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CONMAN PLYAM CONS NEW YORK POST ON LAND DEAL

By Frank Parlato Jr.

The New York Post on Saturday, March 27, published a completely misleading article on the facts surrounding my involvement in a complex real estate deal in Los Angeles involving Seagram heiresses Clare and Sara Bronfman.

The story suggests, through the use of selective information from pending lawsuits, that I somehow inaccurately represented my mission to the real estate developer, Yuri Plyam, who was a partner of the Bronfman sisters.

Plyam suggested I misrepresented to him that I was acting of behalf of the billionaire Edgar Bronfman, the sisters' father, who is or was to an extent estranged from his daughters due to their involvement in an Albany-based self-help group called NXIVM, which the father has called a "cult."

Plyam made these suggestions in a lawsuit, and the New York Post ran the allegations completely out of context.

The Post never contacted me for comment. And through the misrepresentations in the story, it paints a completely false picture of what actually transpired.

The New York Post story was inaccurate, selective and incomplete.

Contrary to what the Post suggests, I represented Sara and Clare Bronfman and was paid by them, not by the Albany-based group NXIVM.

The facts are these: The wealthy Bronfman

sisters had funded a Los Angeles real estate development with a "partner" named Yuri Plyam.

The plan was to purchase vacant land and build multimillion-dollar homes. Plyam had gotten more than \$26 million wired to him over a three-year period by the two Bronfman sisters. I have the records.

With some of that money, Plyam purchased 26 parcels of land in Los Angeles County, but strangely, as I learned, he did not put them in the Bronfmans' name.

The deal was that the Bronfmans were supposed to own 66 percent of the project for funding it and Plyam 33 percent for developing it.

On paper, however, Plyam owned the 26 parcels solely in his name through an LLC, although he had not put one dime into the project.

When I got involved, in December 2007, Plyam wanted another \$5 million from the Bronfmans, and they asked me to look into it, since the project was now \$7 million over budget.

I went to Los Angeles to check it out.

I discovered that not only had Plyam not put the properties in the Bronfman sisters' name, but there was nowhere near the \$26 million in the so-called "partnership" properties. Plyam was using their money surreptitiously to build himself a \$5 million mansion on Roxbury Drive in Beverly Hills.

I confronted him on this, persuaded him to sign over 66 percent of the LLC that held title to the properties to the Bronfman sisters, and hence recovered for the sisters a substantial part of their investment. Plyam assured me that he had always intended to put the sisters' agreed-upon 66 percent interest in their name, but for various reasons he had not.

The Post (and Plyam) say I "wrested" control away from Plyam.

The truth is, he was never supposed to have that control. He was only supposed to be a 33 percent owner. So what I did was not "wrest" control, but give the Bronfman sisters their rightful control. For this, I was well compensated by the Bronfman sisters.

At all times when I negotiated with Plyam, I had signed authorization from the Bronfman sisters saying I was their representative.

Real estate is done with signed documents, not talk. I presented no documents saying or suggesting that I represented Edgar Bronfman, the sisters' father. I have all the critical documents with the Bronfman sisters' and Plyam's signatures witnessed by Plyam's attorneys showing he knew he was doing business with the sisters, not the father.

After I secured control of the properties, there was another problem. There was, in my estimation, about \$9 million of the money the Bronfman sisters sent to Plyam that never made it into the partnership properties.

I uncovered substantial evidence, and a forensic accountant hired by the Bronfmans later supported these findings. The Bronfman sisters were naturally upset that Plyam, whom they had considered a friend, had stolen millions, and consequently they sued Plyam.

At this point, we had a disagreement on how to handle the matter. I believed that we should persuade Plyam to turn over the properties he had bought with the Bronfmans' money and then commence fixing the properties. Also, I advised them to forget about costly lawsuits or criminal charges against Plyam, which would only delay progress and focus on the properties.

They disagreed, which was their prerogative.

Nevertheless, every one of the properties was in a state of partial repair and not to fix them soon would leave the partially built houses, most of them on hillsides, in danger of collapse. On top of that, these houses were all in the most prestigious neighborhoods -- Hollywood Hills, Woodland Hills and Benedict Canyon -- and I knew from visiting them that some of the neighbors were disturbed, since many of these houses that Plyam had started building were going at an unbelievably slow pace. In two years, he had not finished one house, but had about 20 under some kind of construction.

I urged the Bronfmans to settle with Plyam and begin renovations at once.

Instead they preferred to sue Plyam, against my recommendation, although they did use the attorneys that I selected for them, Latham and Watkins, who were in fact recommended by the mayor of Los Angeles.

However, my role was concluded, and I left L.A.

In Plyam's countersuit, he has made up a number of fantastic allegations -- as

people often do in lawsuits, especially when they are guilty.

One of these falsehoods is saying that I claimed I represented Edgar Bronfman, not his daughters. Once again, all the paperwork belies his allegations. All the documents he signed shows that he knew who he was doing business with -- the two sisters who had funded him. He signed over majority interest to the two Bronfman sisters. Period.

The whole crazy notion that he thought I represented the girls' father is preposterous on its face. Who would sign over a \$26 million company because someone claimed they represented Edgar Bronfman without proof of any kind whatsoever?

Nevertheless, what is not mentioned in this fantastic and factually incorrect story in the Post is that I recovered 26 properties for the two women who paid for them, Sara and Clare Bronfman, by getting them the majority interest in the LLC that held these properties.

The majority interest in this LLC that held title to these 26 properties did not go into NXIVM or its leader Keith Raniere's name, did not go into my name or anyone else's. I got Plyam to sign over 66 percent interest in the LLC to Sara and Clare Bronfman.

It's funny how Plyam has twisted this around.

He was stealing the sisters' money and using it instead to build himself a mansion in Beverly Hills, two summer homes in Lake Arrowhead and two other multimillion-dollar investment properties in Los Angeles County.

As I said earlier, when I went to L.A. in January 2008, I investigated and found that Plyam had not only used some of the Bronfman sisters' money to buy his own personal properties, but was building homes on these properties with their money too. He was fudging the payroll and having workers work on his homes, and having them marked down as working on homes for which he was in partnership with the Bronfmans.

I have the payroll records, which show where Plyam said the construction crew worked on partnership properties, and their actual time sheets showed they really worked on Plyam's mansion.

The Post story quotes only from Plyam's affidavits. It entirely fails to mention that the Bronfman sisters are suing Plyam for stealing their money.

By the way, it was Plyam who handled, as a commodities broker, the \$65 million the Bronfman sisters allegedly lost in the futures market.

This happened before I came to know the Bronfman sisters, though I have some serious concerns as to whether Plyam may have stolen some or most of the Bronfman sisters' commodities money, just as he was certainly stealing their real estate investment money.

Consequently, the Post missed the whole point: Yuri Plyam is the one being sued for fraud. He certainly cannot say he thought the devil, or a fake Edgar Bronfman, or Frank Parlato, made him do it. Plyam is being sued for stealing the Bronfman sisters' money.

When I confronted Plyam, he signed over the sisters' rightful share.

Talk about a convolution of justice: I recover for the two sisters majority interest in a corporation they entirely funded but were in danger of losing from a guy I caught using their money on other properties, and I am the bad guy?

I recovered the Bronfman sisters' assets and was paid for it.

The Post certainly got this one wrong.

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