment account to the new Chase account as initial operating funds for GEP. We then transferred additional funds as needed from various sources to the GEP account. (See Ex. K)

18. It was always our intention to be clear and transparent in making a contribution to America First Action from GEP, without regard to the funds being drawn on a temporary holding account. Had we remembered that fact we would have expressed it to the FEC in our prior response.

19. At all times the contribution was made from funds we dedicated to GEP, for GEP's purposes and took reasonable actions to make sure the funds were so labeled. We were and are proud that our fledgling business could participate in the political process in a way that furthered its business and philosophical interests.

20. To recap, first the complaint alleged GEP wasn't a real business and we were trying to hide our identities' as the contributors. Clearly, I had no interest in hiding my identity, rather I wanted to promote GEP in which I invested significant funds and believed the contribution would help us build the business. Now it claims that we made multiple transfers of funds to hide the original source and suggests it is an investment by some unknown foreign source. It is not, the funds came from United States real estate investments by United States citizens, for the purpose of establishing GEP. (See Exhibits J and L).

21. While I have significant business experience both I and my partner are relative neophytes in making political contributions, certainly anything as significant as the \$325,000 contribution in question. We had no intent to hide the source of the funds, rather we wanted to publicly acknowledge GEP as the donor. In my experience running other closely held LLC organizations I regularly moved money from one entity to another as needed, and documented same on the books of the entity.

22. The records of GEP demonstrates that at the time of the contribution, we recorded the investment in GEP, and the contribution from GEP, in the books and records of GEP. See Exhibit L, the accountant records for GEP for the relevant time. And we will so record and report the transaction in our first tax filing now due in October.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Dated September 3, 2019



Igor Fruman

Subscribed and sworn to before me on this 3rd day of September 2019

KAROL ARIZA
Notary Public



EXHIBIT J

Borrower's Closing Statement

Page 1

FILE NUMBER:	Fruman 1	
NAME OF BORROWER:	Seafront Properties LLC, a Florida limited liability company	
Address of Borrower:	303 Fifth Avenue, Suite 1109, New York, New York 10018	
NAME OF LENDER:	Daniel Chernin, Gregory Abovsky, Lilian Abovsky	
Address of Lender:	10 Winged Foot Drive, Livingston, New Jersey 07039	
PROPERTY LOCATION:	10295 Collins Avenue, Apt 1508, Bal Harbour, Florida 33154	
SETTLEMENT AGENT:	The Jacobs Law Group	
Place of Settlement:	20700 W. Dixie Highway, Aventura, Florida 33180	
SETTLEMENT DATE:	5/15/18	DISBURSEMENT DATE: 5/15/18
CREDITS:	P.O.C.:	Amount:
Principal amount of new loan(s) (Daniel Chernin, Gregory Abovsky, Lilian Abovsky)		\$3,000,000.00
	Total Credits:	\$3,000,000.00
CHARGES:	P.O.C.:	Amount:
Payoff of first mortgage loan (Grelex LLC)		\$1,500,000.00
Mortgage Broker Fee (Ross Commercial Loans)		\$80,000.00
Loan Origination Fee (Daniel Chernin, Gregory Abovsky, Lilian Abovsky)		\$30,000.00
Appraisal fee (Ross Commercial Loans)	1650.00	
Credit report (Ross Commercial Loans)		\$75.94
Lender's legal fee (The Jacobs Law Group)		\$4,950.00
Background Check (Ross Commercial Loans)		\$250.00
Hazard insurance premium for (Fortified Insurance Group)		\$5,000.00
Hazard insurance (Fortified Insurance Group)		\$1,250.01
County property taxes (Daniel Chernin, Gregory Abovsky, Lilian Abovsky)		\$46,485.00
Settlement or closing fee (The Jacobs Law Group)		\$700.00
Abstract or title search (The Jacobs Law Group)		\$200.00
Title Insurance (Old Republic National Title Insurance Company/The Jacobs)		\$10,075.00
4 1-25.8.1-25;F9-1,007.50 (The Jacobs Law Group)		\$1,057.50
Recording fees (Simplifile)		\$159.00
City/county tax/stamps (Simplifile)		\$6,000.00
State tax/stamps (Simplifile)		\$10,500.00
Record LLC Affidavit (Simplifile)		\$23.00
Courier/Storage Fee (The Jacobs Law Group)		\$48.00
Wire Fee (The Jacobs Law Group)		\$88.00
Real Estate Taxes 2017 - Delinquent (Miami Dade Tax Collector)		\$59,982.75
Condo Estoppel Fee Reimb. (The Jacobs Law Group)		\$350.00
Tax and Lien Search (Abramowitz Tax & Lien Services)		\$346.00
Mobile Notary (The Jacobs Law Group)		\$150.00
	Total Charges:	\$1,737,670.20

Cash due to borrower: \$1,262,329.80

THE UNDERSIGNED ACKNOWLEDGES RECEIPT OF A COPY OF THE FOREGOING SETTLEMENT STATEMENT, AGREES TO THE CORRECTNESS THEREOF, AND AUTHORIZES AND APPROVES THE DISBURSEMENTS SET FORTH.

By:

Gregory Abovsky
Manager

General	Payoffs	Credits	
1000. Reserves deposited with lender:			
1001. Hazard insurance	3 months @	\$16.67 per month	1250.00
1002. Mortgage insurance	months @	per month	
1003. City property taxes	months @	per month	
1004. County property taxes	9 months @	\$5,165.00 per month	46,485.00

HUD-1

A. Settlement Statement

U.S. Department of Housing
and Urban Development

OMB No. 2502-0265

B. Type of Loan

<input type="radio"/> 1. FHA	<input type="radio"/> 2. FmHA	<input type="radio"/> 3. Conv. Unins	6. File Number Fruman 1	7. Loan Number ID:	8. Mortg. Ins. Case Num.
<input type="radio"/> 4. V.A.	<input type="radio"/> 5. Conv. Ins.				

C. NOTE: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. NAME OF BORROWER: Seafront Properties LLC, a Florida limited liability company
Address of Borrower: 303 Fifth Avenue, Suite 1109, New York, New York 10016

TIN:

E. NAME OF SELLER:

Address of Seller:

F. NAME OF LENDER: Daniel Chernin, Gregory Abovsky, Lilian Abovsky
Address of Lender: 10 Winged Foot Drive, Livingston, New Jersey 07039

G. PROPERTY LOCATION: 10295 Collins Avenue, Apt 1508, Bal Harbour, Florida 33154

H. SETTLEMENT AGENT: The Jacobs Law Group
Place of Settlement: 20700 W. Dixie Highway, Aventura, Florida 33180

TIN: 37-1462179

Phone: 305-405-4444

I. SETTLEMENT DATE: 5/15/18 DISBURSEMENT DATE: 5/15/18

J. Summary of borrower's transaction		K. Summary of seller's transaction	
100. Gross amount due from borrower:		400. Gross amount due to seller:	
101. Contract sales price		401. Contract sales price	
102. Personal property		402. Personal property	
103. Settlement charges to borrower (Line 1400)	237,670.20	403.	
104. Payoff of first mortgage loan	1,500,000.00	404.	
105. Payoff of second mortgage loan		405.	
Adjustments for items paid by seller in advance:		Adjustments for items paid by seller in advance:	
106. City/town taxes		406. City/town taxes	
107. County taxes		407. County taxes	
108. Assessments		408. Assessments	
109.		409.	
110.		410.	
111.		411.	
112.		412.	
120. Gross amount due from borrower:	1,737,670.20	420. Gross amount due to seller:	
200. Amounts paid or in behalf of borrower:		500. Reductions in amount due to seller:	
201. Deposit or earnest money		501. Excess deposit (see instructions)	
202. Principal amount of new loan(s)	3,000,000.00	502. Settlement charges to seller (line 1400)	
203. Existing loan(s) taken subject to		503. Existing loan(s) taken subject to	
204. Principal amount of second mortgage		504. Payoff of first mortgage loan	
205.		505. Payoff of second mortgage loan	
206.		506. Deposits held by seller	
207. Principal amt of mortgage held by seller		507. Principal amt of mortgage held by seller	
208.		508.	
209.		509.	
Adjustments for items unpaid by seller:		Adjustments for items unpaid by seller:	
210. City/town taxes		510. City/town taxes	
211. County taxes		511. County taxes	
212. Assessments		512. Assessments	
213.		513.	
214.		514.	
215.		515.	
216.		516.	
217.		517.	
218.		518.	
219.		519.	
220. Total paid by/for borrower:	3,000,000.00	520. Total reductions in amount due seller:	
300. Cash at settlement from/to borrower:		600. Cash at settlement to/from seller:	
301. Gross amount due from borrower (line 120)	1,737,670.20	601. Gross amount due to seller (line 420)	
302. Less amount paid by/for the borrower (line 220)	(3,000,000.00)	602. Less total reductions in amount due seller (line 520)	
303. Cash (<input type="checkbox"/> From <input checked="" type="checkbox"/> To) Borrower:	1,262,329.80	603. Cash (<input type="checkbox"/> To <input type="checkbox"/> From) Seller:	

Substitute Form 1099 Seller Statement: The information contained in blocks E, G, H, and I and on line 401 is important tax information and is being furnished to the IRS. If you are required to file a return, a negligence penalty or other sanction will be imposed on you if this item is required to be reported and the IRS determines that it has not been reported.

Seller Instructions: If this real estate was your principal residence, file Form 2119, Sale or Exchange of Principal Residence, for any gain, with your tax return; for other transactions, complete the applicable parts of Form 4797, Form 6262 and/or Schedule D (Form 1040).

HUD-1

U S. Department of Housing and Urban Development

Page 2

1. Settlement charges				Borrower POC Seller POC	Paid from Borrower's Funds at Settlement	Paid from Seller's Funds at Settlement
700. Total Sales/Brokers Com. based on price		@	% =			
701	% to					
702	% to					
703 Commission paid at settlement						
704	to					
800. Items payable in connection with loan:				Borrower POC Seller POC		
801 Mortgage Broker Fee	% to	Ross Commercial Loans		60,000.00		
802. Loan Origination Fee	% to	Daniel Chernin, Gregory Abovsky, Lillian Abovsky		30,000.00		
803. Appraisal fee	to	Ross Commercial Loans	1650.00			
804. Credit report	to	Ross Commercial Loans		75.94		
805.	to					
806. Mortgage insurance application fee	to					
807. Lender's legal fee	to	The Jacobs Law Group		4,950.00		
808 Background Check	to	Ross Commercial Loans		250.00		
809.	to					
810.	to					
811	to					
900. Items required by lender to be paid in advance:				Borrower POC Seller POC		
901 Interest from	to	@	/day			
902 Mortgage insurance premium for	months to					
903. Hazard insurance premium for	1 years to	Fortified Insurance Group		5,000.00		
904. Flood insurance premium for	years to					
905.	years to					
1000. Reserves deposited with lender:				Borrower POC Seller POC		
1001. Hazard insurance	3 months @	\$416.87 per month		1,250.01		
1002. Mortgage insurance	months @	per month				
1003. City property taxes	months @	per month				
1004. County property taxes	9 months @	\$5,165.00 per month		46,485.00		
1005. Annual assessments	months @	per month				
1006. Flood insurance	months @	per month				
1007	months @	per month				
1008	months @	per month				
1009. Aggregate accounting adjustment						
1100. Title charges:				Borrower POC Seller POC		
1101. Settlement or closing fee	to	The Jacobs Law Group		700.00		
1102. Abstract or title search	to	The Jacobs Law Group		200.00		
1103. Title examination	to					
1104. Title insurance binder	to					
1105. Document preparation - TBD	to					
1106. Notary fees	to					
1107. Attorney's Fees	to					
(includes above item numbers:)			
1108. Title Insurance	to	Old Republic National Title Insurance Company/The Jacobs		10,075.00		
(includes above item numbers:)			
1109. Lender's coverage (Premium):	\$3,000,000.00 (\$10,075.00)					
1110. Owner's coverage (Premium):						
1111. Endorse: 4.1-25;8.1-25;F9-1,007.50				1,057.50		
1112.	to					
1113.	to					
1200. Government recording and transfer charges:						
1201. Recording fees	Deed	Mortgage(s)	\$159.00 Releases	159.00		
1202. City/county tax/stamps	Deed	Mortgage(s)	\$6,000.00	6,000.00		
1203. State tax/stamps	Deed	Mortgage(s)	\$10,500.00	10,500.00		
1204. Record LLC Affidavit	to	Simplifile		23.00		
1205.	to					
1300. Additional settlement charges:				Borrower POC Seller POC		
1301. Courier/Storage Fee	to	The Jacobs Law Group		48.00		
1302. Wire Fee	to	The Jacobs Law Group		68.00		
1303. Real Estate Taxes 2017 - Delinquent	to	Miami Dade Tax Collector		59,982.75		
1304. Condo Estoppel Fee Reimb.	to	The Jacobs Law Group		350.00		
1305. Tax and Lien Search	to	Abramowitz Tax & Lien Services		346.00		
1306. Mobile Notary	to	The Jacobs Law Group		150.00		
1307	to					
1308.	to					
1309						
1400. Total settlement charges:						
(Enter on lines 103, Section J and 502, Section K)				237,670.20		

HUD-1 SETTLEMENT STATEMENT ADDENDUM

File Number: Fruman 1

I have carefully reviewed the HUD-1 Settlement Statement and to the best of my knowledge and belief, it is a true and accurate statement of all receipts and disbursements made on my account or by me in this transaction. I further certify that I have received a copy of the HUD-1 Settlement Statement.

Borrower(s)

Seafront Properties LLC

By:

Steven Fruman
Manager**Settlement Agent**

The HUD-1 Settlement Statement which I have prepared is a true and accurate account of this transaction. I have caused or will cause the funds to be disbursed in accordance with this statement.

The Jacobs Law Group

By: DBRDate: 5/15/18

WARNING: It is a crime to knowingly make false statements to the United States on this or any other similar form. Penalties upon conviction can include a fine and imprisonment. For details see: Title 18 U.S. Code Section 1001 and Section 1010.

EXHIBIT K
CHASE BANK



JPMorgan Chase Bank, N.A.
P O Box 182051
Columbus, OH 43218-2051

00044062 DRE 802 219 15618 NNNNNNNNNNNN 1 000000000 D3 0000
GLOBAL ENERGY PRODUCERS LLC
7670 LA CORNICHE CIR
BOCA RATON FL 33433-6006

May 17, 2018 through May 31, 2018

Account Number:

CUSTOMER SERVICE INFORMATION

Web site:	www.Chase.com
Service Center:	1-877-425-8100
Deaf and Hard of Hearing:	1-800-242-7383
Para Espanol:	1-888-622-4273
International Calls:	1-713-262-1679



We updated our Deposit Account & Wire Agreements

The following changes were made May 20, 2018:

- We published an updated version of our Deposit Account Agreement. You can get the latest agreement at a branch or by request when you call us. Here are some important changes:
 - Effective August 1, we will notify you in advance of any changes to the Deposit Account Agreement that would adversely affect you, unless the change is necessary to comply with a legal requirement. (General Account Terms, Section I, Changes to the agreement)
 - We clarified the language that explains when we may charge a Non-Chase ATM fee for balance inquiries and transfers when you use a non-Chase ATM. (Electronic Funds Transfer Service Terms, Section A, Types of EFT Services)
- We consolidated all of our Chase wire agreements, except for the Online Wire Agreement. In addition to making sure the terms and definitions of the Wire Transfer Agreement are consistent, we made the following changes:
 - When we amend the agreement, we will send you notice of the change and may refer you to a branch or your banker for the updated agreement.
 - When you send a wire, we will send you an email notification on the status of your wire if you have provided your email address.

Please call us at the number on this statement if you have any questions.

CHECKING SUMMARY

Chase Platinum Business Checking

	INSTANCES	AMOUNT
Beginning Balance		\$0.00
Deposits and Additions	1	100,000.00
Electronic Withdrawals	2	-12,776.43
Ending Balance	3	\$87,223.57



May 17, 2018 through May 31, 2018

Account Number:

CEP → G.M. (Larry)

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EXHIBIT L

GLOBAL ENERGY PRODUCERS LLC
Balance Sheet
As of December 31, 2018

	Dec 31, 18
ASSETS	
Current Assets	
Checking/Savings	
CHASE CHECKING xxx 7766	60.62
Petty Cash	20,500.00
SAVING CHASE PREM xxx5180	12,610.06
	<hr/>
Total Checking/Savings	33,170.68
	<hr/>
Total Current Assets	33,170.68
	<hr/>
TOTAL ASSETS	33,170.68
LIABILITIES & EQUITY	
Liabilities	
Current Liabilities	
Other Current Liabilities	
Felix Jeff Vulis-loan	100,000.00
LsDama LLC	70,000.00
	<hr/>
Total Other Current Liabilities	170,000.00
	<hr/>
Total Current Liabilities	170,000.00
	<hr/>
Total Liabilities	170,000.00
	<hr/>
Equity	
Contributions - Igor Fruman	794,200.00
Member Draws	
Igor Fruman Draws	-74,506.98
Lev Parnas Draws	-1,316.25
	<hr/>
Total Member Draws	-75,823.23
	<hr/>
Net Income	-855,206.09
	<hr/>
Total Equity	-136,829.32
	<hr/>
TOTAL LIABILITIES & EQUITY	33,170.68

GLOBAL ENERGY PRODUCERS LLC
Profit & Loss

April 11 through December 31, 2018

	Apr 11 - Dec 31, 18
Ordinary Income/Expense	
Income	
Consulting Income	10,000.00
Total Income	10,000.00
Expense	
1099	10,793.15
Advertising and Promotion	828.00
Automobile Expense	18,685.00
Bank Service Charges	944.67
Credit card	15,873.00
Donations	
Charitable Donations	10,000.00
Political Donations	
America First Action - PAC	325,000.00
Other Political	11,000.00
Total Political Donations	336,000.00
Total Donations	346,000.00
Fuel, Tolls, Parking	3,641.90
GLOBAL	
Miami LLC exp	37,625.00
Partners LLC exp	118,387.00
Total GLOBAL	156,012.00
Guaranteed Payments	
David Correia	18,300.00
Lev Parnas	5,000.00
Total Guaranteed Payments	23,300.00
Insurance Expense	695.45
Lodging	42,667.78
Maintenance	382.65
Meals and Entertainment	8,829.55
Office Expenses	2,666.42
Office Supplies	1,754.15
Other Business Expenses	26,126.80
Payroll Expenses	76,566.38
Postage and Delivery	672.23
Printing	439.77
Professional Fees	42,000.00
Rent Expense	3,000.00
Software Dues and Support	4,341.50
Storage	1,144.10
Taxes	112.00
Telephone Expense	8,659.44
Transportation	15,912.82
Travel Expense	53,157.39
Total Expense	865,206.15
Net Ordinary Income	-855,206.15

GLOBAL ENERGY PRODUCERS LLC

Profit & Loss

April 11 through December 31, 2018

	Apr 11 - Dec 31, 18
Other Income/Expense	
Other Income	
Interest Income	0.06
Total Other Income	0.06
Net Other Income	0.06
Net Income	<u><u>-855,206.09</u></u>