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American Freedom Law Center Attorneys to Argue Before Federal Appellate Court that AIG Bailout Was Unconstitutional

Michigan — The U.S. Court of Appeals for the Sixth Circuit has announced that it will hear oral argument in Cincinnati, Ohio on April 20, 2012, in an appeal challenging the AIG bailout. The case, which is captioned on appeal as *Murray v. United States Department of Treasury, et al.*, was brought by *American Freedom Law Center* attorneys David Yerushalmi and Robert Muise, representing the plaintiff, Kevin Murray, a taxpayer and former combat Marine who served in Iraq. The federal lawsuit alleges that the U.S. government’s takeover and financial bailout of AIG was in violation of the Establishment Clause of the First Amendment.

Specifically, at the time of the government bailout (beginning in September 2008 and continuing to the present), AIG was (and still is) the world leader in promoting sharia-compliant insurance products. Sharia is Islamic law, and it is the identical legal doctrine that demands capital punishment for apostasy and blasphemy and provides the legal and political mandates for global jihad followed religiously by the world’s Muslim terrorists. By propping up AIG with taxpayer funds, the U.S. government is directly and indirectly promoting Islam and, more troubling, sharia.

In May 2009, U.S. 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 (DOJ) and later rebuffed their efforts to stay the proceeding so they could avoid discovery and take an extraordinary appeal to the Sixth Circuit.

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.

What makes this case all the more egregious is that this doctrine — sharia — also happens to be the underlying legal and military doctrine animating jihad against the West by Muslims from the Middle East, Asia, Russia, Africa, and even right here at home, as evidenced by the tragic Fort Hood massacre. Each and every one of the domestic and foreign jihad terrorists has proclaimed allegiance to sharia and its call for “jihad against apostates and infidels.”

Two experts on sharia, sharia-compliant finance, and jihad testified at length through affidavits in support of the plaintiff’s case. The government could not — and did not — oppose this expert testimony with any contrary evidence.

A year’s worth of discovery uncovered the following facts in addition to what was known from the public record:

- AIG has five wholly-owned subsidiaries which promote and practice sharia in Saudi Arabia, Malaysia, Bahrain, and the U.S.
- These sharia-compliant companies employ or otherwise retain the services of sharia authorities to tell them how to conduct their business according to sharia, including the sharia-compliant charities to which these AIG subsidiaries must contribute.
- The government places absolutely no controls on how its billions of taxpayer dollars are used by the sharia-compliant companies or to whom they support with their “zakat” (“charitable”) dollars. Moreover, these companies all accept sharia’s mandate to support jihad with zakat insofar as they abide by the authoritative rulings of the world’s leading sharia authorities.
- Over one billion taxpayer dollars have flowed through AIG’s headquarters into supporting AIG’s sharia businesses worldwide.
- The government has actively promoted sharia and sharia-compliant finance in many ways and venues:
 - The Treasury Department has published, edited, and updated articles about sharia-compliant finance, which essentially promote Islamic law uncritically.
 - The Treasury Department has created and staffed a position called the Islamic Finance Scholar-in Residence. No other religious law is so honored.

- Published presentations by senior Treasury Department officials laude sharia-compliant finance and state explicitly that the U.S. government “*places significant importance on promoting . . . Islamic finance*” and has “*recently deepened our engagement in Islamic finance in a number of ways,*” including a “*call[] for harmonization of Shari’a standards at the national and international levels.*”
- After the AIG bailout, the Treasury Department co-sponsored a half-day conference called “Islamic Finance 101” for government policy makers which was in effect a cheerleading program to promote sharia and sharia-compliant finance.

Yerushalmi remarked: “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 violent jihad.”

Following the close of discovery, the Obama DOJ 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, the court completely reversed its 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 and besides, 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. Oral argument is now scheduled.

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