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Arizona • California • Michigan • New York • Washington, D.C. • (855) 835-AFLC (2352) • Fax: (801) 760-3901

**Contact: Robert Muise**  
**(855) 835-AFLC (2352)**  
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**For Immediate Release: April 19, 2012**

## **AFLC Attorneys to Argue Before Federal Appellate Court Tomorrow that AIG Bailout Violates the Constitution**

Cincinnati, Ohio (April 19, 2012) — Tomorrow, David Yerushalmi and Robert Muise, Co-Founders and Senior Counsel of the American Freedom Law Center (AFLC), are presenting oral argument in the U.S. Court of Appeals for the Sixth Circuit in an appeal challenging the constitutionality of the AIG bailout. The case, *Murray v. United States Department of Treasury, et al.*, was brought by Yerushalmi and Muise, who are representing Kevin Murray, a taxpayer and former combat Marine who served in Iraq. The three-judge panel that will hear the case includes Senior Judge Alan E. Norris, a Reagan appointee; Judge Eric L. Clay, a Clinton appointee; and Judge Richard Allen Griffin, a George W. Bush appointee. The federal lawsuit alleges that the U.S. government’s takeover and financial bailout of AIG violates the Establishment Clause of the First Amendment.

At the time of the government bailout, which began in September 2008 and is ongoing, AIG was — and still is — the world leader in promoting sharia-compliant insurance products. Sharia is Islamic law, which demands capital punishment for apostasy and blasphemy. It also provides the legal and political mandates for global jihad followed religiously by Muslim terrorists. As alleged in the lawsuit, by propping up AIG with taxpayer funds, the U.S. government is directly and indirectly promoting Islam — and, more troubling, sharia.

Yerushalmi commented: “It is one thing that our government felt compelled to bail out AIG after its fortunes were destroyed due to the company’s own recklessness and bad acts. It is quite another thing to use U.S. taxpayer dollars to promote and support AIG’s sharia businesses — all of which don’t just sell sharia products to the Muslim world, but actively promote sharia as the best, most ethical way of life. Indeed, the sharia authorities relied upon by AIG’s Sharia Supervisory Committees actively promote jihad — and by jihad we mean kinetic war against the infidel West.”

In May 2009, federal district court judge Lawrence Zatkoff, who presides in the U.S. District Court for the Eastern District of Michigan, rejected a motion to dismiss the lawsuit brought by the Obama administration's Department of Justice, and later rebuffed their efforts to stay the proceeding so they could avoid discovery and take an extraordinary appeal to the Sixth Circuit. In that earlier ruling, Judge Zatkoff stated:

In this case, the fact that AIG is largely a secular entity is not dispositive: The question in an as-applied challenge is not whether the entity is of a religious character, but how it spends its grant. The circumstances of this case are historic, and the pressure upon the government to navigate this financial crisis is unfathomable. Times of crisis, however, do not justify departure from the Constitution. In this case, the United States government has a majority interest in AIG. AIG utilizes consolidated financing whereby all funds flow through a single port to support all of its activities, including Sharia-compliant financing. Pursuant to the [Emergency Economic Stabilization Act], the government has injected AIG with tens of billions of dollars, without restricting or tracking how this considerable sum of money is spent. At least two of AIG's subsidiary companies practice Sharia-compliant financing, one of which was unveiled after the influx of government cash. . . . Finally, after the government acquired a majority interest in AIG and contributed substantial funds to AIG for operational purposes, the government co-sponsored a forum entitled "Islamic Finance 101." These facts, taken together, raise a question of whether the government's involvement with AIG has created the effect of promoting religion and sufficiently raise Plaintiff's claim beyond the speculative level, warranting dismissal inappropriate at this stage in the proceedings.

After a year of document requests, depositions of current and former government witnesses, and three separate subpoenas issued to AIG and the New York Federal Reserve Bank, Yerushalmi and Muise filed a motion for summary judgment, arguing that the undisputed facts demonstrate that the government, through its absolute control and ownership of AIG, and with tens of billions of taxpayer dollars, has directly and indirectly promoted and supported sharia as a religious legal doctrine in violation of the U.S. Constitution.

Following the close of discovery, the Justice Department also filed a motion for summary judgment, arguing that the aid provided to AIG's sharia businesses was both unintended and *de minimus*.

On January 14, 2011, Judge Zatkoff completely reversed his earlier position and ruled that there was no evidence presented of religious indoctrination, and if there were such evidence, the indoctrination could not be attributed to the federal government. In addition, the court ruled that the amount of federal money that was used to support sharia — \$153 million — was “*de minimus*” in light of the large sum of taxpayer money the federal government actually gave to AIG — in excess of \$40 billion. Yerushalmi and Muise immediately appealed the ruling to Sixth Circuit.

Muise concluded, “Contrary to the lower court’s 2011 ruling, the facts and relevant law of this case compel one conclusion: the Constitution prohibits the federal government from officially endorsing and supporting with taxpayer funds Islamic religious activities and indoctrination. Indeed, this case not only raises serious constitutional issues, it also raises serious national security concerns in that our government is providing direct financial support for anti-American, Islamic activities. In short, the federal government is using taxpayer funds to support jihad being waged against the United States.”

**Additional details:** Oral arguments are to begin at 9:00 a.m. in the 6th Floor East Courtroom of the U.S. Court of Appeals for the Sixth Circuit, which is located at 540 Potter Stewart U.S. Courthouse, 100 E. Fifth Street Cincinnati, Ohio. Immediately after oral argument, Robert Muise will be taking interview requests. He can be reached directly at (734) 635-3756.

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