

SUPERIOR COURT OF THE DISTRICT OF COLUMBIA
CIVIL DIVISION

9

STEVEN J. ROSEN,
2922 Woodstock Avenue
Silver Spring, Maryland 20910,

Plaintiff,

v.

AMERICAN ISRAEL PUBLIC
AFFAIRS COMMITTEE, INC.,
251 H Street, NW,
Washington, D.C. 20001,

and

HOWARD KOHR,
9705 Dansk Court
Fairfax, Va. 22032,

and

MELVIN A. DOW,
11107 Hedwig Lane
Houston, TX 77024,

and

BERNICE MANOCHERIAN,
135 Central Park West
Apt. No. 9 NC
New York, NY 10023-2413,

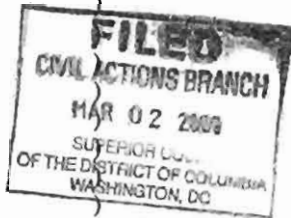
and

HOWARD E. FRIEDMAN,
6201 Green Meadow Way
Baltimore, MD 21209,

and

0001256-09

Civil Action No. _____



LAWRENCE WEINBERG,
409 Drury Lane
Beverly Hills, CA 90210,

and

ROBERT H. ASHER,
180 E. Pearson Street
Chicago, IL 60611,

and

EDWARD C. LEVY, JR.,
711 S. Bates Street
Birmingham, MI 48009-1955,

and

LIONEL KAPLAN,
671 Rosedale Road,
Princeton, NJ 08540,

and

TIMOTHY F. WULIGER,
20 Basswood Lane,
Moreland Hills, Ohio 44022-1377,

and

AMY ROTHSCHILD FRIEDKIN,
1340 Clay Street
Apt. No. 901
San Francisco, CA 94109,

and

PATRICK M. DORTON,
5 East Irving Street
Chevy Chase, Maryland 20815,

and

RATIONAL PR, L.C.,)
1155 15th Street, NW,)
Suite 614)
Washington, DC 20005,)
)
Defendants.)
_____)

COMPLAINT
(Defamation - Libel and Slander)

Introduction

1. Plaintiff brings this action against the American Israel Public Affairs Committee, its Executive Director and its current and former presidents, and its strategic consultants and spokesmen, for making and publishing knowingly false and defamatory statements about him as set forth herein causing him to suffer personal and professional humiliation, the destruction of his career with the attendant loss of earnings and income, anxiety, stress and other emotional pain and suffering.

Jurisdiction

2. This Court has jurisdiction over plaintiff's claims pursuant to D.C. Code Section 11-921, the actions complained of having taken place within the District of Columbia, which is where plaintiff worked for defendant AIPAC.

Parties

3. Plaintiff is Steven J. Rosen, a citizen of the United States and a resident of Maryland, worked for the American Israel Public Affairs Committee for a total of just short of 23 years (1982-2005), as its Director of Research and Information and later as its Director of Foreign Policy Issues reporting to the organization's Executive Director and its Board of

Directors, which includes its President and all its Past Presidents. He was terminated involuntarily by AIPAC's Board of Directors on March 21, 2005.

4. Defendant American Israel Public Affairs Committee, known by the acronym "AIPAC", is a not-for-profit corporation that is incorporated under the laws of the District of Columbia, where it is headquartered. Its purpose is to build and enhance a close relationship between the United States and the State of Israel on behalf of citizens of the United States who believe that such a relationship serves the American national interest. AIPAC does its work through education, advocacy and political activity. While it has regional offices elsewhere in the United States, its principal place of business is within the District of Columbia, where both plaintiff and its Executive Director maintained their offices.

5. Defendant Howard Kohr, a citizen and resident of the Commonwealth of Virginia, is presently and was at the time the claims made herein arose the Executive Director of AIPAC. He works out of its headquarters in the District of Columbia.

6. Defendant Melvin A. Dow, a citizen and resident of the State of Texas, is presently and was at the time the claims made herein arose a past President of AIPAC and member of its Board of Directors. Moreover, at the time the claims made herein arose, Mr. Dow was the Chairman of the "Advisory Group" of the AIPAC Board of Directors that was created to advise the Board concerning matters relating to allegations about plaintiff in connection with an ongoing government investigation.

7. Defendant Bernice Manocherian, a citizen and resident of the State of New York, was the President of AIPAC from 2004 to 2006 and Chairman of its Board of Directors from 2006 to 2008, during which period many of the defamatory statements complained of herein

were made and published. She is and was a permanent member of AIPAC's Board of Directors. On information and belief, Ms. Manocherian was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

8. Defendant Howard E. Friedman, a citizen and resident of the State of Maryland, is the current Chairman of AIPAC's Board of Directors and was its President during the period 2006-2008, during which many of the defamatory statements complained of herein were made and published. He is and was a permanent member of AIPAC's Board of Directors. On information and belief, Mr. Friedman was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

9. Defendant Lawrence Weinberg, a citizen and resident of the State of California, is a past President of AIPAC and served as a permanent member of its Board of Directors when the defamatory statements complained of herein were made and published. On information and belief, Mr. Weinberg was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

10. Defendant Robert H. Asher, a citizen and resident of the State of Illinois, is a past President of AIPAC and served as a permanent member of its Board of Directors when the defamatory statements complained of herein were made and published. On information and belief, Mr. Asher was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

11. Defendant Edward C. Levy, Jr, a citizen and resident of the State of Michigan, is a past President of AIPAC and served as a permanent member of its Board of Directors when the defamatory statements complained of herein were made and published. On information and

belief, Mr. Levy was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

12. Defendant Lionel Kaplan, a citizen and resident of the State of New Jersey, is a past President of AIPAC and served as a permanent member of its Board of Directors when the defamatory statements complained of herein were made and published. On information and belief, Mr. Kaplan was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

13. Defendant Timothy F. Wuliger, a citizen and resident of the State of Ohio, is a past President of AIPAC and served as a permanent member of its Board of Directors when the defamatory statements complained of herein were made and published. On information and belief, Mr. Wuliger was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

14. Defendant Amy Rothschild Friedkin, a citizen and resident of the State of California, is a past President of AIPAC and served as a permanent member of its Board of Directors when the defamatory statements complained of herein were made and published. On information and belief, Ms. Friedkin was also a member of the aforementioned "Advisory Group" of the AIPAC Board of Directors chaired by defendant Dow.

15. Defendant Patrick M. Dorton, a citizen and resident of the State of Maryland, was at all times relevant to the claims contained herein an employee of, and a principal in, Rational PR, a public relations firm doing business in the District of Columbia, and as such, was at all time relevant to the claims contained herein the official designated spokesman for AIPAC, its officers and its Board of Directors, with respect to the matters related to such claims. In this

capacity, he personally issued most of the defamatory statements on behalf of AIPAC and its Board of Directors.

16. Defendant Rational PR, L.C., is a limited liability company organized under the laws of the District of Columbia. Its principal place of business is located at 1155 15th Street, NW, Suite 614, Washington, DC 20005. On information and belief it is contracted to provide strategic advice and strategy to AIPAC concerning the management of public statements about plaintiff, and the publication of such statements. In this effort, it employs defendant Dorton, one of its principals, who has been authorized to make public statements on behalf of AIPAC and its Board of Directors about plaintiff, and has made such public statements.

Statement of Facts

17. Until his involuntary termination on March 21, 2005, plaintiff Steven J. Rosen was employed by AIPAC as its Director of Foreign Policy Issues. In that role he worked in close daily consultation with AIPAC's Executive Director, its President, and senior members of its Board of Directors for some 23 years. Plaintiff's primary responsibility while working for AIPAC was to obtain information about policy issues and decisions in the Executive Branch of the United States Government, especially, the National Security Council, the State Department and the Department of Defense. He was expected to and did brief AIPAC's Executive Director, its President, and its Board of Directors about such information on a continuing, often daily basis. In this role Mr. Rosen was known internally and outside the AIPAC organization to be intimately involved with AIPAC's Executive Director, its President, and its Board of Directors on all foreign policy matters.

18. To be effective, organizations engaged in advocacy in the field of foreign policy need to have earlier and more detailed information about policy developments inside the government and diplomatic issues with other countries, than is normally available to or needed by the wider public. Agencies of the government sometimes choose to provide such additional information about policy and diplomatic issues to these outside interest groups in order to win support for what they are doing among important domestic constituencies and to send messages to select target audiences. To control the flow of such information, government agencies in the field of foreign policy have designated individuals with the authority to determine and differentiate which information disclosures would be harmful to the United States, and which disclosures would benefit the United States through the work of their agencies and would not be harmful to the United States. To maintain liaison with these authorized agency officials who at times are willing to provide such information, organizations like AIPAC have designated officials of their own who have the requisite expertise and relationships to deal with government foreign policy agencies. At AIPAC, Steven Rosen was one of the principal officials who, along with Executive Director Howard Kohr and a few other individuals, were expected to maintain relationships with such agencies, receive such information, and share it with AIPAC Board of Directors and its Senior Staff for possible further distribution. AIPAC, and those defendants who were AIPAC officials and/or members of its Board of Directors, knew that Mr. Rosen and others at AIPAC were receiving such information and expected that they would share it with them.

19. As a regular part of his job, Mr. Rosen was expected to obtain and share with AIPAC's Executive Director, its President, and its Board of Directors such information

concerning the foreign policy of the United States and other countries as described in paragraph no. 18 above. Mr. Rosen was highly successful in his job, and was regularly praised and generously rewarded by AIPAC's Executive Director, its President, and its Board of Directors, including by those named as defendants herein who are and/or who were in those positions, for obtaining and sharing such information as described in paragraph no. 18 above. Indeed, at the time it was shared with them, AIPAC's Executive Director, its President, and its Board of Directors, including those named as defendants herein who are and/or who were in those positions, were well aware of the nature of the information obtained by Mr. Rosen as described in paragraph no. 18 above. Being so aware, they would often share that same information with others outside of AIPAC, particularly valuing Mr. Rosen for his ability to provide them with such information. In fact, AIPAC's Executive Director, its President, and its Board of Directors, including by those named as defendants herein who are and/or who were in those positions, as well as others on AIPAC's staff, also obtained and shared with each other, and with others outside AIPAC, such information as described in paragraph no. 18 above, and did so on a regular basis quite apart from the information obtained and shared with them by Mr. Rosen.

20. With the exception of Rational PR, L.C. and Patrick Dorton, all defendants knew of plaintiff's role and were from time to time privy to the extensive information as described in paragraph no. 18 above that he obtained and provided to AIPAC over many years, because each was personally briefed by Mr. Rosen both individually and collectively. In fact, each of these defendants, other than Mr. Kohr, had been a president of AIPAC for a minimum of two years and as such was personally and repeatedly briefed by Mr. Rosen about the information he obtained as described in paragraph no. 18 above. Mr. Kohr, as AIPAC's Executive Director,

was intimately involved with Mr. Rosen on a daily, indeed, hourly, basis, and was fully knowledgeable about such information as described in paragraph no. 18 above that Mr. Rosen obtained for AIPAC. Moreover, prior to becoming AIPAC's Executive Director, and Mr. Rosen's immediate supervisor, Mr. Kohr had been Mr. Rosen's deputy with the title "Director of Executive Branch Relations." His specific responsibility in that position was to obtain information of the type described in paragraph no. 18 above from the U.S. Departments of State and Defense and the National Security Council – the responsibilities that Mr. Rosen took over when Mr. Kohr became AIPAC's Executive Director and his (Mr. Rosen's) immediate boss.

21. On August 27, 2004, it was publicly revealed that the U.S. Department of Justice was engaged in an investigation of Steven Rosen and another AIPAC employee for receiving information that they allegedly were "not authorized to receive." This allegation was not true, and initially AIPAC responded by asserting that Mr. Rosen (and other employee) had done nothing wrong. Thereafter, Mr. Rosen continued to perform his job duties at AIPAC, and he continued to be highly praised for his work by its Executive Director, defendant Howard Kohr, its then President, Bernice Manocherian, and its Board of Directors, which included defendants Melvin Dow, Howard Friedman, Lawrence Weinberg, Robert Asher, Edward Levy, Lionel Kaplan, Timothy Wuliger, and Amy Rothschild Friedkin, all of whom are former presidents of AIPAC. Indeed, on January 31, 2005, five months after the Justice Department's ongoing investigation had been made public, AIPAC awarded Mr. Rosen a special job performance bonus of \$7,000.

22. On February 17, 2005, only two weeks after awarding Mr. Rosen the special bonus for excellence in job performance, the AIPAC Board of Directors placed him on

involuntary administrative leave, immediately after receiving threats from the Justice Department. These threats were made in a meeting between AIPAC's counsel and its Executive Director Howard Kohr and federal prosecutors on February 15, 2005. In that meeting, the lead federal prosecutor stated that, "We could make real progress and get AIPAC out from under all of this," if AIPAC showed more cooperation with the government. On February 16, 2005, AIPAC's counsel said that the lead federal prosecutor "is fighting with the FBI to limit the investigation to Steve Rosen and [another AIPAC employee] and to avoid expanding it." This warning implied that AIPAC's Executive Director and the AIPAC organization as a whole could become targets of the Justice Department's investigation if AIPAC did not act against Mr. Rosen (and the other employee). The decision to place Mr. Rosen on involuntary leave was made in response to these threats from the Department of Justice. On February 19, 2005, one of AIPAC's attorneys told Mr. Rosen's counsel that

the [AIPAC] Advisory Committee in particular and the [AIPAC] Board [of Directors] as well, quite reluctantly, agreed to take a step in the direction of the government, in the hope that the government would reciprocate in some fashion . . . Placing . . . Steve on leave . . . [is a] significant concession.

On the same day, another of AIPAC's attorneys stated:

There was very vocal sentiment against taking even the first step of removing Steve . . . from [his] office, but a majority favored that action to demonstrate to [the lead federal prosecutor] that we are serious and want him now to take the next step [*i.e.*, relieving AIPAC of any chance of being a target of Justice Department's investigation].

Taking exception to his being placed on involuntary leave, Mr. Rosen protested his innocence. Indeed, on March 10, 2005, Mr. Rosen sent a letter to each member of the AIPAC Board of Directors, including defendants Kohr, Dow, Friedman, Manocherian, Weinberg, Asher, Levy,

Wuliger, Kaplan, and Friedkin, reminding them of the hundred of times he had briefed the Board, and the thousands of times he had briefed AIPAC's presidents and executive directors, with information he had obtained of the type described in paragraph no. 18 above. This activity was not only well-known to these defendants, but was approved and rewarded as among the most valued of Mr. Rosen's regular job duties. Mr. Rosen's letter detailed the fact that others, including all Executive Directors — defendant Howard Kohr being among them — and other members of AIPAC's senior staff, also regularly engaged in obtaining information of the type described in paragraph no. 18 above, which they shared with AIPAC's presidents and its Board of Directors. This was normal practice at the organization.

23. On March 18, 2005, the lead federal prosecutor told AIPAC through its counsel that placing Mr. Rosen on involuntary administrative leave was not enough, and that AIPAC needed to terminate his employment altogether if it wanted to obtain the good will of the Justice Department with regard to the investigation. In short, the federal prosecutors insisted that, at this point and thereafter, if AIPAC wanted to be viewed as cooperative — and thereby avoid the risk of itself becoming a target of the criminal investigation — it would have to conform its conduct to the dictates of the so-called "Thompson Memorandum" — a January 20, 2003 Justice Department document entitled "Principles of Federal Prosecution of Business Organizations" which sets forth the criteria under which the Department determines whether or not to prosecute a corporation for the alleged misdeeds of its employees. Prominent among these Thompson Memorandum criteria are the firing of the corporate employees who allegedly engaged in the wrongdoing, condemning their actions publicly, ending payments toward their legal costs, and denying them substantial severance payments. Shortly after this meeting with Justice

Department officials, AIPAC took all the steps required under the Thompson Memorandum with regard to Mr. Rosen, and did so with the approval of its Board of Directors upon the recommendation of the so-called Advisory Group that had been set up by AIPAC's Board of Directors to advise it concerning matters relating to the allegations about Mr. Rosen in connection with the ongoing government investigation. These steps were taken in the hope that AIPAC would benefit by avoiding prosecution. Except for defendant Patrick Dorton and his company, defendant Rational PR, L.C., the defendants in this action and the rest of AIPAC's Board of Directors knew absolutely that Steven Rosen had done nothing wrong, indeed, nothing which they had not known about and authorized. They had approved and rewarded the very behavior which they now condemned in order to obtain favored treatment from the Justice Department. In fact, defendant Howard Kohr and the several AIPAC presidents named as defendants herein, had themselves each received information of the type described in paragraph no. 18 above, and shared it with others both inside and outside of AIPAC, independent of Mr. Rosen. On Monday, March 21, 2005, the very next business day after the lead federal prosecutor warned AIPAC to conform to the dictates of the Thompson Memorandum or risk prosecution, AIPAC fired Mr. Rosen. AIPAC's attorney told Mr. Rosen's counsel that, while AIPAC did not believe that Mr. Rosen had committed any crime or wrongdoing, he was being fired in order to give AIPAC "credibility" with the government. Indeed, at that point, AIPAC's attorney said that AIPAC still hoped to keep Mr. Rosen on its payroll. Officially, AIPAC thereafter informed Mr. Rosen through his attorney that his employment was summarily terminated (after 23 years of loyal and highly praised service), without stating a reason for taking such adverse action nor providing him with an opportunity to respond to any allegations of wrongdoing. Immediately

after summarily firing Mr. Rosen, AIPAC's counsel and the attorney representing Howard Kohr, AIPAC's Executive Director, contacted federal prosecutors and informed them of the summary firing of Mr. Rosen by AIPAC. On August 4, 2005, the day the federal prosecutors obtained an indictment of Mr. Rosen from a federal grand jury in Alexandria, Virginia, AIPAC was rewarded for its "cooperation" when the U.S. Attorney for the Eastern District of Virginia said that

AIPAC as an organization has expressed its concern on several occasions with the allegations against Rosen and [the other employee indicted], and . . . it did the right thing by dismissing these two individuals.

24. Beginning shortly after summarily terminating Mr. Rosen's employment, AIPAC, and particularly defendants Kohr, Dow, Friedman Manocherian, Weinberg, Asher, Levy, Wuliger, Kaplan, and Friedkin, acting through and with the advice of defendants Rational PR, L.C., and its principal and employee defendant Patrick Dorton, began making knowingly false and defamatory statements to the press about Mr. Rosen, and have continued to make and publish such knowingly false and defamatory statements about Mr. Rosen through March 3, 2008, and thereafter. The first such statement to be published appeared in the New York Times on April 21, 2005, and quoted defendant Dorton as AIPAC's official spokesman, stating that Rosen was fired because his actions differed from "the conduct that AIPAC expects from its employees." The July 7, 2005 issue of the New Yorker magazine quoted AIPAC spokesman Patrick Dorton that "Rosen [and his colleague] were dismissed because they engaged in conduct that was not part of their jobs, and because this conduct did not comport with the standards that AIPAC expects and requires of its employees." This was knowingly false and defamatory and issued in reckless disregard of the harm to Mr. Rosen. At no time in the 23 years Mr. Rosen was

employed by AIPAC did the organization provide in writing or orally any guidance or standards that he and other employees were expected to follow, regarding the receipt and sharing of information that might be offered by government officials. No expressed standards existed at AIPAC. Moreover, the implied standards that were embodied in the organization's normal practices over these decades, were completely consistent with Mr. Rosen's behavior. Accordingly, the repeated statements by AIPAC through its spokesmen that Mr. Rosen's conduct did not comport with AIPAC standards were knowingly false and defamatory. Such false and defamatory statements were repeated often by Dorton on behalf of AIPAC and its Board of Directors, including defendants Kohr, Dow, Friedman Manocherian, Weinberg, Asher, Levy, Wuliger, Kaplan, and Friedkin. For example: (1) in the New York Times on April 21, 2005; (2) in New Yorker Magazine on July 7, 2005; (3) in the Jewish Telegraphic Agency on August 4, 2005, (4) in the Jewish Telegraphic Agency on August 5, 2005; (5) in the New York Jewish Week on August 17, 2005; (6) in the Washington Post on November 12, 2005; (7) The Forward on December 23, 2005; (8) in the Baltimore Sun on March 8, 2006; (9) the Washington Post on April 21, 2006; (10) in the Jerusalem Post on June 29, 2006; (11) in the Jewish Telegraphic Agency on July 19, 2006; (12) in the Jewish Telegraphic Agency on March 27, 2007; (13) in the Jerusalem Report magazine on August 17, 2007; (14) in the Washingtonian Magazine of January 2008; (15) in the New York Times on March 3, 2008; and (16) to a reporter from The Forward on October 14, 2008. As it appeared in the New York Times on March 3, 2008, within a year of the filing of this civil action:

The AIPAC spokesman on the Rosen [and the other employee] matter, Patrick Dorton, said at the time that the two men were dismissed because their behavior

“did not comport with standards that AIPAC expects of its employees.” He said recently that AIPAC still held that view of their behavior.

25. In addition to the above-formulation which was repeated on many occasions, AIPAC, with the knowledge and approval of defendants Kohr, Dow, Friedman Manocherian, Weinberg, Asher, Levy, Wuliger, Kaplan, and Friedkin, used other statements that were also false and defamatory regarding Mr. Rosen. In this regard, on May 23, 2005, the New York Sun reported a statement made by defendant Kohr directly on May 22, 2005, to a large audience of AIPAC members, stating:

Yesterday, Mr. Kohr subtly tried to make the case that Messrs. Rosen's [another AIPAC employee] behavior was out of the ordinary for employees of the organization that considers itself one of the most powerful in Washington. At the same time, Mr. Kohr said he has taken steps to ensure that no lines in the future will be crossed by his lobbyists and analysts. “I will take steps necessary to ensure that every employee of AIPAC, now and in the future, conducts themselves in a manner of which you can be proud, using policies and procedures that provide transparency, accountability, and maintain our effectiveness,” he said.

26. Further, on June 17, 2005, the Jewish Telegraphic Agency reported a different formulation to defame Steven Rosen: “No current employee of AIPAC knew that classified information was obtained from Larry Franklin [the Pentagon office involved in one of the government’s allegations against Mr. Rosen and the other AIPAC employee] . . . or was involved in the dissemination of such information,” spokesman Patrick Dorton said.” In fact, Mr. Kohr had been told in writing that information obtained from Mr. Franklin originated from “intelligence” sources, and Mr. Rosen knew no more about the sources or classification than did Mr. Kohr.

27. Yet another formulation of the false and defamatory statements made by AIPAC with the acquiescence of defendants Kohr, Dow, Friedman Manocherian, Weinberg, Asher, Levy, Wuliger, Kaplan, and Friedkin, and with the advice of defendants Rational PR, L.C. and Dorton, was reported by the Jewish Telegraphic Agency on, August 4, 2005:

AIPAC spokesman Patrick Dorton said in a statement that the group "could not condone or tolerate the conduct of the two employees under any circumstances. . . AIPAC dismissed Rosen and [another employee] because they engaged in conduct that was not part of their jobs, and because this conduct did not comport in any way with the standards that AIPAC expects of its employees," he said. "The organization does not seek, use, or request anything but legally obtained appropriate information as part of its work."

In fact, AIPAC did knowingly "tolerate and condone" the conduct undertaken on its behalf by Steven Rosen, and did so for decades, though it fired him for that conduct. And, contrary to the implication of this statement, Mr. Rosen did not seek, use, or request anything but legally obtained appropriate information as part of his work.

28. On August 4, 2005, defendant Dorton, speaking for AIPAC, was quoted by the

Jewish Telegraphic Agency repeating that AIPAC

could not condone or tolerate the conduct of the two employees [Mr. Rosen and one of his colleagues] under any circumstances. . . . The organization does not seek, use, or request anything but legally obtained appropriate information as part of its work.

On August 18, 2005, the Jewish Telegraphic Agency, reported that defendant Dorton again made the same statement on AIPAC's behalf, this time adding: "All AIPAC employees are expected and required to uphold this standard." Similar statements by Dorton were also reported in the New York Jewish Week on August 17, 2005, and by the Jewish Telegraphic Agency on June 17 2005.

29. On September 9, 2005, the Cleveland Jewish News reported about a statement by defendant Howard Kohr, stating that:

Kohr said AIPAC's Board of Directors fired the employees under investigation [Steven Rosen and a colleague] "upon learning of conduct we could not condone. Whether it was legal or illegal, that was not the reason they were terminated."

In fact, Howard Kohr and AIPAC's Board of Directors, including specifically defendants Dow, Friedman, Manocherian, Weinberg, Asher, Levy, Wuliger, Kaplan, and Friedkin, knew in advance about Mr. Rosen's conduct, and fully condone it.

30. On November 12, 2005, the Washington Post noted that AIPAC “[s]pokesman Patrick Dorton would say only that Rosen [and the other AIPAC employee involved] were fired for unauthorized activities.” In fact, Steven Rosen engaged in no activities that were not fully known to and authorized by AIPAC, its Executive Director and its Board of Directors.

31. All the above-quoted statements were made at the urging and authorization of defendants, and each of them, and were knowingly and intentionally false and defamatory with respect to Steven Rosen, and it was known by defendants that such statements would cause him economic injury as well as personal and professional humiliation and injury and emotional harm.

32. At the same time, defendants sought to gain a distinct economic advantage for AIPAC by making false and defamatory statements about Mr. Rosen. In fact, through their publication of the falsehoods about Mr. Rosen, defendant achieved an increase of millions of dollars in revenue for AIPAC, whereas had they told the truth, AIPAC might well have suffered a significant decrease in fund-raising, as well as an increase in legal costs.

Statement of Claims

Defamation (Libel and Slander):

33. Since April 21, 2005 and continuing thereafter through at least March 3, 2008, defendant AIPAC and defendant Howard Kohr, its Executive Director, through its spokesman defendant Dorton, and otherwise, on the authority of defendants Kohr, Dow, Friedman Manocherian, Weinberg, Asher, Levy, Wuliger, Kaplan, and Friedkin, and with their personal knowledge and consent, and with the strategic advise of defendant Rational PR and its principal defendant Dorton, have knowingly and intentionally, and maliciously, made and published false and defamatory statements in writing and orally regarding plaintiff Steven J. Rosen as exemplified in paragraph nos. 26 through 32 above, which statements all defendants knew to be false and injurious to plaintiff of their own respective personal knowledge.

34. The making and publication of the false and defamatory statements regarding plaintiff referenced in paragraph no. 33 above was intentionally, willfully, wantonly, and maliciously done by defendants, and each of them.

35. The proximate result of defendants' conduct in making and publishing the false and defamatory statements concerning plaintiff as referenced herein has been plaintiff suffering and continuing to suffer personal and professional humiliation, career damage, damage to his personal and professional reputation, mental and emotional distress, and loss of income and earnings and other financial losses.

36. Moreover, in making their false and defamatory statements about Mr. Rosen as noted above, defendants, and each of them, also knew that these statements might influence a jury that will hear the misdirected case brought against him by the government, and might cause such a jury more likely to believe that Mr. Rosen had done something wrong (which he had not), thereby increasing the chances that he would be improperly convicted of a crime that he did not commit. Thus, defendants' knowing and intentional publication of false and defamatory statements about Mr. Rosen caused him the additional injury that results from pre-trial publicity in a criminal case, thereby placing him, an innocent man, in a danger zone of potentially grievous harm.

Prayer for Relief

Plaintiff respectfully requests that this Court enter judgment for him and against defendants and each of them, and:

- (a) enter judgment for plaintiff and against defendants and each of them;
- (b) award compensatory damages against defendants jointly and severally in the amount of \$5,000,000.00, plus interest thereon;

- (d) award punitive damages against defendant AIPAC in the amount of \$10,000,000.00, plus interest thereon;
- (e) award punitive damages against each other defendant separately in the amount of \$500,000.00, plus interest thereon;
- (f) enjoin defendants, and each of them, from further defaming plaintiff in the future;
- (g) award plaintiff his costs of this action; and
- (h) award such other relief and further relief against defendants as this Court may deem just and appropriate.

Jury Demand

Plaintiff hereby requests a trial by jury on all issues of fact and as to the amount of an award of damages, both compensatory and punitive.

Respectfully submitted,



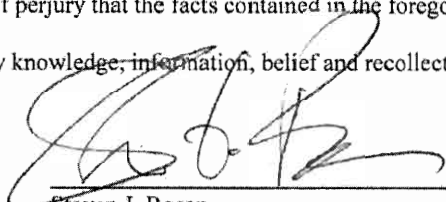
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Attorney for Plaintiff

VERIFICATION

I hereby verify under pain and penalty of perjury that the facts contained in the foregoing Complaint are true and correct to the best of my knowledge, information, belief and recollection.

March 2, 2009
Date



Steven J. Rosen