

Terrorists, arms dealers and the Mafia: Vancouver entrepreneur sues American conspiracy theory blog to clear his name

BY DAN FUMANO, THE PROVINCE APRIL 13, 2015 10:52 PM



A defamation suit filed by Vancouver entrepreneur and philanthropist Altaf Nazerali went to trial Monday in B.C. Supreme Court in Vancouver.

Photograph by: Arlen Redekop, Province

Stories heard Monday in B.C. Supreme Court contained sensational elements: international intrigue and espionage, Colombian drug cartels and the Italian Cosa Nostra, arms dealers and al-Qaida operatives. The name of Osama bin Laden came up more than once.

But those stories, say a well-known Vancouver businessman named in many of them, are fiction.

Monday in Vancouver, a judge heard the opening day of a trial stemming from a defamation suit filed by Vancouver-based entrepreneur and philanthropist Altaf Nazerali.

The trial, scheduled for three weeks, is the culmination of nearly four years of Nazerali's efforts to protect his reputation from an alleged campaign of online defamation, and what he says are "terrible and utterly false" allegations about him.

In August 2011, Nazerali became aware of several stories written about him and published on

DeepCapture.com, an American website that purports to expose financial fraud, corruption and conspiracies on Wall Street and around the world.

The website's founder, named as a defendant in Nazerali's defamation action, is Patrick Byrne, the wealthy, flamboyant and sometimes controversial CEO of Overstock.com, a U.S.-based international online retailer.

Articles posted to Deep Capture allege that Nazerali "obtained his start as an arms dealer to the mujahedeen, that he has been a Pakistani intelligence asset, that he served as an important financial adviser to the Iranian regime, that he was an important figure in a massive criminal enterprise in the 1970s and 1980s, that he did business with such unsavoury organizations as the Italian mafia, the Russian mafia and Colombian drug cartels, and that he has controlled organizations that have manipulated U.S. markets from their base in the Netherlands," according to earlier court filings.

"The articles have linked him to attempts to sell enriched uranium to (al-Qaida), to Russian intelligence operators and arms dealers, to the godfather of the Kremlin, various mafia organizations in Italy and 'an impressive number of securities traders who are also narco-traffickers,'" earlier court records show.

Nazerali's counsel told the court Monday: "Many of the defamatory words are pure fiction, claiming nefarious dealings between the plaintiff and notorious people who, in fact, the plaintiff has never met."

Outside court, Nazerali told The Province: "They messed with the wrong guy."

Two of B.C.'s most prominent media lawyers are facing off in the defamation trial. Nazerali's counsel is Daniel Burnett. The defendants Byrne and writer Mark Mitchell are represented by Roger McConchie.

In his opening statement Monday, Burnett said Nazerali's reputation "is vital to his ability to carry on his business with the trust of existing and potential business partners and investors, and is also of fundamental importance personally, as a man with social and spiritual connections to his community."

Soon after Nazerali first became aware of the articles in 2011, he contacted Mitchell, a man hired by Byrne to work as a writer and researcher for Deep Capture, court heard. Nazerali told Mitchell his multi-chapter stories published on Deep Capture included false information presented as facts, and tried to persuade Mitchell to correct or remove the falsehoods from the website, court heard Monday.

Mitchell "has no formal journalistic training, and as the evidence will show, little in the way of journalistic standards, often hiding behind claims of confidential sources," Burnett said.

After Nazerali contacted Mitchell to complain, Burnett told court Monday, Mitchell and Byrne exchanged emails about it, expressing the view: "This is going to be fun."

Mitchell and Byrne chose not to remove or alter the allegedly defamatory material, but "instead, they chose bravado," by taunting Nazerali and posting further stories about him, Burnett said.

After Nazerali's initial complaints failed to get the stories off the web, he filed a lawsuit in October 2011, naming Byrne, Mitchell and Byrne's company High Plains Investments LLC as defendants.

In court Monday, Burnett referred to a number of earlier Canadian court cases dealing with Internet defamation, saying “courts have observed that the potential for damage from worldwide publication is enormous.”

Burnett quoted from a 2004 Canadian case, in which the court highlighted a quote saying: “The extraordinary capacity of the Internet to replicate almost endlessly any defamatory message lends credence to the notion that ‘the truth rarely catches up with a lie.’”

The court also heard Monday that before publishing stories naming Nazerali, “Neither Mitchell nor any other defendant ever contacted the plaintiff or asked him about any of it, despite extremely serious accusations such as mafia associations, terrorism, arms and drug dealing, market manipulation and criminality.”

Requests for comment sent Sunday to Byrne and Mitchell through the email addresses on DeepCapture.com received no response by Monday evening.

In a Deep Capture post dated April 2013, Mark Mitchell wrote that the defamation action is “an important case,” and “an attempt by one man (Mr. Nazerali) to prevent the public from reading a story that pertains to the economic well-being of all nations.”

Byrne has been both a successful businessman and an outspoken critic of what he says are crimes and coverups on Wall Street.

Byrne is also the founder and CEO of Overstock.com, Inc., an Internet retailer that has been publicly traded since 2002 and has grown into a major online business. According to statements filed with the SEC, “Dr. Byrne has led the Company from revenues of approximately \$1.8 million in 1999 to approximately \$1.5 billion for the year ended December 31, 2014.”

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