

132 S. RODEO DRIVE, SUITE 301 BEVERLY HILLS, CA 90212 424.203.1600 • WWW.HMAFIRM.COM

June 9, 2016

CONFIDENTIAL COMMUNICATION

VIA E-MAIL AND CERTIFIED U.S. MAIL

Heather Dietrick, Esq. General Counsel and President GAWKER MEDIA, LLC 114 5th Ave, Second Floor New York, NY 10011-5611 Email:

Re: Ivari International, Edward Ivari – Demand for Retraction, Apology

Dear Ms. Dietrick:

This law firm is litigation counsel for Ivari International and Edward Ivari (collectively, "Ivari"), who have been libeled by your May 24, 2016 story, "Is Donald Trump's Hair a \$60,000 Weave? A Gawker Investigation" (the "Story"). The Story makes numerous false and defamatory statements about my clients.

The following statements in the Story are false and defamatory, and we demand that you publish a full, fair and conspicuous retraction, correction and apology as to each such statement:

- "What's more, Ivari's New York location is inside Trump Tower on the private floor reserved for Donald Trump's own office."
- The following false statements taken from a lawsuit filed against Mr. Ivari by Alicia Roach in 2001 – a case won by Ivari - presented to be a true "breakdown of what a

microcylinder treatment actually entails":

a. "The intervention involves the use of skeins of natural donor hair. Each skein consists of a line of hairs attached to a thread about one inch in length. The threads are then attached end-to-end in concentric circles over the client's head. The circles of thread are then anchored to each other by separate threads, which radiate from the center so that the underside of the resulting hairpiece resembles a spider's web. The client's natural hair is attached to the hairpiece by forty to sixty separate threads. Each of those threads is attached at one end to the web and at the other end to a tiny metal clamp around a few strands of natural hair at the scalp. Every few weeks, as the natural hair grows out from the scalp, the hairpiece loosens on the head. This places increased

tension on the natural hair to which the microcylinders are attached and can cause hair breakage. A maintenance procedure (maintenance) is necessary wherein the clamps must be removed and replaced closer to the scalp. A maintenance tightens the hairpiece on the client's head."

- b. The following statement taken out of context from the same lawsuit: "The judge's decision states, 'Ivari, Inc. is in the business of installing exorbitantly-priced hairpieces on the heads of people with thinning hair. These hairpieces are the functional equivalent of wigs and might be expected to look and feel like wigs after attachment.""
- 3. "[T]his nonsurgical 'micro link' method from a hair restoration clinic in Canada appears to be fairly similar" to Ivari's mycrocylinder process.
- 4. Ivari's business brochure refers to microcylinders as "microextensions."
- 5. Mr. Ivari "often depicts himself as a doctor."
- 6. Ivari's company has existed as "Ivari, Ivari International Capillaire" and "the Ivari Treatment Center."
- 7. "This was the fourth time that Ivari has had its license suspended in California for tax-related reasons."
- 8. "Ivari doesn't just dole out loans, he apparently solicits them, too—or at least, Edward Ivari allegedly did so while treating Dennis Graff."
- 9. The following false statements taken from a lawsuit filed by Dennis Graff, are presented by Gawker as an accurate portrayal of my clients and their business practices, when if fact the statements are false and defamatory:
 - a. "Edward Ivari might have good reason for wanting to stay out of sight. The lawsuit claims that 'upon information and belief, Mohammad Ivari is one of several aliases used by Edward Ivari in the furtherance of various highly suspicious and illegal operations in the United States, the Middle East, and elsewhere."
 - b. The statements that "in the middle of the 10-to-12 hour process of installing the hair replacement system, Ivari asked Graff 'if he would loan him \$250,000 at 6% interest for his various "interests." Graff declined to loan the man he barely knew a quarter of a million dollars, so Ivari then 'advised Graff he "would be unable to complete his work" and would complete only the top part.' This left Graff with a 'grossly uneven product covering the top of his head only.""

- c. "Furthermore, Graff claims that Ivari was suddenly and mysteriously booked solid, meaning that he was stuck with the mess on his head for the two months Ivari claimed it would take to squeeze him in. When the appointment to finish Graff's treatment finally did roll around, Ivari allegedly hit him up for money again—this time for \$500,000 at an 18 percent interest rate."
- d. "When Graff declined to loan Ivari the money yet again, Ivari supposedly said he was suddenly unable to finish the treatment that day. He would, however, be happy to see Graff at his next available appointment date—one whole month from then. That's when things really started to get fun."
- e. "In July of 2007, Graff appeared for his appointment at Ivari, Inc. to have the hair replacement done. Edward Ivari advised Graff he lost millions of dollars in a Saudi Arabia deal, had actually been held in prison there for a year, and desperately needed to borrow \$1,000,000 at 18% to be repaid in 6 months. When Graff declined to loan the money to him, Edward Ivari advised him he could not complete the work until September 2007."
- f. "A few weeks later, an employee at Ivari called Graff, according to court documents, and told him he needed to pay \$12,000 immediately or else Ivari would be unable to ever complete the treatment at all (Graff had already paid the previously agreed upon \$60,000 in full). Then, in August, Graff had several hair replacement specialists check out Ivari's partially finished work. The experts described Ivari's product as 'substandard, a dead giveaway it was a hairpiece, not finished, and lacking in good quality.' By October, 'the hair replacement system completely fell apart and needed to be removed as it hung loosely on Graff's head.'"
- g. "According to the complaint, from the date of his initial appointment to October when he finally had it removed, Graff's friends described the hairpiece as a 'ground hog,' a 'cheap piece of carpet,' and 'an unmade bed.""
- h. "Finally, on October 8, 2007, Graff allegedly went back to Ivari and met with Edward Ivari's wife, Amy, who 'was shocked at [the hair replacement system's] quality.' She redid the treatment herself in the hope of avoiding any subsequent lawsuit."
- i. "... Ivari continued to refuse to fix the hairpiece properly until finally, in May of 2009, Ivari allegedly told Graff that Graff would have to sue them to get what he wanted. In July, Graff did just that. In April of 2010, Graff and Ivari settled the case out of court."
- 10. That "Ivari's Paris office—its sole remaining public location—was, until March of this year, in the building pictured below at 26 Place Vendome. It has since moved to a new spot that appears to be Ivari's home address."

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Your publication of the Story is false and disparaging to my clients. Your actions constitute, among other claims, libel, false light invasion of privacy and intentional infliction of emotional distress and intentional interference with actual and prospective business relations.

Demand is hereby made that you immediately and permanently remove the Story, and that you publish an immediate apology and retraction of the Story.

Defamation by Libel

New York law defines libel as a written statement of fact regarding the plaintiff published by the defendant that is false and causes injury to the plaintiff. *Meloffv. N.Y. Life Ins. Co.*, 240 F.3d 138, 145 (2d Cir. 2001). *See also Milkovich v. Lorain Journal Co.*, 497 U.S. 1, 111 L.Ed.2d 1, 110 S.Ct. 2695 (1990) (U.S. Supreme Court holding that a statement or publication containing provably false factual assertions constitutes defamation); Restatement (Second) of Torts, § 559 ("A communication is defamatory if it tends to harm the reputation of another as to lower him in the estimation of the community or to deter third persons from associating or dealing with him"); *Dillon v. City of New York*, 261 A.D.2d 34, 37-38 (1999).

The statements further qualify under libel *per se*, which involves a false allegation that a person is engaged in a crime, or that otherwise tends to injure a person in his or her trade, business, or profession. *Geraci v. Probst*, 61 A.D.3d 717, 718, 877 NY.S.2d 386, 388 (2009). Libel *per se* is defamatory "on its face" and does not require explanatory matter to be proven; general damages are assumed.

Here, the Story states false facts about my clients from lawsuits filed against them – lawsuits which Ivari **won** – alleging that Mr. Ivari "often depicts himself as a doctor" and that he lacks professionalism in his business ventures. Because you have published numerous false statements of fact that have the obvious tendency to subject my clients to ridicule and to injure them economically, all elements of a cause of action for libel and libel *per se* are easily met.

Your actions expose you to substantial monetary damages and punitive damages. *Strader v. Ashley*, 61 A.D.3d 1244, 1248, 877, NY.S.2d 747, 751 (2009) (affirming jury's award of punitive damages in connection with a defamation claim).

False Light Invasion of Privacy

The Story also is actionable under the related legal doctrine of false light invasion of privacy, which constitutes a public statement about a person that either is false or places the person in a false light, is highly offensive to a reasonable person, and is made in reckless disregard of whether the information is false or would place the person in a false light. *See* Restatement (Second) of Torts §652E (1977); *Machleder v. Diaz*, 801 F.2d 46 (2d. Cir. 1986). The statement need not be defamatory. *Id.* False light invasion of privacy includes embellishment (adding false material to a true story which places the subject in a false light) and distortion (arranging otherwise true information in a way to give a false impression). Your actions easily constitute false light invasion of privacy and the remedies for such cause of action include monetary damages, punitive damages, and preliminary and permanent injunctive relief.

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Intentional Infliction of Emotional Distress

Your actions also constitute actionable intentional and/or negligent infliction of emotional distress. Your actions easily qualify under the law to establish liability against you. Remedies for such conduct include monetary damages, punitive damages, and preliminary and permanent injunctive relief.

Tortious Interference

Your actions also constitute actionable intentional interference with actual and prospective business relations. Your actions easily qualify under the law to establish liability against you. Remedies for such conduct include monetary damages, punitive damages, and preliminary and permanent injunctive relief.

In light of the foregoing, we specifically demand that Gawker Media LLC and its affiliated companies, and all of their employees:

- 1. Immediately and permanently remove the Story and cease and desist from publishing or republishing the Story, and/or the specific defamatory statements listed above, and cease and desist from publishing any future defamatory stories about my clients;
- 2. Immediately publish a public apology and full retraction of the Story with equal or greater size and prominence as the Story itself;
- 3. Immediately provide us with the name and all contact information for the unnamed "tipster" of the Story, so that we can serve that person with an immediate cease and desist letter to stop the spread of the false Story; and
- 4. Immediately preserve all physical and electronic documents, materials and data in your possession, custody and/or control (including, without limitation, emails, text messages and voice mail recordings) that are or might be relevant or related to the foregoing matters.

Please confirm in writing <u>within forty-eight (48) hours</u> of your receipt of this letter that the foregoing requests will be, and are being, complied with.

This letter is not intended, and should not be construed, as a complete expression of my client's factual or legal positions with respect to this matter. Nothing contained in or omitted from this letter is intended, and should not be construed, as a waiver, relinquishment, release or other limitation upon any legal or equitable claims, causes of action, rights and/or remedies available to my client, all of which are hereby expressly reserved.

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internally at your company and its outside legal representatives for purposes of evaluating the claims herein and complying with the foregoing demands.

We look forward to your immediate response to this letter.

Very truly yours,

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CHARLES J. HARDER OF HARDER MIRELL & ABRAMS LLP

cc: Mr. Edward Ivari (via email) Douglas E. Mirell, Esq. Seema Ghatnekar, Esq.