

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF KINGS

<p>CONGREGATION HAKSHIVAH, d/b/a/ GEMACH L'SIMCHOS</p> <p style="text-align: center;">Plaintiffs,</p> <p style="text-align: center;">- against -</p> <p>HERSH DEUTSCH and DEUTSCHE VENTURE CAPITAL LLC,</p> <p style="text-align: center;">Defendants.</p>
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Index No.

Motion Sequence 001

**AFFIDAVIT OF ARYA GOTTESMAN**

STATE OF NEW YORK                    )  
COUNTY OF KINGS                    ) ss.:

I, Arya L Gottesman, being duly sworn, deposes and says:

1. I am the president of Congregation Hakshivah a religious not-for-profit organization that runs various aid and assistance programs in both the United States and abroad. Among its many projects is a free loan society run under the name Gemach L'Simchos that provides free loans to individuals and business primarily in Brooklyn. For present purposes, I will refer to both entities as Hakshivah/GLS.
2. The defendant, Hersh Deutsch ("Deutsch") is a business owner known to me in Brooklyn, New York. Defendant Deutsche Venture Capital LLC ("DVC") is a business operated by Deutsch.
3. In July 2017, in my work for Hakshivah/GLS, I was approached by Joel Klein ("Klein"), who requested assistance in obtaining short-term loans from certain individuals who were willing to provide such loans via credit card. Klein was among Hakshivah/GLS's community network of donors, and was known in the community as a successful real estate investor, and who was an active donor and participant in the various charitable projects undertaken by Hakshivah.
4. Klein requested that Hakshivah/GLS facilitate the processing of the loan card transactions, then advance those monies to his companies and that he would then repay the lender directly when the loan came due. Klein assured Hakshivah/GLS that it would pay any fees that Hakshivah/GLS incurred as a result of the expenses involved in facilitating

the card processing and transfer transactions, and that it would ultimately make a donation to Hakshivah/GLS as it did in the past.

5. In consideration of its ongoing relationship with Klein, Hakshivah/GLS facilitated these transactions on numerous occasions from on or about August 2017 through November 2018. The credit cards used in these transactions were from several different individuals, and Klein always represented that he was authorized by the cardholder to use the card. In other instances, Hakshivah/GLS would also advance interest free short-term loans to Klein, Klein would later repay these loans with credit cards from different individuals who authorized their credit cards to be charged to Hakshivah/GLS. In these latter cases, Hakshivah/GLS would have advanced funds to Klein before any particular credit card transactions had taken place. In other instances, not relevant here, Hakshivah/GLS sought out lenders for Klein in the hope that when the investments were successful Hakshivah/GLS would be the recipient of a donation from Klein and the satisfied investors.

6. As relevant to this application, in November 2017, Klein informed Hakshivah/GLS that Hersh Deutsch was extending him a short-term loan via his credit card, and that Deutsch had authorized Klein to charge Deutsch's credit card through Hakshivah/GLS. On November 16, 2017, Hakshivah/GLS charged \$20,000 to Deutsch's American Express Card ending in 1002. At that same time, Hakshivah/GLS also had other transactions with Klein not affiliated with Deutsch for another \$62,000. On November 20, 2017, Hakshivah/GLS wired \$82,000 to Klein's company, Joel K Holding. Exhibit A.

7. Between January 18 and February 16, 2018, Klein again requested from Hakshivah/GLS to run similar charges on Deutsch's cards. In total during this period, Deutsch's credit cards were charged \$445,000, as follows:

Credit Card	Charge Date	Amount
Mastercard ending 8498	Jan 18, 2018	\$50,000
American Express ending 1006	Jan 18, 2018	\$50,000
Visa ending 9813	Jan 30, 2018	\$100,000
American Express ending 2000	Feb. 1, 2018	\$80,000
American Express ending 2000	Feb. 2, 2018	\$20,000
American Express ending 2000	Feb. 15, 2018	\$75,000
American Express ending 2000	Feb. 15, 2018	\$25,000
American Express ending 2000	Feb. 16, 2018	\$20,000
American Express ending 2000	Feb. 16, 2018	\$25,000

8. After receiving payment on the foregoing charges from the credit card processing companies, based on the arrangement between Deutsch and Klein, Hakshivah/GLS issued wire transfers to Joel K Holdings. For example, on February 2 and 5, 2018, Hakshivah/GLS sent wires for \$100,000 and \$200,000 respectively, i.e., the proceeds from the January 18, January 30, February 1 and February 2 charges. Exhibit A.

9. In August 2018, I was again approached by Klein to borrow money through Hakshivah/GLS using the Deutsch credit cards. On August 21, 2018, Hakshivah/GLS made three charges on the Deutsch cards, for \$36,000, \$40,000 and \$60,000. Hakshivah/GLS credited these amounts to Klein.

10. Prior to November 2018, Deutsch never complained to Hakshivah/GLS about the charges on his card. Nevertheless, in November 2018, we were informed by American Express, Deutsch submitted a series of chargebacks and falsely claimed that all of the charges were unauthorized *and unknown to him*.

11. After receiving these chargebacks I contacted Klein to learn why these chargebacks were submitted. Klein had no knowledge at the time on what basis Deutsch had disputed the charges, but he advised me that several days earlier Deutsch had threatened him that he would attempt to dispute some credit card charges due to an ongoing contract dispute he had with Deutsch over certain unrelated transactions, and he assumed Deutsch was trying to take abusive advantage of the chargeback system.

12. Klein assured me that he had paid Deutsch for all of the charges that were transacted with Hakshivah/GLS use the Deutsch cards, and that all of the transactions at issue were expressly authorized by Deutsch prior to each charge. Klein also shared with me copies of his WhatsApp messages as well as his banking records to demonstrate Deutsch's authorization, as well as the payments to Deutsch for all relevant charges as represented by Klein.

13. I have reviewed the documents shared by Klein, and I was able to confirm that the chat messages confirm precisely with the statements represented by Klein. The chat messages between Deutsch and Klein are consistent with the chat messages between myself and Klein in that they show Klein directing me to charge the card after receiving authorization from Klein to charge Deutsch's cards; and the direction to resubmit a charge after it was declined once he had received the go ahead from Deutsch.

14. As a result of Deutsch's fraudulent chargeback claims, on November 27, 2018 American Express immediately debited Hakshivah/GLS's account in the amount of \$136,000. American Express has also notified Hakshivah/GLS that there is an additional \$265,000 in pending disputes which are still being investigated due to the age of the transactions. Hakshivah/GLS is concerned that if Deutsch is not restrained from pursuing these fraudulent chargebacks, American Express will further debit its account.

15. Hakshivah/GLS is also concerned that Deutsch will attempt to submit other fraudulent chargebacks to other credit card issuers. Hakshivah/GLS has been unable to process credit card transactions and has effectively been put out of business. Without injunctive relief even if Hakshivah/GLS is ultimately vindicated in the end Hakshivah/GLS's beneficiaries will suffer given its inability to process credit card payments, collect donations and assist the community.

WHEREFORE, the undersigned respectfully requests the within motion be granted.

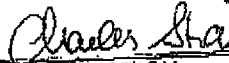


Arya L Gottesman

Sworn to me this 16<sup>th</sup> day of January, 2019



Notary Public



CHARLES STICH  
Notary Public, State of New York  
Registration #01ST8268691  
Qualified in Richmond County  
Commission Expires 9/17/2020