

BDM:KKO
F. #2017R01840

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

----- X

UNITED STATES OF AMERICA

STIPULATION

- against -

18-CR-204 (S-2) (NGG)

KEITH RANIERE, *et al.*

Defendants.

----- X

SARA BRONFMAN

Interested Third-Party

----- X

WHEREAS, Count One of the Superseding Indictment in the above-captioned case charged defendants Keith Raniere, Clare Bronfman, Allison Mack, Kathy Russell, Lauren Salzman and Nancy Salzman (the “Defendants”) with racketeering conspiracy, in violation of 18 U.S.C. § 1962(d); (Docket Entry no. 50)

WHEREAS, in the Superseding Indictment, the United States gave notice to the Defendants that if any defendant was convicted of the offense charged in Count One, the government would seek forfeiture of (a) any interest the person acquired or maintained in violation of 18 U.S.C. § 1962; (b) any interest in, security of, claim against or property or contractual right of any kind affording a source of influence over any enterprise which the person has established, operated, controlled, conducted or participated in the conduct of, in violation of 18 U.S.C. § 1962; and (c) any property constituting, or derived from, any proceeds which the person obtained, directly or indirectly, from racketeering activity in violation of 18 U.S.C. § 1962; (*Id.*)

WHEREAS, on or about March 13, 2019, defendant Nancy Salzman pleaded guilty to Count One of the Superseding Indictment; (Docket Entry no. 474)

WHEREAS, on or about March 13, 2019, the United States filed a Second Superseding Indictment against all of the Defendants except Nancy Salzman; (Docket Entry no. 430)

WHEREAS, Count One of the Second Superseding Indictment charged defendants Raniere, Bronfman, Mack, Russell and Lauren Salzman with racketeering conspiracy, in violation of 18 U.S.C. § 1962(d), and Count Two charged defendants Raniere, Bronfman, Mack and Lauren Salzman with Racketeering, in violation of 18 U.S.C. § 1961; (*Id.*)

WHEREAS, in the Second Superseding Indictment, the United States gave notice to the defendants charged in Counts One and Two that upon the conviction of any of those defendant of either such offenses, the government would seek forfeiture of (a) any interest the person acquired or maintained in violation of 18 U.S.C. § 1962; (b) any interest in, security of, claim against or property or contractual right of any kind affording a source of influence over any enterprise which the person has established, operated, controlled, conducted or participated in the conduct of, in violation of 18 U.S.C. § 1962; and (c) any property constituting, or derived from, any proceeds which the person obtained, directly or indirectly, from racketeering activity in violation of 18 U.S.C. § 1962; (*Id.*)

WHEREAS, on or about March 25, 2019, defendant Lauren Salzman pleaded guilty to Counts One and Two of the Second Superseding Indictment; (Docket Entry no. 473)

WHEREAS, on or about April 8, 2019, defendant Allison Mack pleaded guilty to Counts One and Two of the Second Superseding Indictment;

WHEREAS, on or about July 15, 2019, the Court issued Amended Preliminary Orders of Forfeiture as to defendants Nancy Salzman, Lauren Salzman and Allison Mack (the “Amended Preliminary Orders of Forfeiture”); (Docket Entry nos. 758-60)

WHEREAS, as memorialized in the Amended Preliminary Orders of Forfeiture, defendants Nancy Salzman, Lauren Salzman and Allison Mack consented to forfeit multiple assets including the real properties located at 447, 455 and 457 New Karner Road, Albany, New York 12205, together with their respective buildings, appurtenances, improvements, fixtures, attachments, easements and furnishings, and all proceeds traceable thereto (the “New Karner Road Properties”); (*Id.*)

WHEREAS, on or about August 7, 2019, the United States filed a Notice of Pendency as to each of the New Karner Road Properties through the Albany County Clerk’s Office;

WHEREAS, records maintained by the Albany County Clerk’s Office indicate that the owner of the New Karner Road Properties is NX Trust, Inc. and that the deeds transferring the New Karner Road Properties to NX Trust, Inc. identify Nancy Salzman as “Trustee of the NX Trust”;

WHEREAS, on or about August 21, 2019, the United States filed a Certificate of Service reflecting that it had mailed direct notice of the Amended Preliminary Orders of Forfeiture to each of the Defendants, counsel for Sara Bronfman, and others; (Docket Entry no. 788)

WHEREAS, counsel for Sara Bronfman, also known as Sara Bronfman-Igtet, contacted the United States and represented that Sara Bronfman has an interest in the New Karner Road Properties pursuant to the constructive trust doctrine;

WHEREAS, no other third party has filed with the Court any petition or claim in connection with the New Karner Road Properties and the time to do so under 21 U.S.C. § 853(n)(2) has expired;

WHEREAS, the United States and Sara Bronfman (collectively, the “Parties”) hereby enter into this stipulation (the “Stipulation”) for the purpose of resolving Sara Bronfman’s interest in the New Karner Road Properties;

IT IS HEREBY STIPULATED, AGREED AND ORDERED as follows:

1. This Stipulation shall be deemed a timely filed claim by Sara Bronfman to the New Karner Road Properties,
2. Sara Bronfman represents that she has an ownership interest in the New Karner Road Properties.
3. Sara Bronfman agrees to accept certain Payments (defined *infra*, at paragraph 5), less any offset pursuant to the Treasury Offset Program (defined *infra*, at paragraph 6), in full and complete settlement and satisfaction of all claims asserted, or that may be asserted by Sara Bronfman to the New Karner Road Properties.
4. Sara Bronfman understands and agrees that by entering into this agreement, she waives any rights to further litigate any claimed interest in the New Karner Road Properties or to petition for remission or mitigation of the forfeiture of the New Karner Road Properties. Sara Bronfman waives her rights, if any, to use the above-captioned action as a basis to bring any administrative or judicial civil cause of action against the United States Government or as a basis for statutory or constitutional defense in any administrative or civil action.

5. The Parties agree that following the entry of a Final Order of Forfeiture forfeiting the New Karner Road Properties to the United States, the United States Marshals Service shall sell the properties pursuant to their ordinary procedures. The Parties further agree that at or following the closing for the sale of one or more of the New Karner Road Properties, Sara Bronfman will receive a payment equal to 20% of the purchase price from the proceeds of such sale. The total amount of payments from the sale of all three New Karner Road Properties (the “Payments”) shall, however, be capped at \$200,000.00. The Payments shall be subject to any offset pursuant to the Treasury Offset Program, as described in paragraph 6, *infra*.

6. The Debt Collection Improvement Act of 1996 (“DCIA”), 31 U.S.C. § 3716, requires the Department of the Treasury, the United States Marshals Service, and other disbursing officials, to offset Federal payments to collect delinquent non-tax debts owed to the United States, or delinquent debts owed to states, including past-due child support enforced by states (the “Treasury Offset Program”). If an offset to the Payments is made during an electronic funds transfer pursuant to the Treasury Offset Program, Sara Bronfman will receive a notification from the government at the last address provided by the debtor to the creditor. If Sara Bronfman believes that the Payments may be subject to an offset, she may contact the Treasury Department at 1-800-304-3107.

7. Sara Bronfman hereby releases, remises and forever discharges any claims, rights, title, or interest she may have in the New Karner Road Properties.

8. Sara Bronfman hereby consents to the forfeiture of the New Karner Road Properties pursuant to 18 U.S.C. § 1963(a).

9. Sara Bronfman and her heirs, assigns and representatives, hereby agree to release, indemnify and hold harmless the United States, and any officers, agents, and employees, past and present, of the United States, including, but not limited to, the United States Department of Justice, the United States Attorney's Office for the Eastern District of New York, United States Marshals Service, the Federal Bureau of Investigation, Homeland Security Investigations, and the Internal Revenue Service from and against any and all claims for relief or cause of action for any conduct or action which currently exist or which may arise as a result of the Government's action against the New Karner Road Properties or arising from the provisions of the above-captioned action and this Stipulation.

10. This Stipulation resolves only Sara Bronfman's claims with respect to the forfeiture of the New Karner Road Properties in the above-captioned action and any ancillary proceeding. This settlement does not resolve, or affect in any way, any other claims the United States may have, including, but not limited to, claims with respect to restitution, tax liabilities and/or any other existing potential liabilities or obligations that Sara Bronfman may have to the government.

11. This Stipulation is contingent upon the Court's "so ordering" of this Stipulation and issuing a Final Order of Forfeiture as to the New Karner Road Properties.

12. The Court shall maintain jurisdiction over this action to effectuate the Stipulation in this matter.

13. Each party shall bear its own costs and attorney fees.

14. The signature pages of this Stipulation of Settlement may be executed in one or more counterparts, each of which will be deemed an original but all of which together will constitute one and the same instrument. Signature pages may be

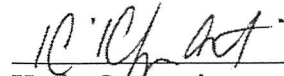
transmitted by fax or scanned images and such signature shall be deemed as valid originals.

15. The Clerk of the Court is directed to send, by inter-office mail, three (3) certified copies of this executed Order to Assistant United States Attorney Karin Orenstein, United States Attorney's Office, Eastern District of New York, 271 Cadman Plaza East, Brooklyn, New York 11201.

Dated: Brooklyn, New York
December 20, 2019

RICHARD P. DONOGHUE
United States Attorney
Eastern District of New York
271 Cadman Plaza
Brooklyn, New York 11201

By: _____


Karin Orenstein
Assistant United States Attorney
(718) 254-6188

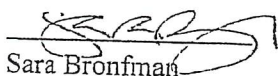
Dated: New York, New York
December 20, 2019

COZEN O'CONNOR
Counsel to Sara Bronfman
45 Broadway Atrium, Suite 1600
New York, New York 10006

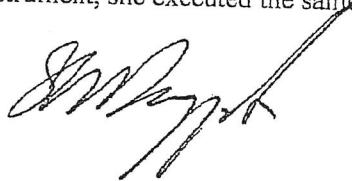
By: 

J. Bruce Maffeo
(212) 883-4951

AGREED AND CONSENTED TO BY:

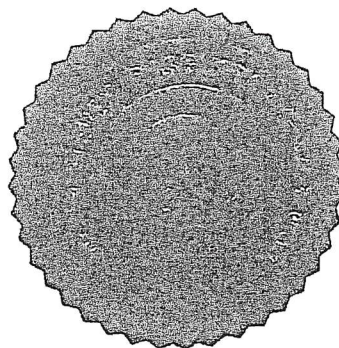

Sara Bronfman

On the 19 day of December in the year 2019, Sara Bronfman, known to me, the undersigned, or proved to me on the basis of satisfactory evidence to be the individual whose name is subscribed to above, personally appeared before me and that by her signature on the within instrument, she executed the same.



Steven Garaufis
Notary Public
6 Lower Grosvenor Place
London, SW1W 0EN
Tel: 0207 630 1777

Email: steven@notary.co.uk
MY COMMISSION IS FOR LIFE





SO ORDERED

This 23 day of December, 2019.


S/ Nicholas G. Garaufis

HONORABLE NICHOLAS G. GARAUFIS
UNITED STATES DISTRICT JUDGE

APOSTILLE (Convention de La Haye du 5 octobre 1961)	
1. Country: Pays / Pais:	United Kingdom of Great Britain and Northern Ireland
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2. Has been signed by a été signé par ha sido firmado por	Steven Dasgupta
3. Acting in the capacity of agissant en qualité de quien actúa en calidad de	Notary Public
4. Bears the seal / stamp of est revêtu du sceau / timbre de y está revestido del sello / timbre de	The Said Notary Public
Certified Attesté / Certificado	
5. at à / en	London
6. the le / el día	20 December 2019
7. by par / por	Her Majesty's Principal Secretary of State for Foreign and Commonwealth Affairs
8. Number sous no / bajo el numero	APO-1774703
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U.S. Department of Justice

*United States Attorney
Eastern District of New York*

BDM:KKO
F. #2017R01840

*271 Cadman Plaza East
Brooklyn, New York 11201*

December 20, 2019

By ECF

The Honorable Nicholas G. Garaufis
United States District Court
Eastern District of New York
225 Cadman Plaza East
Brooklyn, New York 11201

Re: United States v. Keith Raniere, et al.
Criminal Docket No. 18-204 (S-2) (NGG)

Dear Judge Garaufis:

Enclosed please find a stipulation executed by the United States and Sara Bronfman in the above-referenced criminal case (the "Stipulation"). Pursuant to the terms of the Amended Preliminary Orders of Forfeiture entered as to Nancy Salzman, Lauren Salzman and Allison Mack on or about July 17, 2019, the United States was instructed to send direct notice to all persons known to have an interest in any of the assets listed therein. The United States sent notice to Sara Bronfman, *inter alia*, that the government was seeking to forfeit these assets, including the real properties located at 447, 455 and 457 New Karner Road, Albany, New York (the "New Karner Road Properties"). The enclosed Stipulation, resolves Sara Bronfman's claim to the New Karner Road Properties. The government respectfully requests that the Court "so-order" the enclosed Stipulation.

Thank you for Your Honor's consideration of this submission.

Respectfully submitted,

RICHARD P. DONOGHUE
United States Attorney

By: /s/
Karin Orenstein
Assistant U.S. Attorney
(718) 254-6188

cc: Counsel of Record (by ECF)