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July 27, 2018

Via ECF

Hon. Nicholas G. Garaufis
United States District Judge
Eastern District of New York
225 Cadman Plaza East
Brooklyn, NY 11201

Re: *United States v. Clare Bronfman*, S1 18-cr-204 (NGG)

Dear Judge Garaufis:

We respectfully submit this letter in support of Clare Bronfman's bail application. Ms. Bronfman was arrested on Tuesday and was named in two counts of the Superseding Indictment. She is charged with participating in a Racketeering Conspiracy in violation of 18 U.S.C. § 1962(d) and with Conspiracy to Commit Identity Theft in violation of 18 U.S.C. § 1028(a)(7). Neither of these charges carry a presumption of detention or a mandatory prison sentence.

Ms. Bronfman is named in three of the ten racketeering acts charged in Count One. In Act Two, she is alleged to have conspired to commit identity theft between 2005 and 2008 by breaking into her father's computer. In Act Five, she is alleged to have encouraged, in early 2009, an alien to enter the United States illegally and to have committed money laundering for that purpose. Finally, in Act Ten, she is alleged to have conspired to commit identity theft, between November 2016 and March 2018, by causing Keith Raniere's deceased girlfriend's credit card to be used pay Raniere's expenses. None of these predicate acts involve even the slightest hint of violence and most occurred approximately a decade ago.

I. The Proposed Bail Package

We propose the following substantial bail package:

1. A $100 million bond secured by $50 million in property, including: (a) $25,000,000 worth of cash or securities held in a trust account of which she is the beneficiary; (b) real estate owned by Ms. Bronfman located in the United States worth approximately $4 million; (c) a UCC filing against the Delaware LLC that owns the island and resort

in Fiji for $13,000,000; and (d) several pieces of real estate in the United States belonging to Ms. Bronfman's sister and worth more than $8 million.[1]

2. Her mother and brother-in-law as co-signors on the bond;
3. Restrictions on her ability to obtain money from her trust accounts except for certain Court-approved purposes (*See* Declarations attached as Exhibits B and C);
4. Surrender of her passport;
5. Electronic monitoring and home detention until all bail conditions are satisfied, including the filing of property liens in the appropriate courts;
6. After satisfaction of bail conditions, travel restricted to the Southern and Eastern Districts of New York; and
7. No contact with any co-defendant or any person who the defense is aware will be a government witnesses in this case outside the presence of her attorneys.[2]

II. Legal Standard

"In our society liberty is the norm, and detention prior to trial or without trial is the carefully limited exception." *United States v. Salerno*, 481 U.S. 739, 755 (1987). As such, the Bail Reform Act requires that criminal defendants be released "subject to the least restrictive … combination of conditions, that [the court] determines will reasonably assure the appearance of the person as required and the safety of any other person and the community." Notably, "Section 3142 speaks of conditions that will 'reasonably' assure appearance, not guarantee it." *United States v. Xulam*, 84 F.3d 441, 444 (D.C. Cir. 1996); *accord United States v. Orta*, 760 F.2d 887, 891-92 (8th Cir. 1985) (same).

The standard of proof regarding danger to the community is "clear and convincing evidence," § 3142(f); *United States v. Chimurenga*, 760 F.2d 400, 405-06 (2d Cir. 1985), and for risk of flight it is a preponderance. *United States v. Sabhnani*, 493 F.3d 63, 75 (2d Cir. 2007).

In assessing a defendant's danger to the community and the risk of flight presented by her release, Congress has directed courts to consider several factors: (1) "the nature and circumstances of the offense charged, including whether the offense is a crime of violence"; (2) "the weight of the evidence against the person"; (3) "the history and characteristics of the

[1] The properties that will secure the bond are listed on Exhibit A.

[2] On Tuesday, the Court ordered Ms. Bronfman to have no contact with members of Nxivm until her bail package was finalized on July 27. Tr. 6/24, pp. 39–40. We ask that the Court not impose this condition going forward as there are no "members" of Nxivm. Rather, Nxivm was an organization which offered self-help courses to those who wanted it. It was not a membership-based organization.

person"; and (4) "the nature and seriousness of the danger to any person or the community that would be posed by the person's release." § 3142(g). We discuss these factors below.

III. Ms. Bronfman Poses No Danger to Any Other Person or the Community

Ms. Bronfman poses no danger to "any other person or the community." She has no prior convictions and has never been accused of any sort of violence. Nor is she alleged to have played any role in the entity DOS.

The only "harassment" the government alleges Ms. Bronfman ever participated in was allegedly using "abusive litigation" to "intimidate and attack perceived enemies and critics of Raniere." Indictment ¶ 6(e). But litigation tactics, regardless of how aggressive they may be, are surely not the type of danger the Bail Reform Act is intended to prevent against. *See, e.g.*, *United States v. Persico*, 376 F. App'x 155, 157 (2d Cir. 2010) (questioning the finding of danger where the defendant had no criminal record and "the government offer[ed] no direct evidence of [the defendant] either using violence or directing others to use violence," and "the only threats he ever condoned were threats of legal action"); *United States v. LaLonde*, 246 F. Supp. 2d 873, 875 (S.D. Ohio 2003) (holding that the defendant did not "pos[e] a serious risk of intimidating witnesses" simply because "he ha[d] contacted witnesses in past prosecutions and asked them to assist him in defending himself" and "enlisted the services of a private investigator in order to learn the identities of potential witnesses against him").

Given the undisputed facts in this case, the proposed bail package will more than reasonably assure "the safety of any other person and the community."

IV. The Proposed Bail Conditions Will Reasonably Assure Ms. Bronfman's Appearance as Required

The proposed bail package will also assure that Ms. Bronfman will appear as directed at all court dates. As an initial matter, at least since the time of the arrest of Keith Raniere, Ms. Bronfman has known that she is under investigation and facing arrest. For example, at the bail hearing for Raniere, the prosecution said that Ms. Bronfman "is a person who the government does believe has acted as a co-conspirator in criminal activity with [Raniere]." Tr. 6/12, p.24. Nevertheless, Ms. Bronfman voluntarily returned to the United States from Mexico after Raniere was arrested. Moreover, during the period between Raniere's arrest and today, she has twice travelled to Europe (after informing the U.S. Attorney's Office of her travel plans) and then returned to the United States.

In addition, Ms. Bronfman, understanding that she was likely to be indicted, rented an apartment in Manhattan, so that she could live in this area—close to her attorneys—while she prepared for trial. Relatedly, Ms. Bronfman's attorneys had asked the government, prior to her arrest, that she be given the opportunity to voluntarily surrender. On the day of her arrest, the prosecutor emailed undersigned counsel and asked that they contact the prosecutor immediately.

We did so before 7 a.m. and were told that Ms. Bronfman had been indicted and should surrender that day. Ms. Bronfman, voluntarily, did so.

Simply put, Ms. Bronfman "has not seized upon previous opportunities to flee to avoid prosecution or incarceration, and the opportunities have been many." *LaLonde*, 246 F. Supp. 2d at 875. This is a powerful factor, we submit, showing that Ms. Bronfman has no intention of fleeing in this case.

Furthermore, while Ms. Bronfman does have significant foreign ties, including family members in England and France and property in Fiji, there is no realistic possibility that she would manage to flee to any of these countries. The only country where she is a citizen is the United States. And she has already surrendered her passport to the Probation Department. Moreover, each of the three foreign countries to which she has ties have extradition treaties with the United States. Even if she were to flee to any of them, therefore, she would be extradited back to the United States. Courts have recognized that the existence of extradition treaties is a significant factor in determining whether the proposed bail conditions will reasonably assure a defendant's appearance. *See, e.g., United States v. Yijia Zhang*, No. 12-498, 2014 U.S. Dist. LEXIS 147306, at *9 (E.D. Pa. Oct. 16, 2014) ("Importantly, China has no extradition treaty with the United States. If Mr. Zhang were to return to China while on pretrial release, there is likely little chance that he could ever be returned to the United States for trial."); *United States v. Shahab Kouchekzadeh*, No. 08-cr-03A, 2008 U.S. Dist. LEXIS 34669, at *8 (W.D.N.Y. Apr. 28, 2008) (noting that "the possibility exists that he could flee to Iran, where no extradition treaty exists."); *United States v. Agriprocessors, Inc.*, No. 08-cr-1324(LRR), 2009 U.S. Dist. LEXIS 70588, at *25 n.8 (N.D. Iowa Jan. 28, 2009) ("In any event, Israel and the United States have an extradition treaty. Any benefit in fleeing to Israel would presumably be short-lived.") (internal citation omitted); *United States v. Kanawati*, No. 2008-7, 2008 U.S. Dist. LEXIS 38221, at *10–11 (D.V.I. May 12, 2008) (collecting cases).

Additionally, when considering the defendant's motivation to flee, courts often consider what the likely Guidelines sentence would be if the defendant was convicted of the charged crimes. *See, e.g., United States v. Cilins*, 2013 U.S. Dist. LEXIS 104436, at *6 n.1 (S.D.N.Y. July 19, 2013) ("This guideline calculation is, of course, not binding on the parties or this Court for any potential sentencing. But it is a useful benchmark to be considered in the 18 U.S.C. § 3142 factors."). In this case, the likely guidelines would be no higher than 3 years.[3] While that would not be an insignificant prison sentence, it would be substantially shorter than the average sentence that results in detention or home confinement. *Cf. United States v. Bonilla*, 388 F App'x 78, 80 (2d Cir 2010) ("Further, Tavarez's likely Guidelines range of thirty years' to life

[3] Ms. Bronfman is charged with two crimes: 18 U.S.C. § 1962 and 18 U.S.C. § 1028(a)(7). The former carries a guideline range of 30–37 months. *See* U.S.S.G. § 2E1.1(a)(1). The guideline for the latter is § 2B1.1 and therefore depends on the amount of loss due to the alleged tax evasion but is most likely under two years.

imprisonment provides a strong incentive for him to flee."); *Sabhnani*, 493 F.3d at 66-67 (2d Cir 2007) ("With respect to flight, the government submitted that the defendants had a strong motive to flee the United States because the evidence of their guilt was compelling; and upon conviction, they faced a significant term of incarceration, specifically, a statutory maximum of forty years' imprisonment and a Guidelines range of 210 to 262 months.").

Moreover, given the proposed bail package, fleeing would mean that Ms. Bronfman would surrender the vast majority, if not the entirety, of her wealth by fleeing. Most obviously, it would cause her to forfeit $100 million—the entirety of her net worth outside her trusts—based on the amount of the bond. And as set forth in the attached Declarations of Leslie Geller, Esq. and Joseph Weilgus, if Ms. Bronfman were to flee she would also lose her access to the two substantial trust accounts of which she is the beneficiary, which comprise the other significant part of her wealth. First, as described in the Geller and Weilgus Declarations, attached as Exhibits B and C, the trust would immediately transfer $25,000,000 from the trust as a distribution to the court if Bronfman's bail were to be revoked. Second, the trust advisors would, under no circumstances, distribute funds as discretionary distributions to a fugitive from justice, which would ruin their own professional careers and subject them to criminal liability. *Compare Sabhnani*, 493 F.3d at 77 ("Defendants could, with relatively little disruption, continue to operate their highly lucrative business from any number of overseas locations.").

Finally, fleeing would cause significant financial harm to Ms. Bronfman's closest family members. Her mother and brother-in-law, who have both come to New York from Europe to act as sureties on the bond, would be left destitute.[4] Similarly, Sara Bronfman[5], Ms. Bronfman's sister, would lose her properties in upstate New York, her New York City apartment, and her share of a property in Sun Valley, Idaho, all of which she has agreed to post to secure Ms. Bronfman's bond. Collectively, these properties are worth over $8 million. *See* Chart of Properties, attached as Ex. A. The harm fleeing would cause these close family members would provide "moral suasion," *United States v. Baig*, 536 F. App'x 91, 93 (2d Cir. 2013), over Ms. Bronfman and further serves as a factor which prevents her from fleeing.

V. House Arrest is not Appropriate in this Case

We respectfully submit that house arrest is not appropriate in this case as it is not the "least restrictive … condition" possible to prevent flight and protect the community. *See* § 3142(c)(1)(B). As an initial matter, we note that the other defendants in this case who, like Ms. Bronfman, were not charged with sex trafficking or forced labor, were not subjected to home

[4] Ms. Bronfman's mother has a home which she would lose, as a surety on the bond, if Ms. Bronfman fled. Similarly, her brother-in-law would lose the approximately three million dollars in assets he has if she fled.

[5] Ms. Bronfman's sister was unable to travel to the United States to be in court today due to her young children, including one who she is still nursing.

detention. Ms. Bronfman should not be treated differently due to her wealth. Moreover, while the liberty interest in not being restricted to one's home without having been convicted of a crime may not be as significant as the liberty interest in not being incarcerated, it is still of constitutional significance. *See United States v. Polouizzi*, 697 F. Supp. 2d 381, 388 (E.D.N.Y. 2010) ("The excess [prohibited by the Eight Amendment] can be reflected in monetary terms or in other limitations on defendant's freedom such as curfews, house arrests, limits on employment, or electronic monitoring."). And, in fact, criminal defendants with similarly large net worth's (and facing more serious charges) have been released without home incarceration. For example, in *United States v. Rajaratnam*, the defendant was released on a $100 million personal recognizance bond, secured by $20 million in cash or property, and allowed to travel within 110 miles of Manhattan. 09-cr-1184 (S.D.N.Y.), Dkt. Entry for 10/16/2009. Similarly, in *United States v. Madoff*, the defendant was initially released on a $10 million personal recognizance bond, and was allowed to travel to S.D.N.Y., E.D.N.Y. and the District of Connecticut. 09-cr-213 (S.D.N.Y.), Dkt. # 4. Only after he was unable to obtain sureties to co-sign his bond was he subjected to home detention. *See* Dkt. #22.

Most crucially, Ms. Bronfman is not accused of any violence or tampering with witnesses. And, as discussed above, she is not a flight risk. As such, home detention would not be tailored to the minimal risk she poses. *See United States v. Scott*, 450 F.3d 863, 866 n.5 (9th Cir. 2006) (holding that "conditions of release or detention [must] not be 'excessive' in light of the perceived evil.") (brackets in the original; quoting *United States v. Salerno*, 481 U.S. 739, 754 (1987).

Finally, while electronic monitoring exists that could track Ms. Bronfman without subjecting her to home confinement, we do not believe, for the reasons discussed above, that it is necessary in this case to prevent her from fleeing.

Wherefore, this Court should release Ms. Bronfman under the proposed bail conditions.

Respectfully submitted,

/s/ Susan Necheles

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Attorneys for Clare Bronfman

cc: AUSA Moira K. Penza

Property To Be Posted As Security for Bond

Property	Location	Beneficial Owner (Corporate Owner)		Approximate Value
[redacted]	Knox, NY	Clare Bronfman (House of Equus LLC)	$	1,400,000
[redacted]	Ketchum, ID	50% Clare Bronfman, 50% Sara Bronfman (Papa Tree jointly)	$	4,000,000
[redacted]	Clifton Park, NY	Sara Bronfman (Alousch LLC)	$	1,900,000
[redacted]	New York, NY	Sara Bronfman (7 Seven LLC)	$	4,200,000
[redacted]	Waterford, NY	Sara Bronfman (Veinte Siez LLC)	$	450,000
[redacted]	Clifton Park, NY	Clare Bronfman (Whare LLC)	$	795,000
UCC-secured interest in ACK Wakaya Holdings LLC	Wakaya, Fiji	Clare Bronfman (ACK Wakaya Holdings LLC)*	$	13,000,000
Total Value of Property			**$**	**25,745,000**
Total Value of Sara Bronfman Interest in Real Estate			$	8,550,000
Total Value of Clare Bronfman Interest in Real Estate			$	4,195,000

*A UCC filing for $13,000,000 will be filed against the Delaware LLC that holds the Fijian entities that own the assets in Fiji.

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA v. CLARE BRONFMAN Defendant.	Cr. No. 18-204 (NGG) **DECLARATION OF LESLIE B. GELLER**

Leslie B. Geller hereby declares under penalty of perjury:

1. I am an attorney licensed to practice in the states of New York, California, and Connecticut. I am a partner at Elkins Kalt LLP in Los Angeles and I practice in the areas of trusts & estates, often representing high net worth individuals with complicated trust situations. I base this declaration upon my personal knowledge of Clare Bronfman's trusts and the agreements governing those trusts, my knowledge of trusts and estate law, and my experience practicing in this field.

2. In approximately April 2018, I was requested by Goldman Sachs to serve as a distribution advisor to two trust accounts of which Clare Bronfman is the beneficiary. That role only formally began in June when restructuring of one of the trusts was completed.

3. Prior to April 2018, my only involvement in the trusts established to benefit Clare was as an attorney advising her personally on estate planning matters and I did not serve in any fiduciary role or have any control over assets held for the benefit of Clare.

4. There are two primary trusts of which Clare is the beneficiary – "Trust 1" and "Trust 2" (or the "Trusts"). Both Trust 1 and Trust 2 are "discretionary trusts." A discretionary trust is a trust as to which the beneficiary does not have the right to compel distributions of

income or principal. The Trusts are not owned by Clare, and the assets are not accessible to Clare unless and until a Trust makes a distribution.

5. Both Trust 1 and Trust 2 were restructured beginning in approximately April 2018, when the bank that held the funds previously indicated that it no longer wanted to serve as custodian of the trust accounts. The purpose of the restructuring was, among other things, to protect and preserve the trust assets.

Trust 1

6. Trust 1 currently holds approximately $65 million in assets. The structure of Trust 1 is as follows. Clare is a discretionary beneficiary of the Trust. Goldman Sachs has custody of the funds and is the sole trustee. Per the terms of the Trust Agreement, Goldman appointed two trust advisors, or "distribution advisors," to advise and direct the trustee as to whether to make any discretionary distributions to Clare from the trust. I am one of those trust advisors and the other is Joseph Weilgus, who previously practiced as an accountant, is licensed as a CPA in New York, and is the CEO of an investment advisory firm registered with the SEC, and has a long-standing relationship with Goldman Sachs. Goldman Sachs only agreed to act as trustee on the condition that Mr. Weilgus and I agree to serve as trust advisors.

7. Both Mr. Weilgus and I must jointly agree before a discretionary distribution is made to Clare under the terms of Trust 1, and we are authorized to withhold all distributions indefinitely. Our discretion to make distributions to Clare from Trust 1 is limited by the Trust Agreement to distributions related to her health, education, maintenance, and support. Our discretion is further limited by our ethical and professional standards, and federal and state law.

8. Clare does not have the power to remove Mr. Weilgus and myself as trust advisors, nor does she have the power to remove Goldman Sachs as trustee. As the discretionary beneficiary of the Trust, she has no right to compel distributions to herself of others.

9. If Clare were to flee and become a fugitive from justice, under no circumstances would I agree to make a distribution from Trust 1 to Clare to fund her ability to live as a fugitive. First, making a distribution to a fugitive would potentially make the Trust an accessory to a crime and would therefore jeopardize ***all*** of the trust assets and would be a breach of my fiduciary duty. On a personal level, using trust assets to enable Clare to be a fugitive would be a violation of my ethical responsibilities as a lawyer, thus putting my license and livelihood in jeopardy, and would also be a violation of federal criminal laws.

10. Likewise, based on my experience in this field, Goldman Sachs, as trustee, would not agree to make any distribution of the trust funds that would aid Clare in committing the federal crime of failure to appear or make distributions to her to aid her ability to live as a fugitive.

11. In other words, if Clare were to flee, the entirety of the trust funds in Trust 1 would be effectively frozen and unavailable to Clare.

12. In addition, as the distribution advisors, Mr. Weilgus and I have the ability to and propose to enter into a binding agreement in a form acceptable to the Court to limit distributions to Clare to pay for certain expenditures that are encompassed within the overall purview of Clare's health, education, maintenance, and support that fall into the following specific categories, and only upon presentation of a proper invoice or receipt:

a. Rent and utilities for her NY City apartment;

b. Upkeep and maintenance on her farm in Albany;

c. Upkeep and maintenance on any other personal use properties;

d. Expenses for bookkeeping and accounting related to her personal finances and those of her closely held businesses;

e. Legal fees and court costs;

f. Medical expenses;

g. Food, groceries, and clothing;

h. Other reasonable and customary personal or household expenditures such as a computer, cell phone bill, laundry, household goods, housekeeper, apartment repairs and installations, etc.;

i. Local transportation expenses within the area approved by the Court for her travel on a regular basis;

j. Travel expenditures associated with any travel permitted by the Court outside the regularly approved travel area only upon presentation of a Court Order permitting such travel;

k. Any other category of personal expenses that arises for Clare's health, education, maintenance, and support that we consider an appropriate expenditure would only be distributed upon prior notification to Pretrial Services.

13. To provide added comfort to the Court, we propose that we will inform Pretrial Services three days in advance of any proposed individual distribution from the Trust greater than $25,000 for any reason other than legal fees associated with Clare's criminal case or necessary medical expenses.

14. As distribution advisors, we have the authority to distribute funds that we determine are necessary for Clare's maintenance and support. It is our judgment that an

appropriate use of funds of the trust is to ensure that Clare can be released on bail while her criminal case is pending. Therefore, we pledge that if Clare's bail is revoked as a result of her failure to appear as required in the criminal case *US v. Raniere, et. al*, 18-Cr-204, we will immediately cause Goldman Sachs to liquidate and distribute $25,000,000 of funds from Trust 1 to the United States District Court for the Eastern District of New York towards payment of the $100,000,000 bond.

15. To effect that pledge, I attach hereto a letter to the Trustee, signed by myself and Mr. Weilgus, instructing the Trustee to make the distribution of $25,000,000 from the funds of Trust 1 to the United States District Court for the Eastern District of New York if at any point Clare's bail is revoked for failure to appear as required. We will deliver this letter to the Trustee upon the Court's approval of this proposal, and we request that the Court "So Order" this letter.

Trust 2

16. Trust 2 currently holds approximately $67 million in assets. The structure of Trust 2 is as follows. Goldman Sachs is the custodian of the Trust assets. The trustees of this Trust are: myself, Joseph Weilgus, Clare, and two of Clare's brothers.

17. Goldman Sachs's agreement to become custodian of this Trust's assets was contingent upon an agreement entered into by all the trustees that there would be no distributions from the Trust. At this stage, Trust 2 is effectively frozen with no ability for Clare to obtain funds from this account.

18. We are in the process of moving the Trusteeship to Goldman Sachs Trust Company. When that transfer is complete, the structure of Trust 2 will be the same as the structure of Trust 1. At that point, Goldman Sachs will be the trustee, and only Joseph Weilgus and I will be the distribution advisors.

19. Joseph Weilgus and I agree and pledge to the Court that no distributions will be made from Trust 2 to or for the benefit of Clare until the conclusion of the criminal case.

Other Trusts

20. There is also a charitable remainder Trust with a current balance of approximately $2.7 million of which Clare is the beneficiary. From this Trust, she currently receives quarterly distributions of approximately $75,000 in mandatory distributions to her. Mr. Weilgus and I are the only trustees of this trust.

21. This trust distributes a total of approximately $315,000 per year to Clare. She does not have the right to obtain more additional distributions from this trust. Clare has certain investments which are real estate developments which require ongoing infusions of capital. We cannot distribute money to Clare from Trust 1 or Trust 2 for these purposes. She can, however, use the charitable remainder trust distributions for this purpose.

22. There are other trusts of which Clare is the beneficiary but none of them have any assets other than receivables which are unlikely to be collected, or policies of insurance.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 26, 2018.

_/S/ Leslie Geller_____
Leslie Geller, Esq.

c/o Leslie Geller and Joseph Weilgus
Clare W. Bronfman 2018 Trust
275 Madison Avenue
New York, New York

Michael D. Fox, CFP
Vice President
Trust Officer
The Goldman Sachs Trust Company
200 Bellevue Parkway, Suite 250
Wilmington, DE 19809

July 26, 2018

Dear Mr. Fox:

As the sole distribution advisors on the Clare W. Bronfman 2018 Trust, we hereby authorize and direct that an immediate distribution of $25,000,000 to the Clerk, United States District Court, Eastern District of New York, be made in the event that Clare Bronfman's bail is revoked as a result of a failure to appear as required in the criminal case pending against her in the Eastern District of New York.

Sincerely,

/S/ Leslie Geller
Leslie Geller

Joe Weilgus

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF NEW YORK

UNITED STATES OF AMERICA v. CLARE BRONFMAN Defendant.	Cr. No. 18-204 (NGG) **DECLARATION OF JOSEPH WEILGUS**

Joseph Weilgus hereby declares under penalty of perjury:

1. I am a Certified Public Accountant and the Chief Executive Officer of the New Legacy Group of companies. The New Legacy Group is an SEC registered investment advisory firm that provides investment advisory and other services focused on the needs of families of significant net worth. I base this declaration upon my personal knowledge of Clare Bronfman's trusts and the agreements governing those trusts and my knowledge and experience in this area.

2. In approximately April 2018, I was requested by Goldman Sachs to serve as a distribution advisor to two trust accounts of which Clare Bronfman is the beneficiary. That role only formally began in June when restructuring of one of the trusts was completed.

3. Prior to April 2018, I was not involved in the trusts established to benefit Clare and I did not serve in any fiduciary role or have any control over assets held for the benefit of Clare.

4. There are two primary trusts of which Clare is the beneficiary – "Trust 1" and "Trust 2" (or the "Trusts"). Both Trust 1 and Trust 2 are "discretionary trusts." A discretionary trust is a trust as to which the beneficiary does not have the right to compel distributions of income or principal. The Trusts are not owned by Clare, and the assets are not accessible to Clare unless and until a Trust makes a distribution.

5. Both Trust 1 and Trust 2 were restructured beginning in approximately April 2018, when the bank that held the funds previously indicated that it no longer wanted to serve as custodian of the trust accounts. The purpose of the restructuring that began in April was, among other things, to protect and preserve the trust assets.

Trust 1

6. Trust 1 currently holds approximately $65 million in assets. The structure of Trust 1 is as follows. Clare is a discretionary beneficiary of the Trust. Goldman Sachs has custody of the funds and is the sole trustee. Per the terms of the Trust Agreement, Goldman appointed two trust advisors, or "distribution advisors", to advise and direct the trustee as to whether to make any discretionary distributions to Clare from the trust. Leslie Geller, a trust attorney, and I are the trust advisors. I have a long-standing professional relationship with Goldman Sachs. Goldman Sachs only agreed to act as trustee on the condition that Ms. Geller and I agree to serve as trust advisors.

7. Both Ms. Geller and I must jointly agree before a discretionary distribution is made to Clare under the terms of Trust 1, and we are authorized to withhold all distributions indefinitely. Our discretion to make distributions to Clare from Trust 1 is limited by the Trust Agreement to distributions related to her health, education, maintenance, and support. Our discretion is further limited by our ethical and professional standards, and federal and state law.

8. Clare does not have the power to remove us as trust advisors, nor does she have the power to remove Goldman Sachs as trustee. As the discretionary beneficiary of the Trust, she has no right to compel distributions to herself or to others.

9. If Clare were to flee and become a fugitive from justice, under no circumstances would I agree to make a distribution from Trust 1 to Clare to fund her ability to live as a fugitive. First, making a distribution to a fugitive would potentially make the Trust an accessory to a crime and would therefore jeopardize *all* of the trust assets and would be a breach of my fiduciary duty. On a personal level, using trust assets to enable Clare to be a fugitive would put my license and SEC registration, and thus my livelihood, in jeopardy, and would be a violation of federal criminal laws.

10. Likewise, based on my experience, Goldman Sachs, as trustee, would not agree to make any distribution of the trust funds that would aid Clare in committing the federal crime of failure to appear or make distributions to her to aid her ability to live as a fugitive.

11. In other words, if Clare were to flee, the entirety of the trust funds in Trust 1 would be effectively frozen and unavailable to Clare.

12. In addition, as the distribution advisors, Ms. Geller and I have the ability to and propose to enter into a binding agreement in a form acceptable to the Court to limit distributions to Clare to pay for certain expenditures that are encompassed within the overall purview of Clare's health, education, maintenance, and support that fall into the following specific categories, and only upon presentation of a proper invoice or receipt:

a. Rent and utilities for her NY City apartment;

b. Upkeep and maintenance on her farm in Albany;

c. Upkeep and maintenance on any other personal use properties;

d. Expenses for bookkeeping and accounting related to her personal finances and those of her closely held businesses;

e. Legal fees and court costs;

f. Medical expenses;

g. Food, groceries, and clothing;

h. Other reasonable and customary personal or household expenditures such as a computer, cell phone bill, laundry, household goods, housekeeper, apartment repairs and installations, etc.;

i. Local transportation expenses within the area approved by the Court for her travel on a regular basis;

j. Travel expenditures associated with any travel permitted by the Court outside the regularly approved travel area only upon presentation of a Court Order permitting such travel;

k. Any other category of personal expenses that arises for Clare's health, education, maintenance, and support that we consider an appropriate expenditure would only be distributed upon prior notification to Pretrial Services.

13. To provide added comfort to the Court, we propose that we will inform Pretrial Services three days in advance of any proposed individual distribution from the Trust greater than $25,000 for any reason other than legal fees or necessary medical expenses.

14. As distribution advisors, we have the authority to distribute funds that we determine are necessary for Clare's maintenance and support. It is our judgment that an appropriate use of funds of the trust is to ensure that Clare can be released on bail while her criminal case is pending. Therefore, we pledge that if Clare's bail is revoked as a result of her failure to appear as required in the criminal case *US v. Raniere, et. al*, 18-Cr-204, we will immediately cause Goldman Sachs to liquidate and distribute $25,000,000 of funds from Trust 1

to the United States District Court for the Eastern District of New York towards payment of the $100,000,000 bond.

15. To effect that pledge, I attach hereto a letter to the Trustee, signed by myself and Ms. Geller, instructing the Trustee to make the distribution of $25,000,000 from the funds of Trust 1 to the United States District Court for the Eastern District of New York if at any point Clare's bail is revoked for failure to appear as required. We will deliver this letter to the Trustee upon the Court's approval of this proposal, and we request that the Court "So Order" this letter.

Trust 2

16. Trust 2 currently holds approximately $67 million in assets. The structure of Trust 2 is as follows. Goldman Sachs is the custodian of the Trust assets. The trustees of this Trust are: myself, Leslie Geller, Clare, and two of Clare's brothers.

17. Goldman Sachs's agreement to become custodian of this Trust's assets was contingent upon an agreement entered into by all the trustees that there would be no distributions from the Trust. At this point in time, Trust 2 is effectively frozen with no ability for Clare to obtain funds from this account.

18. We are in the process of moving the Trusteeship to Goldman Sachs Trust Company. When that transfer is complete, the structure of Trust 2 will be the same as the structure of Trust 1. At that point, Goldman Sachs will be the trustee, and only Leslie Geller and I will be the distribution advisors.

19. Leslie Geller and I agree and pledge to the Court that no distributions will be made from Trust 2 to or for the benefit of Clare until the conclusion of the criminal case.

Other Trusts

20. There is also a charitable remainder Trust with a current balance of approximately $2.7 million of which Clare is the beneficiary. From this Trust, she currently receives quarterly distributions of approximately $75,000 in mandatory distributions to her. Ms. Geller and I are the only trustees of this trust.

21. This trust distributes a total of approximately $300,000 per year to Clare. She does not have the right to obtain additional distributions from this trust. Clare has certain investments which are real estate developments which require ongoing infusions of capital. We cannot distribute money to Clare from Trust 1 or Trust 2 for these purposes. She can, however, use the charitable remainder trust distributions for this purpose.

22. There are other trusts of which Clare is the beneficiary but none of them have any assets other than receivables which are unlikely to be collected, or policies of insurance.

I declare under penalty of perjury that the foregoing is true and correct. Executed on July 26, 2018.

_____

Joseph Weilgus

c/o Leslie Geller and Joseph Weilgus
Clare W. Bronfman 2018 Trust
275 Madison Avenue
New York, New York 10016

Michael D. Fox, CFP
Vice President
Trust Officer
The Goldman Sachs Trust Company
200 Bellevue Parkway, Suite 250
Wilmington, DE 19809

July 26, 2018

Dear Mr. Fox:

As the sole distribution advisors on the Clare W. Bronfman 2018 Trust, we hereby authorize and direct that an immediate distribution of $25,000,000 to the Clerk, United States District Court, Eastern District of New York, be made in the event that Clare Bronfman's bail is revoked as a result of a failure to appear as required in the criminal case pending against her in the Eastern District of New York.

Sincerely,

Leslie Geller

Joseph Weilgus