

# SPEAKING OF MANAFORT'S EFFORTS TO MAKE BAIL DOING HIM IN

Mueller watchers are abuzz with the news that the Special Counsel filed new, sealed charges in the Paul Manafort/Rick Gates docket. The move comes in advance of Gates' 5PM deadline to tell the court which lawyers he's going to the prom with.

As Josh Gerstein noted, the new charges might be related to new evidence obtained relating to some bank fraud.

Last week, prosecutors told the court they'd received new evidence that Manafort took part in "a series of bank frauds and bank fraud conspiracies" in connection with a loan he sought in 2016. Mueller's team said Manafort obtained the loan using "doctored profit and loss statements" that overstated "by millions of dollars" the income of his consulting business.

The bank fraud allegations were disclosed in a bail-related court filing made public on Friday that did not contain any indication of what action, if any, Mueller's team planned to take over the alleged fraud.

Meanwhile, NBC reports that Mueller's team has been focusing on loans Manafort obtained in the wake of leaving the campaign that might be that newly identified fraud; they suggest Manafort may have promised the banker who made the loans a position in the Trump White House.

Manafort received three separate loans in December 2016 and January 2017 from Federal Savings Bank for homes in New

York City, Virginia and the Hamptons.

The banker, Stephen Calk, president of the Federal Savings Bank, was announced as a member of candidate Trump's Council of Economic Advisers in August 2016.

Special counsel Robert Mueller's team is now investigating whether there was a quid pro quo agreement between Manafort and Calk. Manafort left the Trump campaign in August 2016 after the millions he had earned working for a pro-Russian political party in Ukraine drew media scrutiny. Calk did not receive a job in President Donald Trump's cabinet.

They point specifically to loans for which Manafort used his Hamptons and Alexandria homes – the same homes at the center of his effort to make bail – as collateral.

Manafort's LLC, Summerbreeze, then took out a new \$9.5 million loan in December using the Hamptons property and house in Alexandria, Virginia, as part of the collateral. The lender was Federal Savings Bank of Chicago, whose chief executive, Calk, was an economic adviser to the Trump campaign.

Yesterday, Manafort submitted additional paperwork on the collateral for precisely this loan.

The business attorney who handled the mortgage refinancing transaction relating to the Bridgehampton, NY property was contacted upon the conclusion of the hearing held on February 14, 2018 and asked to provide an analysis of the mortgage loan documents and the parties' understanding at the time, of which he had first-hand knowledge. Specific attention to the additional collateral provided by the

Alexandria property was requested. The attorney's letter, with exhibits, is attached to this submission. (See Attachment A.)

Although the document speaks for itself, in general, the business attorney confirms the following: the primary collateral for the Bridgehampton loan refinancing was the real property itself, valued at [redacted], and the substantial deposit account of [redacted] established with the lending institution to be used by the bank in the event of a default on the mortgage. Importantly, the lawyer notes that "[t]he property at [redacted—his Alexandria property], is merely additional collateral with no expectation that its foreclosure would be necessary in the event of a default. These facts were discussed between myself and representatives of FSB well before the closing of the loan, and the loan documents were prepared accordingly."

Next, the defendant wishes to advise that upon further investigation and inquiry with Mr. Manafort's business attorney, the [redacted] on deposit with the lender was tied to the Union Street property in New York, not the Bridgehampton property. Regardless of the defendant's intent to use these deposited funds – upon the satisfaction of certain requisite conditions – for the payment of Bridgehampton loan expenses, there is no contractual or legal obligation to do so in a hypothetical default scenario. Nevertheless, as the letter states, the appraised value of the Bridgehampton property plus the deposit account noted above totals [redacted] and would be more than sufficient to satisfy the [redacted] loan to Summerbreeze, LLC.

Id.

After Manafort submitted that, the government asked for and obtained access to the sealed transcripts from that hearing.

Which is to say, the government has gotten sworn statements about the property Manafort has been trying to use to make bail, statements that, if he is found to lie on them, he'll lose his current release conditions.

Call me crazy, but I think Manafort might finally spend his first night in jail.

Not to mention Manafort and these bankers are probably in a bigger heap of trouble.

I'm betting he's going to get a lot closer to flipping after he spends a bit of time in jail.