

Exclusive:

THE BAYROCK-TRUMP CORRESPONDENCE

Below are some key excerpts from internal Bayrock-Trump emails and letters, published in *FORBES* on October 3, 2016

Complete copies of the original documents can be read here at: [“Donald Trump and The Felon: Inside His Business Dealings With A Mob-Connected Hustler”](#)

FROM THE FEBRUARY 2005 LETTER:

[These are excerpts from letter to “Felix Satter, Managing Director” of Bayrock Group, from Donald Trump Jr. The topic concerns the Trump International Hotel & Tower, Ft. Lauderdale. Note that Felix Sater went by “Felix Satter” while at Bayrock Group.]

The Trump team has reviewed the Layouts of the Units...The layouts are approved subject to one minor change: The 605 sq. ft. studio, United Type A, should have a bar with bar stools....

In defining the Trump Organization’s involvement in the project, Donald J. Trump will be named a partner, and for advertising, marketing and public relations purposes, the project will be referred to as a Donald J. Trump signature development.

FROM THE MAY 2007 LETTER:

[Excerpts from letter addressed to Bayrock founder Tevfik Arif, from Julius Schwarz, the company's Executive VP and general counsel. Schwarz told *Forbes* in September 2016 that he emailed the letter to his wife for her opinion, but that it was "never sent" to Arif.]

...Time and again this company has almost gone under due to the past of our partners and prior dealings done before I came to Bayrock.... I have also repeatedly covered for Felix and Jody as a result of neither being here much of the time...

On Camelback we were in default under our loan... Then we were hit with Ernie's lawsuit which threatened to disclose to the world past indiscretions of our partners and to even sue Donald Trump and claim that he has knowingly dealt with convicted felons who have in the past perpetrated consumer fraud. I had all of that sealed and got the whole litigation kicked out of court...

On FL there were at least a hundred times when the deal could not have closed, among them because of the risk of discovering Felix's past, and failing to get key consents from Roy and the Fort Lauderdale lenders, as well as major tax issues. Also in the beginning FL wanted a lot of control of Bayrock and how we spent the funds. I fought against all of this even though Felix and Jody told me to cave, and I won almost everything so that now you have control over \$50 Million and FL has almost no say as to how we run our business.

Please also don't forget what I have done for Rixos and Bayrock Natural Stone, none of which has involved Felix or Jody.

[As mentioned above, Schwarz told me that he emailed the letter to his wife for her opinion, but that it was never sent to Arif]

FROM THE JUNE 2007 EMAIL CHAIN:

I couldn't agree more.

Fuck them. I told Tevfik what you said about the blazing saddles line he almost pissed in his pants. And says fuck em as well. We are happy to loose this item only if we can discuss the percentage splits as well he is not happy with what we keep.

-- Email from Bayrock's Felix Satter to Julius Schwarz (the company's Exec VP) and Jody Kriss (its Director of Finance)

Actually he is throwing US all under the bus (which you can't be surprised about). Don't let the bastard get away with it. This is why we need to always be firm but respectful when dealing with these pig-whores.

-- Email from Julius to Felix and Jody

Have Alex respond or rich stay out of it its about the pref and Donald Jr and sr are calling me to talk about us eating it. I called Ivanka and told her I was pissed about Donald throwing me under the bus to Sapir. So now the billionaires can work it out. Us little folk will stay out of it.

-- Email from Felix to Jody and Julius. "Alex" is Alex Sapir, who in 2006 took charge of his father Tamir's real estate empire. The Sapir Organization, Bayrock Group and the Trump Organization co-developed the Trump Soho hotel-condominium

See below response from Jim

-- Email from Jody to Felix, Julius, Alex, and Richard L'Atrelli. [The latter is general counsel of the Sapir Organization; "Jim" is Jim Petrus, the then-Chief Operating Officer of Trump International Hotels.]

Hi Jody...budget was actually done at 9:30 AM but informed it was to be attached to the HMA revisions that were being discussed. Sent a note to Don to see if he is ok sending out tonight in advance of the completed docs. Will advise as soon as we hear back.

-- Email from Jim to Jody

Per our conversation Thursday you said you would have the budget ready by 3PM Friday.

As you know we are trying to close the loan Monday and need the budget agreed to and affixed to the hma.

When can we expect to receive the budget from you?

Thanks

-- Email from Jody to Jim, with a cc to Ivanka Trump, Donald Trump Jr, Richard, Alex, and Felix.

FROM THE NOVEMBER 2007 EMAIL CHAIN:

My skip tracer, Bob Meserve, is about the best there is. If Charles Bagli did a search on Felix Sater, this is what he would find...

-- Excerpt of email from Bayrock outside attorney Adam Gilbert (of the Nixon Peabody law firm) to Bayrock's Julius and Felix

Bob—I know Sater was convicted of an assault charge and went to jail. Lost his brokerage license in the securities industry. Some indication he may have been indicted in the EDNY, but I can't find it.

Can you do something on a rush basis for me?

Felix Sater or

Felix Satter

-- Adam to Bob

[Below is a brief portion of a multi-page email from Bob to Adam with his findings from a rushed search of publicly-available records]

If you Google the name Felix Satter, you'll find references to the owner of the Bayrock Group, who's been involved in various impressive-sounding real estate deals. But if you Google Felix Sater, you'll discover references to a former securities broker with alleged ties to the Russian mob. Yet Mr. Satter and Mr. Sater appear to be one and the same person.

PrivateEye.com shows no one in the entire US named Felix Satter.

And AutoTrack indicates that the SSN you provided... was issued in NYS, between 1977 and 1978, to a Felix H. Sater... So it's hard not to conclude that Mr. Satter is, in fact, Mr. Sater.

And, as Felix Sater, he was convicted of assault in 1993. Mr. Sater appealed that conviction, but was turned down by the First Department In February 1994, and by the Court of Appeals a month later...

So, in June of 1994, Mr. Sater was welcomed into the NYS correctional system, where he remained until September 1995...

...Some two years later, Mr. Sater was in trouble again, this time facing federal charges of stock manipulation and money laundering. And an article about his arrest from the Business Week of 11/9/1998 – “The Case of the Gym Bag that Squealed,” by Gary Weiss –suggested “the possibility that the FBI may be probing [his] ties to Russian organized crime”...

...It's a curious fact that, despite the above article, Mr. Sater is absent from federal criminal case records on PACER, the Federal Excluded Parties List, and the Federal Inmate Locator...

FROM THE JANUARY 2008 EMAIL:

[This email is from Felix to Richard Beenstock and Orvar Kaernsted, who at the time were top executives with Stodir, a global investment company based in Iceland. Prior to June 2008, it was known as FL Group.]

On Thursday Julius told iStar that I have a large economic interest in Bayrock. This is very problematic and could cause damage. I think he did it to get me out fast, since he instantly told Richard, Tevfik and Jody about it as well as me. He then proceed to tell me to resign quickly and do the family trust thing on Monday the latest, or else the banks could start default (mostly not true). His head is not on straight after Wednesday when Trump and Sapir abused him in a meeting about him being a good lawyer but a terrible developer. Sapir trying to take advantage of the situation and take managing member status for themselves, and Donald who saw an opportunity to try and get development fees for himself since he knows we will not give it to Sapir so he figures both sides give it to him. Unfortunately Julius did not tell Richard about this meeting only the bank call. He has now told Tevfik that the banks may come after him for failure to disclose. That is not true as I have an economic interest not an undisclosed principal.... Anyway the situation may get bad and Tevfik is thoroughly freaked out and wants out.

I would like to make the following proposals to get this moving along...

Give Tevfik \$1 million now and \$2 million in 60 days pending full DD and obviously offset by any unknown but discovered liabilities...

Take 100% of Bayrock and give my family Trust an option at some

low price to exercise in 5 years into 30% equity (less Jody 6%), with participation on profit distributions during the 5 years, that way even if it has to be disclosed no one (especially current banks) cares what happens in 5 years after they get paid off. And by then no one else will care either.

Transfer funds from Bayrock into International Company, which i have ready to go and will describe to you tomorrow. My ownership there will also be in a family trust, with an employment contract. I am starting to get hyper sensitive to being involved as principal directly...i think some time has to pass and then no one will care, now its like an open sore...

I resign this week after we do the paperwork and transfer employment to international.

...If Jody goes to the banks who he still speaks to and says FL bought out Tefvik, and Felix is no longer there, and Jody is staying for continuity purposes it will be a good thing...I promised Jody a piece of my end for him to stay and help Bayrock flourish, which he helped me build from day 1...At least unlike Julius he can be trusted not to play games or double deal and all the banks know him and would be comfortable...

I am sorry my situation is causing so much grief...

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