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## Oil Exec Accused Of Lying To Banks Is Convicted Of Contempt

By Jack Newsham

Law360, New York (September 12, 2017, 8:40 PM EDT) -- An oil businessman who failed to disclose his assets to a Chinese bank that won a \$5 million judgment against him was found guilty of criminal contempt on Tuesday, with a New York federal jury taking less than three hours to convict.

Raheem J. Brennerman and his company, sued in 2015 by an affiliate of the Industrial and Commercial Bank of China for defaulting on a loan, were each found guilty of two counts of contempt for failing to comply with discovery requests. The verdict comes about three months after prosecutors hit Brennerman with new charges for trying to trick ICBC and at least one other lender out of \$300 million.

In closing arguments Tuesday, a lawyer for Brennerman said ICBC buried him with questions about his financial information at the same time as settlement talks were ongoing, and said the bank already had the information he was charged with hiding. But U.S. Department of Justice lawyers told jurors the evidence was clear, showing that Brennerman knew his obligations and willfully ignored them.

"The defense's arguments are distractions," prosecutor Robert Sobelman said. "If you look at the evidence in this case without distractions, then the defendants are done."

Brennerman's lawyers sometimes bucked at the constraints upon them. Although Maranda Fritz, a partner at Thompson Hine LLP, rejected prosecutors' charge that her client showed "defiance" of the court's orders and suggested he simply deferred to his lawyers for matters related to the ICBC case, her effort to explain his actions was at times stymied.

When Fritz said the list of discovery demands slapped on her client was "as big as a truck," the prosecution's objection was sustained, with U.S. District Judge Lewis Kaplan telling jurors that it didn't matter whether the pile of interrogatories was "as big as a truck or as small as a SmartCar." The judge also clamped down when Fritz made a reference to evidence that wasn't admitted.

"They are not permitted to suggest that my rulings are wrong," he instructed jurors.

The jury didn't take long to reach its verdict, breaking for lunch and deliberations at 2 p.m. and returning shortly before 5 p.m., finding both Brennerman and his company, Blacksands Pacific Group Inc., guilty of two counts of criminal contempt related to two discovery orders they were accused of ignoring.

\* A juror who spoke to Law360 and gave her last name as Gordon said the jury was swayed most strongly by Judge Kaplan's civil contempt orders against Brennerman. One juror was initially unsure of whether he was fully aware of the consequences, but the judge's second contempt order was very clear, Gordon said.

"He had to know [of the legal risks] because if he didn't comply he was going to be fined a lot of money," she said. The closing arguments were not particularly influential, Gordon added, saying jurors stuck to the evidence and followed the judge's instructions.

Sentencing is set for Dec. 21.

Meanwhile, Brennerman faces still more criminal charges related to the ICBC dispute. He was arrested and his bail revoked earlier this year after prosecutors charged him with bank fraud, wire fraud, visa fraud and conspiracy to commit fraud for falsely claiming to ICBC that he had a deal lined up to buy a California oil field so he could obtain a loan. He told other banks a similar story, the government alleged.

Pretrial motions in that case are due at the end of next week.

A lawyer for Brennerman and Blacksands declined to comment. The Justice Department doesn't comment on lawsuits.

The government is represented by Robert B. Sobelman and Nicolas T. Landsman-Roos of the U.S. Department of Justice.

Brennerman is represented by Maranda E. Fritz and Brian D. Waller of Thompson Hine LLP.

The case is U.S. v. Blacksands et al., case number 1:17-cr-00155, in the U.S. District Court for the Southern District of New York.

--Editing by Catherine Sum.