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Our Ref : AP/DG/13219.6  
Date : 10 February 2009



**Carter-Ruck**

**Not for Publication**

**Private and Confidential**

**By Post and Email: HFPeditor@email.com**

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Dear Sir

**Mr Nadhmi Auchi**

We are instructed by our client, Nadhmi Auchi, with regard to an article entitled "Lehman Brothers: Obama's Rezko-Auchi conflict of interest" published on your website at <http://www.hawaiifreepress.com/main/ArticlesMain/tabid/56/articleType/ArticleView/articleId/66/Lehman-Brothers-Obamarsquos-RezkoAuchi-conflict-of-interest.aspx>.

Andrew Stephenson  
Alasdair Pepper  
Guy Martin  
Ngel Tai  
Mark Thomson  
Ruth Collard  
Cameron Doley  
Claire Gill  
Adam Tudor  
Hanna Basha  
Magnus Boyd

The article contains numerous highly defamatory and false allegations about our client, in addition to other false claims about him. In particular, which list is not exhaustive:

Partnership Secretary  
Helen Surtuck

1. It is untrue that our client is the largest private shareholder in BNP Paribas. Our client had a minority shareholding in Paribas when it was bought by BNP. As a result of the acquisition he then became a minority shareholder in BNP Paribas. This was after BNP had entered into the Oil-for-Food contract. Since the merger our client sold his shareholding in the bank. We refer you to the United Nations document "Report on the Manipulation of the Oil-for-Food Programme" which contains no mention of our client or any company of his.
2. It is untrue that our client is a former "high-ranking official in Iraq's Oil Ministry". He was the director of planning and development of one of Iraq's refineries before leaving this position in 1972, after which our client did not work for the government in any capacity whatsoever.
3. It is untrue that our client was a "procurer of arms for Saddam Hussein's government during the Iraq war". Our client is not involved in the arms trade as alleged or at all in any country. Indeed, our client never met or spoke to Saddam Hussein and was not involved in any of Saddam Hussein's operations.
4. The \$3.5 million loan to which you refer in your article made in 2007 was part of a commercial transaction, made at a commercial rate of interest

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and secured by the personal pledge of Mr Rezko and specified assets. The payment was made to an account of Mr Rezko's attorneys. Our client is not responsible for Mr Rezko's subsequent detention. Mr Rezko appears to have had his bail revoked because of his failure to properly disclose the loan.

5. Our client was not involved in any way with the then Senator Obama's property purchases. Our client has never conducted any business with the then Senator Obama of any nature, nor has he contributed to any campaign fund of his. The loan of \$3.5m in 2005 was part of a commercial transaction, made at a commercial rate of interest and secured by the personal pledge of Mr Rezko and specified assets. It is not a matter for our client if Mr Rezko chose to raise money for the then Senator Obama or to whom he donated money.
6. Our client flatly and categorically denies any wrong doing in relation to matters that led to his conviction in France. Our client has applied to the European Court of Human Rights for a ruling that the trial resulting in his conviction breached his fundamental right to a fair trial. He is also suing Elf Oil for dragging him unwittingly into the scandal.
7. With regard to the article by Nick Cohen of the Guardian, following legal action taken by our client against Guardian News and Media Limited (publisher of the Observer and Guardian), it agreed to take this article, along with five others, down from its web site. The newspaper accepted that the articles contained "*some significant inaccuracies*". It has also undertaken not to republish the allegations complained of and has written to search engines requesting that they no longer publish the articles complained of and remove all links and hyperlinks to them on the internet. Guardian News and Media Limited also agreed to pay a substantial sum in relation to our client's costs. In particular:
  - (a) as stated above, it is untrue that our client had any involvement with Saddam Hussein.
  - (b) it is untrue that our client was involved in bribing "*fabulously corrupt leaders of post-war Italy*".
  - (c) it is untrue that our client, or any entity of his, held money for Saddam Hussein or Colonel Gadaffi.
8. As stated above, our client has sold his shareholding in BNP Paribas.
9. As stated, the implication that our client was involved in any way with Senator Obama's purchase of a mansion in Chicago is entirely false.

You are requested to cease publishing these false and defamatory allegations about our client by forthwith removing them.

You should be aware that our client has lived and worked in England for over 25 years and that your article is likely to have been read by a substantial number of readers in England. Accordingly, in relation to publication of the article in England, it will be subject to English law and the jurisdiction of the court in England.

Our client's full rights are reserved.

Yours faithfully

  
Carter-Ruck

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Date : 19 February 2009



**Carter-Ruck**

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Dear Sir

**Mr Nadhmi Auchi**

We refer to our letter dated 10 February 2009 (copy attached for ease of reference) and note that the article complained of remains on your website.

We await hearing from you as a matter of urgency.

Yours faithfully

**Carter-Ruck**

Andrew Stephenson  
Alasdair Pepper  
Guy Martin  
Nigel Tait  
Mark Thomson  
Ruth Collard  
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Claire Gill  
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**Not for Publication**

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Dear Sir

**Mr Nadhmi Auchi**

We write further to our letters of 10 February and 19 February 2009, for which we have yet to receive a response.

We note that since our previous correspondence, on 24 March 2009, an "update" was appended to the article complained of, which remains accessible on your website. The update purports to quote from our letter of 10 February 2009, which had been clearly marked "Not for Publication" and "Private and Confidential".

Our client's full rights are reserved in relation to your continued publication of false and defamatory allegations about him, despite our correspondence.

Again, you are requested to cease publishing false and defamatory allegations about our client by forthwith removing them.

We await hearing from you as a matter of urgency.

Yours faithfully

**Carter-Ruck**

Andrew Stephenson  
Alasdair Pepper  
Guy Martin  
Nigel Tait  
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Ruth Colvard  
Cameron Dole,  
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March 25, 2009

**By Federal Express**

Alasdair Pepper  
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76 Shoe Lane  
London EC4A 3JB

Re: Hawai'i Free Press piece entitled "Lehman Brothers: Obama's Rezko-Auchi conflict of interest"

Dear Mr. Pepper:

We have your firm's February 10, 2009, letter to the *Hawai'i Free Press* regarding a piece entitled "Lehman Brothers: Obama's Rezko-Auchi conflict of interest," which appeared back in September 2008. Your firm's letter requests that the *Hawai'i Free Press* remove certain statements from the September 17, 2008, item because they are supposedly "false and defamatory allegations" about your client, Nadhmi Auchi. None of the statements in the item are false or defamatory. The *Hawai'i Free Press* is within its legal rights in publishing these statements on its website's archives.

Your letter contains nine numbered paragraphs containing allegations of false and defamatory statements in the "Lehman Brothers" piece. However, most of the allegations do not identify a single statement in the piece as false or defamatory, but rather offer commentary on subjects touched on in it. Of course, that a piece may not be written as Mr. Auchi would have liked is a far cry from meeting the legal standard for defamation.

The only statements that Mr. Auchi arguably disputes are true are referred to in paragraphs 1 through 3 and paragraph 8 of your February 10, 2009, letter. The *Hawai'i Free Press* stands by the truth of the statements in the piece and has documentation to support the accuracy of the statements.

We note a critical distinction between the allegations of paragraph 1 of your letter and the statements in the "Lehman Brothers" piece. Paragraph 1 asserts that it is untrue that *Mr. Auchi* is the largest private shareholder of BNP Paribas. However, the "Lehman Brothers" piece makes no such statement. It says that *General Mediterranean Holdings (GMH)* is the largest private

Alasdair Pepper  
March 25, 2009  
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shareholder of BNP Paribas. Nonetheless, since receipt of your letter, the *Hawai'i Free Press* has conducted additional research into whether GMH is the largest private shareholder of BNP Paribas. The newspaper learned that GMH's ownership interest discussed in the article is derivative; it is Compagnie Internationale de Participations Bancaires en Financières SA, a self-described investment vehicle of GMH, that claims to rank among the "topmost investors" in BNP Paribas. The distinction in no way alters the truth of the statement in the "Lehman Brothers" piece. However, in the interest of full and accurate reporting, the *Hawai'i Free Press* will alter the "Lehman Brothers" piece to reflect this distinction.

Paragraphs 4 through 7 and paragraph 9 do not address any original reporting or commentary in the piece, but instead address excerpts of articles quoted in the "Lehman Brothers" item. Although Mr. Auchi disagrees with the substance of those articles, he does not appear to dispute the facts stated in the "Lehman Brothers" item – that the quoted articles were, in fact, published and that the quoted articles contained the excerpted text. There can be nothing false or defamatory about accurately reporting what has been published about Mr. Auchi in the past.

Further, paragraphs 4 through 7 and paragraph 9 do not identify any statement in the *Hawai'i Free Press* as allegedly false or defamatory; they simply expound on topics touched on in the item. In fact, instead of identifying false statements in the piece, the letter confirms certain things written about Mr. Auchi. Specifically, paragraphs 4 and 5 admit the truth of the statement that one of Mr. Auchi's companies made a \$3.5 million loan to Mr. Rezko. Paragraph 6 confirms the statement that Mr. Auchi was convicted in France and that he is challenging the conviction. The piece does not appear to address the remaining topics in your letter, namely the terms of the \$3.5 million loan to Mr. Rezko (¶¶ 4, 5), Mr. Auchi's connection to Mr. Rezko's criminal proceedings (¶ 4), Mr. Auchi's involvement with Mr. Obama (¶¶ 5, 9), or the validity of Mr. Auchi's conviction (¶ 6), so it would be impossible to "defame" Mr. Auchi with regard to any of these matters.

Paragraph 7 relates to an article written by Nick Cohen of the *Guardian*, which is excerpted in the "Lehman Brothers" piece. Your letter claims that the *Guardian* removed its article from its website under "legal" pressure from Mr. Auchi's attorneys and conceded that its article contained some inaccuracies. Subsequent action by the *Guardian*, even if true, would in no way affect the truth of the statement in the "Lehman Brothers" item that "In 2003, Nick Cohen of the UK *Guardian* wrote..." The *Hawai'i Free Press* is under no legal obligation to alter the "Lehman Brothers" piece to reflect the *Guardian's* subsequent actions. However, in the interest of full and accurate reporting, the *Hawai'i Free Press* will add an update to the online version of the "Lehman Brothers" item indicating that the *Guardian* article has been removed from the *Guardian's* website.

Alasdair Pepper  
March 25, 2009  
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The *Hawai'i Free Press* does not aim to publish false or defamatory statements about Mr. Auchi. If you present us with specific statements in the "Lehman Brothers" item that you claim are false or defamatory or present us with information that contradicts any fact in the piece, we would be happy to ask the newspaper to further scrutinize its sources to ensure that the statements in the item are adequately supported by independent evidence and to publish a correction for any fact that proves to be inaccurate.

In the future, please direct any correspondence regarding this matter to me. Stephen C. Carlson will also work on this matter and should be included on any such communications.

Sincerely,

Timothy E. Kapshandy