

SUPREME COURT OF THE STATE OF NEW YORK  
COUNTY OF NEW YORK

PEOPLE OF THE STATE OF NEW  
YORK, by LETITIA JAMES, Attorney  
General of the State of New York,

Plaintiff,

-against-

Donald J. Trump, *et al.*,

Defendants.

Index No. 452564/2022

Hon. Arthur Engoron

MEMORANDUM OF LAW IN SUPPORT OF PLAINTIFF'S  
MOTION FOR PARTIAL SUMMARY JUDGMENT

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The People of the State of New York, by Letitia James, Attorney General of the State of New York, respectfully submit this memorandum of law with attached Appendix and the accompanying Affirmation of Colleen K. Faherty, dated August 4, 2023 (“Faherty Aff.”), and Rule 202.8-g Statement of Material Facts (“202.8-g Statement”) in support of their motion for partial summary judgment against all Defendants pursuant to CPLR §3212(e) and (g).

### **PRELIMINARY STATEMENT**

Since at least 2011, Defendants and others working on their behalf at the Trump Organization have falsely inflated by billions of dollars the value of many of the assets listed on Donald J. Trump’s annual statement of financial condition (“SFC”), and hence his overall net worth for each of these years. Mr. Trump, and in some years the trustees of his revocable trust, submitted these grossly inflated SFCs to banks and insurers to secure and maintain loans and insurance on more favorable terms, reaping hundreds of millions of dollars in ill-gotten savings and profits.

The People move for summary judgment on their First Cause of Action under Executive Law § 63(12) for fraud against all Defendants. To adjudicate this claim, the Court need answer only two simple and straightforward questions: (1) were the SFCs from 2011 to 2021 false or misleading; and (2) did Defendants repeatedly or persistently use the SFCs in the conduct of business transactions? The answer to both questions is a resounding “yes” based on the mountain of undisputed evidence cited in Plaintiff’s accompanying 202.8-g Statement.<sup>1</sup>

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<sup>1</sup> While the focus of this motion is only on the People’s First Cause of Action for the sake of expediency, these same predicate findings – that the SFCs were false and were used repeatedly and persistently by Defendants to commit fraud in connection with business transactions – are equally applicable to the People’s remaining causes of action and will necessarily narrow the scope of matters to be addressed at trial, including at a minimum the People’s claims for relief in the form of disgorgement, bans, and other equitable remedies.

The basic predicate facts for the Court to find Defendants liable for fraud under § 63(12) are beyond dispute. Defendants followed the same procedure each year to create false and misleading SFCs. The SFCs include amounts for Mr. Trump's assets, mostly real estate holdings, that are represented to be stated "at their estimated current values," a term defined in the applicable accounting rules as the value that a willing buyer and willing seller could agree on, where both are fully informed and neither is acting under duress. The associated liabilities are then subtracted from the "estimated current values" to derive Mr. Trump's net worth. The values were calculated as of June 30 for each year in an Excel spreadsheet by the Trump Organization's Controller Jeffrey McConney and others at the company, all under the supervision of Chief Financial Officer Allen Weisselberg acting at the direction of Mr. Trump. Each year, Messrs. Weisselberg and McConney forwarded the spreadsheet and some backup material to outside accountants who then compiled the information into Mr. Trump's annual SFC to show his net worth. Mr. Trump, directly or through others acting on his behalf in some years, would approve the final version of the SFC, which was then submitted to financial institutions in connection with business transactions.

Based on the undisputed evidence, no trial is required for the Court to determine that Defendants presented grossly and materially inflated asset values in the SFCs and then used those SFCs repeatedly in business transactions to defraud banks and insurers. Notwithstanding Defendants' horde of 13 experts, at the end of the day this is a *documents case*, and the documents leave no shred of doubt that Mr. Trump's SFCs do not even remotely reflect the "estimated current value" of his assets as they would trade between well-informed market participants. Instead, the undisputed evidence establishes that Defendants employed a variety of deceptive schemes to grossly inflated values for many of Mr. Trump's assets, including the following examples:

- Mr. Trump inflated the value of his triplex apartment at Trump Tower by using an incorrect figure for the apartment's square footage that was nearly triple the actual

square footage. This error inflated the apartment's value by approximately \$100-\$200 million each year from 2012 to 2016.

- Mr. Trump valued a number of his properties at amounts that significantly exceeded professional appraisals of which his employees were aware and chose to ignore. For example, for his leased property at 40 Wall Street, in some years he valued the property at more than twice the appraised value. For his property at Seven Springs, in certain years he valued the property at more than five times the appraised value. For his non-controlling limited partnership interest in properties in New York and San Francisco, he valued them at between 25-40% more than what they were worth based on existing appraisals.
- Mr. Trump valued Mar-a-Lago as if it could be sold as a private single family residence for amounts ranging between \$347 million to \$739 million over the period 2011 to 2021, ignoring limitations place on the property under multiple restrictive deeds that he executed providing the property could be used only as a social club. During this same period, the property was assessed by Palm Beach County as having a market value based on its restricted use as a social club ranging between \$18 million to \$27.6 million.
- Mr. Trump valued undeveloped land at his golf course in Aberdeen, Scotland based on an assumption that he could build and sell for profit far more residential homes than the local Scottish governmental authorities had approved. Adjusting for the number of homes actually approved, even using Mr. Trump's wildly inflated estimate of his profit per home, reduces the value by over \$150 million in most years.
- Mr. Trump tacked on an extra 15-30% "brand premium" to the value of many of his golf clubs. This undisclosed premium inflated the aggregate value of the clubs by over \$350 million in several years.
- Mr. Trump inflated the value of unsold condominium units he owned at Trump Park Avenue by valuing rent stabilized units at vastly inflated amounts as if they were not rent stabilized, valuing other unsold units at the original offering prices rather than the lower estimates of current market value derived for internal use by the Trump Organization's real estate brokerage arm, and valuing two apartments leased by Ivanka Trump at amounts exceeding by two to three times the price at which Ms. Trump had the contractual option to purchase the units.
- Mr. Trump included as "cash" – an indication of his liquidity – and "escrow deposits" sums held with partnerships in which he owned only a 30% minority share and over which he exercised no control. In some years, as much as one-third of the cash and over one-half of the escrow deposits listed on the SFC belonged to the partnerships.
- Mr. Trump included as part of the value of his real estate licensing deals: (i) transactions that had yet to be reduced to a written contract despite representing in



the SFCs that only signed deals were included; and (ii) estimated profits from transactions between only Trump Organization affiliates despite representing in the SFC that only third-party transactions with other developers were included. In many years these unsigned “deals” and transactions between affiliates accounted for between \$45-105 million and \$87-\$225 million, respectively, of the total value of this asset category.

Correcting for these and other blatant and obvious deceptive practices engaged in by Defendants *reduces Mr. Trump’s net worth by between 17-39% in each year, or between \$812 million to \$2.2 billion*, depending on the year (as shown in the chart at Tab 1 of the Appendix).

Moreover, in addition to these quantifiable deceptive practices, Mr. Trump misrepresented that his SFCs complied with generally accepted accounting principles, or “GAAP,” when they did not. More specifically, the SFCs violated GAAP in many material ways, including failing to discount projected future income to arrive at a proper present value, using methodologies that do not result in estimated current values that are based on market considerations, and misrepresenting that outside professionals were involved in the evaluation of the assets.

While this is just the tip of a much larger iceberg of deception Plaintiff is prepared to expose at trial – which would result in carving off billions more from Mr. Trump’s net worth<sup>2</sup> – it is more than sufficient to permit this Court to rule as a matter of law that each SFC from 2011 to 2021 was false or misleading.

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<sup>2</sup> Based on the work done by Plaintiff’s valuation and accounting experts in correcting the Trump Organization’s valuations to properly account for market factors that a willing buyer and willing seller would consider in determining “estimates of current value,” Mr. Trump’s net worth in any year between 2011 and 2021 would be *no more than \$2.6 billion*, rather than the stated net worth of up to \$6.1 billion, and likely considerably less if his properties were actually valued in full blown professional appraisals.

Nor is there any dispute that the false SFCs from 2011 to 2021 were repeatedly and persistently used by Defendants to commit fraud in the course of transacting business with financial institutions *on or after July 13, 2014*, the cutoff date for timely claims against these Defendants that the First Department approved in its June 27, 2023 decision in this case.<sup>3</sup> *See People by James v. Trump*, No. 2023-00717, 2023 WL 4187947, at \*2 (1st Dep’t June 27, 2023) (holding in an appeal based on the motion-to-dismiss record that, “[f]or defendants bound by the tolling agreement, claims are untimely if they accrued before July 13, 2014.”); *see also Matter of People v. JUUL Labs, Inc.*, 212 A.D.3d 414, 417 (1st Dep’t 2023) (affirming corporate tolling agreement applied to corporate affiliates, officers, and directors under language defining the bound parties similar to language in the tolling agreement here).

For five loans where Mr. Trump provided a personal guaranty to obtain more favorable terms, including lower interest rates, Defendants submitted the false SFCs after July 13, 2014 to either obtain the loan or satisfy obligations requiring annual financial disclosures to maintain the loan. Mr. Trump as well as Donald Trump, Jr. and Eric Trump, acting as Mr. Trump’s attorneys-in-fact, repeatedly certified to lenders at various points in time after July 13, 2014 that Mr. Trump’s SFCs were true and accurate. In addition to banks, the Trump Organization also submitted Mr. Trump’s SFCs to insurance companies to renew coverage, including for the 2019 and 2020 renewal of the company’s surety coverage and in 2017 to renew the company’s directors and officers

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<sup>3</sup> Plaintiff reserves the right to argue at trial or in response to Defendants’ submissions that an earlier cutoff date for timely claims applies based on tolling doctrines not considered by the Appellate Division or this Court and further reserves the right to challenge the First Department’s holding at a later stage of this case. For purposes of this motion, however, Plaintiff takes the position that the cutoff date for timely claims against all Defendants is at latest July 13, 2014, because all of the Defendants are bound by the August 2021 tolling agreement. *See* 202.8-g Statement at ¶¶793-94.

coverage. In submitting the SFCs to the underwriters for both insurance programs, CFO Allen Weisselberg not only used the inflated values in the SFCs to mislead them, but also made affirmative misrepresentations, telling the surety underwriter that the values in the SFCs were determined by a professional appraisal firm and telling the D&O underwriter that there were no ongoing investigations the company believed would likely give rise to a claim, neither of which was true.

\* \* \*

Based on the overwhelming amount of evidence establishing beyond dispute that Defendants' repeated and persistent fraudulent use of the false and misleading SFCs in connection with business transactions with banks and insurers, the People are entitled to summary judgment in their favor finding Defendants liable as a matter of law on the People's First Cause of Action for fraud under Executive Law § 63(12).

#### **STATEMENT OF FACTS<sup>4</sup>**

##### **A. Preparation of the SFCs**

Since at least 2011, Mr. Trump and Trump Organization employees have prepared an annual "Statement of Financial Condition of Donald J. Trump" ("SFC"). (202.8-g ¶1) From at least 2011 to 2015, the SFCs were issued by Mr. Trump. (202.8-g ¶9) Starting in 2016, commencing with the SFC for the year ending June 30, 2016, the SFCs have been issued by the Trustees of the Donald J. Trump Revocable Trust ("Trust") on his behalf. (202.8-g ¶10) The SFCs

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<sup>4</sup> The citations in this section use the following format: (i) cites to "202.8-g ¶\_\_" are to paragraphs in the 202.8-g Statement; (ii) cites to "Ex. \_\_" are to the exhibits listed and attached to the Faherty Affirmation; and (iii) cites to "App. Tab \_\_" are cites to the tabbed charts in the Appendix attached to this brief. To avoid unnecessary duplication, this fact section cites to the accompanying 202.8-g Statement rather than the exhibits cited within the 202.8-g Statement unless language is quoted directly from an exhibit, in which case the citation is to the exhibit.

contain assertions of Mr. Trump’s net worth, based principally on asserted values of particular assets minus outstanding liabilities. (202.8-g ¶2) The SFCs represent that “[a]ssets are stated at their estimated current values and liabilities at their estimated current amounts,” consistent with GAAP. (Ex. 1 at -133; Ex. 2 at -310; Ex. 3 at -036; Ex. 4 at -716; Ex. 5 at -690; Ex. 6 at -1985; Ex. 7 at -1844; Ex. 8 at -2727; Ex. 9 at -792; Ex. 10 at -250; Ex. 11 at -420; 202.8-g ¶¶29-35) From at least 2011 until 2020, Mr. Trump’s SFCs were compiled by accounting firm Mazars. Another accounting firm, Whitley Penn LLP, compiled the 2021 SFC. (202.8-g ¶¶3-4)

The process for preparing each SFC remained essentially the same throughout the period 2011 through 2021. The asset valuations for the SFCs were prepared by staff at the Trump Organization, working at the direction of Mr. Trump or the trustees of the Trust. For the SFCs from 2011 through 2015, Controller Jeffrey McConney was the Trump Organization employee with primary responsibility for the preparation of the SFCs, working under the supervision of Chief Financial Officer Allen Weisselberg. For the 2016 SFC forward, and beginning on or about November 16, 2016, Messrs. Weisselberg and McConney tasked a junior employee, Patrick Birney, with primary responsibility for the preparation of the SFCs, working under their supervision. (202.8-g ¶5) The valuations were calculated in an Excel spreadsheet referred to as “Jeff’s Supporting Data” – a reference to Mr. McConney – that was forwarded each year to the accounting firm along with some supporting documents to be compiled by the accounting firm into a report that would become the SFC in each year. (202.8-g ¶6)

From 2011 through 2015, Mr. Trump was the individual “responsible for the preparation and fair presentation” of the SFC “in accordance with accounting principles generally accepted in the United States of America [“GAAP”] and for designing, implementing, and maintaining internal control relevant to the preparation and fair presentation” of the SFC. (Ex. 1 at -132; Ex. 2 at -309;

Ex. 3 at -035; Ex. 4 at -715; Ex. 5 at -689) From 2016 through 2021, the trustees of the Trust were the individuals “on behalf of Donald J. Trump” who were “responsible for the accompanying [SFC] . . . and the related notes to the financial statement in accordance with accounting principles generally accepted in the United States of America.” (Ex. 6 at -1981; Ex. 7 at -1841; Ex. 8 at -2724; Ex. 9 at -789; Ex. 10 at -246; Ex. 11 at -416)

Further, Mr. Trump, or the trustees of the Trust for the SFCs from 2016 through 2021, had responsibility for providing all available records to the accounting firm for the SFC engagement. (202.8-g ¶¶23-27) Additionally, for each year from 2011 to 2020, Mr. Weisselberg in his capacity as CFO of the Trump Organization signed a representation letter submitted to Mazars, acknowledged that the Trump Organization was “responsible for the information provided to Mazars for each annual compilation,” and confirmed that the information was “presented fairly and accurately in all material respects.” (Ex. 49 at 160:5 – 161:13)

On May 18, 2021, Mazars notified the Trump Organization that the firm was “resigning from all engagements with the Trump Organization and related entities.” (Ex. 217) Subsequently on February 9, 2022, Mazars further informed the Trump Organization that the SFCs for the years 2011 to 2020 “should no longer be relied upon.” (Ex. 218)<sup>5</sup>

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<sup>5</sup> The Mazars letter advising the Trump Organization that the SFCs from 2011 to 2020 should no longer be relied upon in and of itself supports a finding that the SFCs were false. *Cf. In re BISYS Securities Litigation*, 397 F. Supp.2d 430, 437 (S.D.N.Y. 2005) (noting that “mere fact” of financial restatement is sufficient to plead falsity); *In re Atlas Air Worldwide Holdings, Inc. Securities Litigation*, 324 F. Supp. 2d 474, 487 (S.D.N.Y. 2004) (same); *Lowry v. RTI Surgical Holdings*, 532 F. Supp. 3d 652, 660 (N.D. Ill. 2021) (five years’ worth of inaccurate financial results, combined with GAAP violations and accounting restatements, held to be “likely enough by itself to show materiality” of misstatements).

## B. Gross Inflation of Assets

The objective evidence establishes beyond dispute that many assets were grossly inflated by amounts that were material to any user of the SFCs, resulting in an overstatement of Mr. Trump's net worth by between 17-39% during the period 2011 to 2021. (App. Tab 1) The inflated sums are presented in the spreadsheets contained in the Appendix accompanying this brief and are discussed in detail below.<sup>6</sup>

### 1. *Mr. Trump's Triplex*

Mr. Trump's Triplex at Trump Tower is valued as an asset in the SFCs from 2011 through 2021. In the years 2012 through 2016, the Triplex value was calculated based on multiplying a price per square foot as determined by the Trump International Realty Sales Office by an incorrect figure for the size of the Triplex of 30,000 square feet. (202.8-g ¶37) In reality, the Triplex was 10,996 square feet. (202.8-g ¶38) As a result of this error alone, the value of the Triplex reflected on each SFC from 2012 through 2016 was inflated by roughly \$100-\$200 million. (202.8-g ¶39; App. Tab 2)

Nearly tripling the size of the Triplex when calculating the value for purposes of the SFCs was far from an honest mistake. Documents containing the correct size of Mr. Trump's Triplex (most notably the condominium offering plan and associated amendments for Trump Tower) were easily accessible inside the Trump Organization prior to 2012, were signed by Mr. Trump, and

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<sup>6</sup> The calculations of the downward adjustments to correct for Defendants' deceptive practices that have grossly inflated asset values presented in the SFCs and can be quantified based on the undisputed evidence are contained in the charts in the Appendix that accompanies this brief. The chart at Tab 1 is a summary spreadsheet showing the reductions per year for each of the assets discussed in this section. The remaining Tabs contain the backup calculations for the individual assets that roll up into the summary chart at Tab 1 and include citations to the 202.8-g Statement paragraphs that contain the source material for the numbers in the charts.

were sent to Mr. Weisselberg in 2012. (202.8-g ¶41) Moreover, Mr. Trump was intimately familiar with the layout and square footage of the Triplex, having personally overseen the apartment's renovation prior to 2012 and having lived in the apartment for more than two decades, using it for interviews, photo spreads, as a filming location in "The Apprentice," and even to host foreign heads of state. (202.8-g ¶42)

Even after Mr. Weisselberg and Donald Trump, Jr. were advised by a Forbes Magazine journalist of the correct size of the apartment based on a review of property records, they still confirmed to Mazars that the value for the apartment in the 2016 SFC based on the incorrect square footage was accurate. (202.8-g ¶44-45) Only after Forbes published an article in May 2017 entitled "Donald Trump has Been Lying About the Size of His Penthouse" did they stop engaging in this blatant fraud. (202.8-g ¶47)

## *2. Seven Springs*

Seven Springs is a parcel of real property that consists of over 200 acres within the towns of Bedford, New Castle, and North Castle in Westchester County that is owned by Defendant Seven Springs LLC, a Trump Organization subsidiary. (202.8-g ¶49) As discussed below, multiple appraisals of the property were prepared over the years, all of which were ignored by the Trump Organization when valuing the property for the SFC.

A 2000 appraisal prepared for the Royal Bank of Pennsylvania and sent to the Trump Organization estimated that Seven Springs had an "as-is" market value of \$25 million for residential development. (202.8-g ¶50) The same bank's records indicate that a 2006 appraisal showed an "as-is" market value of \$30 million. (202.8-g ¶51) Another appraiser retained by Seven Springs LLC in late 2012 estimated the fair market value of a planned 6-lot subdivision on the portion of the property located in New Castle at around \$700,000 per lot. (202.8-g ¶55)

In July 2014, David McArdle, an appraiser at Cushman & Wakefield (“Cushman”), was retained by Seven Springs LLC to provide a “range of value” of the Seven Springs property based on developing and selling residential lots on the property for the purpose of the Trump Organization considering a conservation easement donation. (202.8-g ¶¶57, 58) Mr. McArdle valued the sale of eight lots in the Town of Bedford, six lots in New Castle, and ten lots in North Castle. Mr. McArdle reached a present value for all 24 lots of approximately \$30 million and communicated his range to counsel for Seven Springs LLC in late August or September 2014, months before the 2014 SFC was issued on November 7, 2014, who then shared the range with Eric Trump. (202.8-g ¶¶59-63)

Despite receiving values from professional appraisers in 2000, 2006, 2012, and 2014 putting the value of Seven Springs at or below \$30 million, Mr. Trump wildly inflated the value of the property to \$261 million in the 2011 SFC and \$291 million for the SFCs from 2012 through 2014. (202.8-g ¶¶73, 75)

In early 2016, the Trump Organization received from Cushman an appraisal of Seven Springs, including the planned development. (202.8-g ¶¶66) Cushman’s appraisal concluded that the entire property as of December 1, 2015 was worth \$56.5 million. (202.8-g ¶¶67) In a concession that the appraised value was the proper amount to use as the value for the property in the SFC, Mr. Trump lowered the value of Seven Springs in the 2015 SFC to \$56 million to match the Cushman appraisal. (202.8-g ¶¶68) The value was changed in subsequent years to \$35.4 million from 2016 to 2018 and, based on another appraisal obtain by the Trump Organization, to \$37.65 from 2019 to 2021. (202.8-g ¶¶69, 70)



Based on the highest appraised value of \$56.5 million determined by Cushman in 2015, the property was vastly overvalued by more than \$200 million in each year from 2011 through 2014. (202.8-g ¶75; App. Tab 3)

### **3. 40 Wall Street**

The Trump Organization, through Defendant 40 Wall Street LLC, a New York Limited Liability Company, owns a “ground lease” pertaining to 40 Wall Street, pursuant to which it holds a leasehold interest in the land and buildings on the land, but pays rent (known as ground rent) to the landowner. (202.8-g ¶77) In connection with a loan modification, an appraisal was performed by Cushman in 2010 valuing the Trump Organization’s interest in 40 Wall Street at \$200 million as of August 1, 2010. (202.8-g ¶78) Cushman performed similar appraisals for the bank in 2011 and 2012 reaching valuations of the Trump Organization’s interest in the property of \$200 million and \$220 million, respectively. (202.8-g ¶84, 85) The Trump Organization had the 2010 appraisal in its possession when Mr. McConney prepared the 2011 SFC, and Mr. Weisselberg was specifically aware that an appraisal of 40 Wall Street from the 2010 to 2012 time period had valued the property in the \$200-\$220 million range prior to authorizing Mazars to issue the 2012 SFC. (202.8-g ¶86, 87)

Despite the values reached for 40 Wall Street in the \$200-\$220 million range by Cushman in its 2011 and 2012 appraisals, the 2011 SFC valued the property at \$524.7 million and the 2012 SFC valued the property at \$527.2 million – exceeding the appraised values by more than \$300 million each year. (202.8-g ¶80, 88)

Cushman appraised the property again in 2015 for a different lender, reaching a value of

\$540 million.<sup>7</sup> The Trump Organization was provided with a copy of the 2015 Cushman appraisal at the time it was prepared. Notwithstanding the appraised value of \$540 million, the 2015 SFC valued the property at \$735.4 million. (202.8-g ¶104-108)

During the period 2011 to 2015, Mr. Trump valued his interest in 40 Wall Street in the SFCs at approximately \$200-\$325 million more than the appraised values. (202.8-g ¶114; App. Tab 4)

#### ***4. Mar-a-Lago***

Mar-a-Lago represents the single greatest source of inflated value on the SFCs year after year. Mr. Trump purchased the property in 1985, and by 1993 he was seeking permission to turn the property into a club, recognizing that “it is impractical for a single individual to continuously own Mar-a-Lago as a private estate at his or her sole expense.” (202.8-g ¶145, Ex. 92 at 3) Indeed, in his application to transform the property into a club, Mr. Trump noted that “80 qualified buyers,” including H. Ross Perot, looked at the property and declined to buy it. (202.8-g ¶145, Ex. 92 at 3)

Mr. Trump won approval from Palm Beach to convert the property to a social club in 1993. (202.8-g ¶146) Two years later he transferred the property to a wholly owned limited liability company and signed a Deed of Conservation and Preservation, giving up his rights to use the property for any purpose other than a social club (“1995 Deed”). (202.8-g ¶147) Several years later, in 2002, Mr. Trump signed a deed of development rights conveying to the National Trust for Historic Preservation “any and all of [his] rights to develop the Property for any usage other than

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<sup>7</sup> This 2015 appraisal was improperly inflated, but Plaintiff does not dispute the amount of this appraisal for the purposes of this motion. Even taking the inflated value of this 2015 appraisal on its face proves that the value used by Mr. Trump for 40 Wall Street in the 2015 Statement was materially false.

club usage.” (The “2002 Deed”). (Ex. 94) As a result of that restriction, the club was taxed at a significantly lower rate. (202.8-g ¶149)

Ignoring these legal restrictions—known to Mr. Trump and his agents—that any informed buyer would take into consideration, the SFCs during the period 2011 to 2021 valued the property between \$347 million and \$739 million, making it one of the three most highly valued properties owned by Mr. Trump. (202.8-g ¶200) But no one would know that from reading the SFCs. This is because between 2011 and 2021, the SFCs conceal the value of Mar-a-Lago by lumping it into a group of more than a dozen properties categorized as “Club Facilities and Related Real Estate” with a combined asset value (*See, e.g.*, Ex. 8 at – 2737.) By including the property in a larger group, Mr. Trump hid the grossly inflated value of the property from scrutiny. The SFCs further failed to disclose that the inflated valuations of the club were based on the false and misleading premise that it was an unrestricted residential plot of land that could be sold and used as a private home, which was clearly not the case. (202.8-g ¶155, 159, 163, 167, 171, 175, 179, 183, 187, 191, 195) None of the SFCs discloses any of the limitations on Mr. Trump’s rights to the Mar-a-Lago property; to the contrary, by lumping the property in with a series of golf clubs, and not specifying which of several valuation methods was used for any particular property in that category, the SFCs omit all crucial details regarding how Mar-a-Lago was valued. (202.8-g ¶154, 158, 162, 166, 170, 174, 178, 182, 186, 190, 194) The failure to make any meaningful disclosure about the valuation methodology used for one of Mr. Trump’s purportedly most valuable properties is self-evident.

In stark contrast to the wildly inflated values for Mar-a-Lago incorporated into the overall club asset values in the SFCs, the Palm Beach County Appraiser determined the market value of Mar-a-Lago for purposes of assessing property taxes to be between \$18-\$27.6 million during the period 2011 to 2021. (202.8-g ¶199) This is an appropriate basis under GAAP for determining

estimated current value, which is the basis on which the SFCs purport to present the value of Mr. Trump's assets. (202.8-g ¶198) The county appraiser's estimates of current value establish that the SFC values for Mar-a-Lago are inflated by \$327-\$714 million over the period 2011 to 2021. (202.8-g ¶200; App. Tab 5)

### 5. *Aberdeen*

The value assigned to the Trump International Golf Club in Aberdeen, Scotland in each year from 2011 to 2021 was comprised of two components: a value for the golf course and another value for the development of the non-golf course property, *i.e.*, the "undeveloped land." (202.8-g ¶201) In each year from 2011 to 2021, the larger component of the valuation – and for many years by a factor of four or more – was the value for developing the undeveloped land. (202.8-g ¶202)

For the SFCs in 2014 through 2018, Messrs. McConney and Weisselberg assumed that 2,500 homes could be built on the undeveloped land and sold for £83,164 per home, for a value of £207,910,000. (202.8-g ¶205) But the Trump Organization had never received approval from the local Scottish authorities to develop and sell 2,500 homes on the property. (202.8-g ¶207) As reported in the 2014 SFC, the Trump Organization "received outline planning permission in December 2008 for . . . a residential village consisting of 950 holiday homes and 500 single family residences and 36 golf villas," for a total of 1,486 homes, not 2,500. (Ex. 4 at -729)

The 950 holiday homes and 36 golf villas had restricted use under the terms governing the club and could be used solely as rental properties to be rented for no more than six weeks at a time. (202.8-g ¶209) Based on this restricted use for the 900 holiday homes and 36 golf villas, the Trump Organization represented in material submitted to the local Scottish authorities that these short-term rental properties would not be profitable and therefore would not add any value to Aberdeen. (202.8-g ¶210) In other words, the Trump Organization acknowledged that only the 500 private

homes added value to the property. Adjusting the values to correctly reflect the 500 private homes actually approved that would add value, keeping all other variables constant, results in a reduction in the value of the undeveloped land component of Aberdeen of £166,328,000 in each year from 2014 to 2018. (202.8-g ¶211; App. Tab 6)

In May 2018, the Trump Organization applied to the Aberdeen City Council to reduce the scope of the development project to 550 dwellings. (202.8-g ¶214) The new proposal was to build 500 private residences, 50 leisure/resort units (which could be occupied on a holiday letting or fractional basis only and not as a person's sole or main residence). (202.8-g ¶215) In September 2019, the Aberdeen City Council approved the Trump Organization's reduced proposal. (202.8-g ¶216) Nevertheless, the 2019 SFC, finalized a month later in October 2019, derived a value of £217,680,973 for the undeveloped land based on 2,035 *private homes*, fewer than the 2,500 homes assumed in prior years but still far more than the number of private residences the City Council had just approved. (202.8-g ¶217) Adjusting the valuation to correctly reflect the 500 private residences actually approved, keeping all other variables constant (and assuming the cottages and homes can be sold for the same price), results in a revised valuation of £53,484,269, or a reduction in the value of the undeveloped land component of Aberdeen for the 2019 SFC of £164,196,704. (202.8-g ¶218)

The 2020 and 2021 SFCs derived a much lower value of £82,537,613 in each year for the undeveloped land based on 1,200 homes, but still more than twice the number of private residences the City Council had approved in 2019. (202.8-g ¶219) Adjusting the valuation to correctly reflect the 500 private residences actually approved, keeping all other variables constant (and assuming the cottages and homes can be sold for the same price), results in a revised valuation of £34,390,672, or a reduction in the valuation of the undeveloped land component of Aberdeen for

the 2020 and 2021 SFCs of £48,146,941 in each year. (202.8-g ¶220)

Applying the applicable exchange rate and accounting for an “economic downturn” reduction applied by the Trump Organization yields corrected values for Aberdeen that are \$209-\$283 million lower in 2014 and 2015, \$166-\$177 million lower in 2016 to 2019, and \$59-\$66 million lower in 2020 and 2021.<sup>8</sup> (202.8-g ¶222; App. Tab 6)

#### **6. *Vornado Partnership Properties***

Mr. Trump has a 30% limited partnership interest in entities that own office buildings in New York City and San Francisco located at 1290 Avenue of the Americas (“1290 AoA”) and 555 California Street (“555 California”), respectively. (202.8-g ¶223-225) For the SFCs from 2011 through 2021, Mr. Trump valued his interest in the properties by taking 30% of the values Messrs. McConney and Weisselberg calculated for 1290 AoA and 555 California that did not take into account existing appraisals for 1290 AoA prepared by outside appraisal firms in 2012 and 2021 and for two years used an incorrect capitalization rate taken from “comparable” buildings.

In an appraisal report by Cushman dated October 18, 2012, 1290 AoA was appraised as of November 1, 2012 to have a market value “as is” of \$2 billion. (202.8-g ¶233) This appraised value is significantly lower than the value used for 1290 AoA by Mr. McConney to calculate Mr. Trump’s 30% partnership interest in the properties as of June 30, 2012 and June 30, 2013. (202.8-g ¶239-240) The valuation of Mr. Trump’s 30% partnership interest in the properties in the 2012 SFC used \$2,784,970,588 as the value for 1290 AoA. (202.8-g ¶235) Substituting the appraised value as of November 1, 2012 of \$2 billion for the higher value of \$2,784,970,588 yields a

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<sup>8</sup> For the years 2015 through 2019, the Trump Organization applied a “20% reduction due to economic downturn in the area” to the valuation of the undeveloped land component of Aberdeen. (PP221) This same reduction was applied to the newly calculated numbers based on using the correct number of approved homes.

valuation for Mr. Trump's 30% partnership interest in the properties of \$587,847,273 – more than \$235 million less than the value listed in the 2012 SFC. (202.8-g ¶236; App. Tab 7) Similarly, the valuation of Mr. Trump's 30% partnership interest in the properties in the 2013 SFC used \$2,989,455,128 as the value for 1290 AoA. (202.8-g ¶238) Substituting the appraised value as of November 1, 2012 of \$2 billion for the higher value of \$2,989,455,128 yields a value for Mr. Trump's 30% partnership interest in the properties of \$448,990,909 –nearly \$300 million less than the value listed in the 2013 SFC. (202.8-g ¶239; App. Tab 7)

The same Cushman 2012 appraisal also contains a valuation as of November 1, 2016 of \$2.3 billion. (202.8-g ¶241) The valuation of Mr. Trump's 30% partnership interest in the properties in the 2014, 2015, and 2016 SFCs used higher values for 1290 AoA of \$3,078,338,462, \$85,819,936, and \$3,055,000,000, respectively. (202.8-g ¶242, 244, 246) Substituting the \$2.3 billion value for the higher values used for 1290 AoA to calculate Mr. Trump's 30% interest reduces the reported values by \$233.5 million, \$205.7 million, and \$226.5 million in the 2014, 2015, and 2016 SFCs, respectively. (202.8-g ¶243, 245, 247; App. Tab 7)

In a later appraisal dated October 7, 2021 prepared by CBRE, 1290 AoA was appraised as of August 24, 2021 to have a market value “as is” of \$2 billion. (202.8-g ¶253) The valuation of Mr. Trump's 30% partnership interest in the properties in the 2021 SFC used \$2,574,813,800 as the value for 1290 AoA. (202.8-g ¶254) Substituting the appraised value as of 2021 of \$2 billion for the higher value of \$2,574,813,800 yields a value for Mr. Trump's 30% partnership interest in the properties of \$473,111,915 – nearly \$175 million less than the value listed in the 2021 SFC. (202.8-g ¶255; App. Tab 7)

In addition, for 2018 and 2019 the SFC states that the value of 1290 AoA was based on “applying a capitalization rate to the stabilized net operating income,” *i.e.*, using a stabilized cap

rate. (Ex. 8 at -2741; Ex. 9 at -161806) The supporting data shows that the Trump Organization used the cap rate of 2.67% based on the sale of a “comparable office building” as reported in a generic marketing report. (202.8-g ¶¶267, 270) However, the market report states that the stabilized cap rate for the “comparable office building” was projected to be 4.45%, not 2.67%. (202.8-g ¶¶258-260) Adjusting for the correct stabilized cap rate based on the Trump Organization’s selected comparable sale reduces the value of 1290 AoA by over \$500 million in 2018 and 2019. (202.8-g ¶¶274, 276; App. Tab 7)

## **7. US Golf Clubs**

### **a. Brand Premium**

The Clubs category of assets includes golf clubs in the United States and abroad that are owned or leased by Mr. Trump. (202.8-g ¶¶284) The value for the golf clubs is presented in the SFCs from 2011 to 2021 in the aggregate, together with Mar-a-Lago, and provides no itemized value for any individual club. (202.8-g ¶¶285)

For many clubs in certain years, Mr. Trump added a 30% or 15% brand premium to the value – that is, the value of the club was increased by 30% or 15% because the property was completed and operating under the “Trump” brand. (202.8-g ¶¶305) Mr. Trump did not disclose in any of the SFCs that certain golf club values included a premium of 30% or 15% for the “Trump” brand. (202.8-g ¶¶306) Rather, each SFC from 2013 through 2020 contained the following representation: “The goodwill attached to the Trump name has significant financial value that has not been reflected in the preparation of this financial statement.” (202.8-g ¶¶307)

Backing out this brand premium from the club values reduces the value of this asset category by a total of \$366 million over the period 2013 to 2020. (202.8-g ¶¶309; App. Tab 8 (Chart 1))



***b. Membership Deposit Liabilities***

As part of the purchase of several club properties, Mr. Trump agreed to assume the obligation to pay back refundable non-interest-bearing long-term membership deposits owed to existing club members. (202.8-g ¶310) These liabilities for refundable memberships would need to be paid out only decades in the future, if at all. (202.8-g ¶311) The SFCs represent that the liabilities resulting from these obligations are valued at \$0. (202.8-g ¶312)

Contrary to this representation, in each year from 2012-2021, the Trump Organization included the face amount of the refundable membership deposit liabilities as a component of the value for many clubs. (202.8-g ¶318) Removing the membership deposit liabilities from the valuation calculation for these clubs – consistent with Mr. Trump’s representation that the liabilities were valued at \$0 – reduces the aggregate value for these clubs by over \$75 million each year in all but two years.<sup>9</sup> (202.8-g ¶331; App. Tab 8 (Chart 2))

***c. TNGC Briarcliff and TNGC LA***

The valuations of TNGC Briarcliff and TNGC LA consisted of a valuation for the golf course and a valuation for the undeveloped land. (202.8-g ¶288) From 2013 to 2018, the undeveloped land at TNGC Briarcliff was valued based on a development project. (202.8-g ¶296) The undeveloped land at TNGC LA consisted of potential home lots, 16 of which were on the club’s driving range. (202.8-g ¶299) The Trump Organization considered donating a conservation easement over parts of both properties and during that process received values from appraisers that were ignored when preparing the SFCs. (202.8-g ¶298, 302)

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<sup>9</sup> This amount does not include the impact of applying a 15% or 30% brand premium to the fixed assets figure which consists of the full value of the membership deposit liability.

From at least 2012 to 2016, the values assigned to TNGC Briarcliff and TNGC LA far exceeded the values determined by the appraisers. Using the appraised values reduces the combined value of these clubs by over \$50 million per year from 2012 to 2016. (202.8-g ¶304; App. Tab 8 (Charts 3, 4))

### ***8. Trump Park Avenue***

Trump Park Avenue is included as an asset on Mr. Trump's SFC for the years 2011 through 2021 with values ranging between \$90.9 million and \$350 million. (202.8-g ¶344) The valuation of the building in each year was based in part on the valuation of unsold residential condominium units in the building. (202.8-g ¶335) The value of those units was grossly inflated for three reasons as described below.

#### ***a. Inflated Rent Stabilized Units***

In 2011, 12 of the unsold residential condominium units were subject to New York City's rent stabilization laws. (202.8-g ¶336) An appraisal of the building was performed in 2010 by the Oxford Group in connection with a \$23 million loan from Investors Bank. (202.8-g ¶337) The appraisal valued the 12 rent-stabilized units at \$750,000 total, or \$62,500 per unit, because the rent-stabilized units "cannot be marketed as individual units" for sale as the "current tenants cannot be forced to leave." (202.8-g ¶338, Ex. 144 at -22) The Trump Organization had a copy of the Oxford Group appraisal and, at least as of 2010, Trump Organization employees, including Donald Trump Jr., were aware that many of the unsold units were subject to rent stabilization laws. (202.8-g ¶339)

Nevertheless, the SFCs for 2011 to 2021 valued the unsold rent-stabilized units as if they were freely marketable and not subject to rent stabilization laws. (202.8-g ¶341) For example, in the 2011 and 2012 SFCs, the 12 rent stabilized units were valued collectively at \$49,596,000—a

rate over 65 times higher than the \$750,000 valuation for those units in the 2010 appraisal. (202.8-g ¶342; App. Tab 9 (Chart 1))

***b. Ivanka Trump's Option Prices Ignored***

At least two of the unsold residential units not subject to rent stabilization laws were valued at inflated amounts in the SFCs for a number of years over and above option prices agreed to by the Trump Organization. (202.8-g ¶364) The unit known as Penthouse A, which Ivanka Trump started renting in 2011, included in the lease an option to purchase the unit for \$8,500,000. (202.8-g ¶365) Despite this option price, for the 2011 and 2012 SFCs this unit was valued at \$20,820,000—approximately two and a half times the option price. (202.8-g ¶366; App. Tab 9 (Chart 2)) For the 2013 SFC, the unit was valued at \$25,000,000—more than three times the option price. (202.8-g ¶367; App. Tab (Chart 2))

In June 2014, Ms. Trump was given an option (which automatically vested the next year) to purchase a different, larger penthouse unit (“Penthouse B”) for \$14,264,000. (202.8-g ¶368) That unit was valued at \$45 million for the 2014 SFC—more than three times as much as the option price. (202.8-g ¶369; App. Tab 9 (Chart 2)) For the SFCs from 2015 to 2021, the value for Penthouse B was lowered to reflect the option price of \$14,264,000, an acknowledgement that the option price was the appropriate measure of value for the unit all along. (202.8-g ¶370)

***c. Offering Prices Used Instead of Market Prices***

In the SFCs from 2011 through 2015, the Trump Organization used the offering plan prices to value the remaining unsold residential condominium units rather than estimates of current market value. (202.8-g ¶372) At least as early as 2012, the Trump Organization’s in-house real estate brokerage arm (Trump International Realty) prepared “Sponsor Unit Inventory Valuation” spreadsheets reflecting *both* offering plan prices and *current market values* based on actual market data that included unsold units at Trump Park Avenue. (202.8-g ¶373) Trump Organization

employees used these spreadsheets for day-to-day operations and business planning purposes, but disregarded them for purposes of deriving the property's valuation for the SFCs. (202.8-g ¶374)

The Trump Organization concealed its actual market value estimates from Mazars, sending the accounting firm only the portion of the spreadsheets containing the offering plan prices and omitting the column containing actual market value estimates. (202.8-g ¶382) In fact in one year, McConney initially did send to Mazars both columns of the spreadsheet—but within minutes sent a revised spreadsheet that omitted the current market value column and directed the firm to use the revised version instead. (202.8-g ¶383) Substituting the current market values from the “Sponsor Unit Inventory Valuation” spreadsheets for the offering plan prices reduces the value of the remaining unsold residential units in all years from 2012 to 2014 by between \$24.4 million to \$32.6 million depending on the year. (202.8-g ¶381; App. Tab 9 (Chart 3))

### ***9. Trump Tower***

Trump Tower is valued as an asset in the SFCs from 2011 through 2021. In the 2018 and 2019 SFCs, the value of Trump Tower was calculated by applying a capitalization rate to the “stabilized net operating income,” *i.e.*, by using a stabilized cap rate. (P266, 269; Ex. 8 at -729; Ex. 9 at -794) The supporting data shows that the 2018 SFC used a cap rate of 2.86%, which was an average of the cap rates for “comparable office buildings” at 666 Fifth Avenue and 693 Fifth Avenue of 2.67% and 3.05%, respectively, as reported in a generic marketing report. (202.8-g ¶267) But the stabilized cap rate for 666 Fifth Avenue was projected in the marketing report to be 4.45%, not 2.67%. (202.8-g ¶260) Using the correct stabilized cap rate of 4.45% for 666 Fifth Avenue results in an average stabilized cap rate of 3.75%, which in turn reduces the value of Trump Tower in the 2018 SFC by nearly \$175 million. (202.8-g ¶268)

The valuation of Trump Tower in the 2019 Statement was based on using just the cap rate for 666 Fifth Avenue, but again failed to use the stabilized cap rate of 4.45% and instead used a cap rate of 2.67%. (202.8-g ¶¶270, 271) Adjusting for this error reduces the value of Trump Tower in the 2019 SFC by nearly \$323 million. (202.8-g ¶¶272; App. Tab 10)

#### ***10. Vornado Partnership Cash and Escrow Deposits***

As a general matter, when a GAAP-compliant financial statement reports “cash,” it is referring to an amount of liquid currency or demand deposits available to the person or entity whose finances are described in the SFC. (202.8-g ¶¶384, Ex. 181) For the SFCs covering 2011 to 2021, the value of the “cash” included in the asset category “cash and marketable securities” in 2011 to 2014, “Cash, marketable securities and hedge funds” in 2015 and 2016, and “cash and cash equivalents” in 2017 through 2021 included cash amounts held by the Vornado Partnership Interests. (202.8-g ¶¶386) Mr. Trump has a 30% limited partnership stake in the Vornado Partnership Interests without the right to use or withdraw funds held by the partnership. (202.8-g ¶¶387) Under GAAP, the cash held by Vornado Partnership Interests should not have been included as Mr. Trump’s cash, and falsely inflates the SFCs by over \$278 million in the aggregate over the period 2013 to 2021. (202.8-g ¶¶403; App. Tab 11)

The SFCs from 2014 to 2021 included in the total for the “escrow and reserve deposits and prepaid expenses” category of assets 30% of the escrow deposits or restricted cash held on the balance sheets of the Vornado Partnership Interests. (202.8-g ¶¶407) Under GAAP, the escrow amounts held by Vornado Partnership Interests should not have been included and falsely inflate the SFCs by over \$99 million in the aggregate over the period 2014 to 2021. (202.8-g ¶¶417, 418; App. Tab 12)

### *11. Real Estate Licensing Developments*

From 2011 to 2021, each SFC has included an asset category entitled “Real Estate Licensing Developments.” (202.8-g ¶419) This category is represented to value “*associations with others* for the purpose of developing properties” and the cash flow that is expected to be derived from “*these associations* as their potential is realized.” (202.8-g ¶420; *e.g.*, Ex. 1 at -3150 (emphasis added)) This asset category was represented to include “only situations which have evolved to the point *where signed arrangements with the other parties exist* and fees and other compensation which will be earned are reasonably quantifiable.” (Exs. 3-13 at n.5 (emphasis added))

However, the Trump Organization included in this asset category from 2015 to 2018 speculative, unsigned deals as components of the value—deals expressly identified on internal Trump Organization financial records supporting the valuation as “TBD,” *i.e.* to be determined. (202.8-g ¶422) These TBD deals were based on purely speculative projections that included thousands of new hotel rooms and millions of dollars in additional revenue. (202.8-g ¶423) The TBD deals were not signed arrangements that “existed” and for which compensation was “reasonably quantifiable” as the SFCs represented was the case for deals included within this asset category. (202.8-g ¶424) Excluding the TBD deals reduces the value of this asset category by over \$247 million in the aggregate over the period 2015 to 2018. (202.8-g ¶425; App. Tab 13 (Chart 2))

The Trump Organization also included in this category a deals between entities within the Trump Organization concerning its own properties, including Doral, OPO, and Trump Chicago—deals in accounting parlance that are known as “related party transactions” because they are not arms-length deals in the marketplace but rather deals between affiliates. (202.8-g ¶426) Including

these related party transactions was contrary to the representation in the SFCs that this category included only the value derived from “associations with others” when in fact the value included intercompany agreements among and between Trump Organization affiliates. (202.8-g ¶427) Excluding the intercompany agreements reduces the value of this asset category by \$87 million to \$224 million during the period 2013 to 2021 depending on the year. (P429-436; App. Table 13 (Chart 1)).

### **C. Other Violations of GAAP**

In addition to the numerous quantifiable deceptive schemes discussed above that falsely inflated his assets in the SFCs, Mr. Trump and his associates—notwithstanding the representation that the SFCs were GAAP-compliant—violated GAAP in the preparation of the SFCs by failing to include sufficient disclosures to make them adequately informative, as detailed below.

#### ***1. Golf Club Valuations Using Fixed Assets***

GAAP requires that assets listed in a personal financial statement be presented at their estimated current values. (202.8-g ¶30) Consistent with this requirement, in Note 1, Basis of Presentation, each SFC from 2011 to 2021 represents that “[a]ssets are stated at their estimated current values . . . .” (*See, e.g.*, Ex. 1 at -3136) Contrary to this representation, most of the clubs were not presented at their estimated current values.

Starting in 2012, the supporting data for the SFCs shows that Mr. Trump began to value some club facilities using the fixed assets method, and between 2013 to 2020 used that method to value all of the clubs except for Doral and Mar-a-Lago. (202.8-g ¶317) Under the fixed assets approach, the Trump Organization used as a club’s value the total expenditures pertaining to that club taken from the club’s balance sheet, including the purchase price (which typically was a large component of the value) and the obligation to assume a liability for refundable membership

deposits. (202.8-g ¶318) Using the fixed assets approach does not present the golf clubs at their estimated current value because the approach ignores market conditions and the behavior of informed buyers and sellers.

## 2. *Undiscounted Future Income*

When determining the estimated current value of a real estate investment, GAAP requires that any revenue expected to be received from the anticipated future sale of homes and/or condominiums must be discounted to present value in order to account for the amount of time that it would take to develop and sell the real estate asset. (Ex. 46, Topic 274-10-55, paragraphs 1, 6(b)) In violation of this GAAP requirement, Mr. Trump included within the value for many of his properties an amount attributable to the development and sale of residences on undeveloped land without any discount to present value, as if the residences could be immediately planned, developed, and sold.

As an example, for Seven Springs, the SFCs from 2011 to 2014 value the property “based on an assessment made by Mr. Trump in conjunction with his associates of the projected net cash flow which he would derive” from the construction and sale of “9 luxurious homes” and the “estimated fair value of the existing mansion and other buildings.” (*See, e.g.*, Ex. 1 at -3148) The calculation of the profit included in the value from the sale of the nine homes does not include any discount to present value to account for the time it would take to construct and sell the homes. (*See, e.g.*, Ex. 13 at Rows 657-677)

For many of the golf clubs, the valuations include the estimated profit from “residential units that [the clubs] will sell.” (*See, e.g.*, Ex. 4 at -723) For Trump Aberdeen, the values in the SFCs from 2014 to 2021 include the estimated profit from the construction and sale of 1,200 or more residences on undeveloped land. (202.8-g ¶205, 208) For TNGC Briarcliff, the values in the



SFCs from 2011 to 2021 include the estimated profit from the construction and sale of mid-rise residential units. (*See, e.g.*, Ex. 4 at -724) And for TNGC LA, the values in the SFCs from 2011 to 2021 include the estimated profit from the construction and sale of between 39 to 70 housing lots. (*See, e.g.*, Ex. 4 at -725) The calculation of the profit included in the value from the sale of these housing developments does not include any discount to present value to account for the time it would take to construct and sell the homes. (*See, e.g.*, Ex. 16 at Rows 508-527 (Aberdeen), 277-287 (Briarcliff), 394-408 (LA))

### ***3. Misrepresentation of Involvement of Professionals***

All of the SFCs from 2011 to 2021 represented that the values of the assets were prepared by Mr. Trump or the trustees of his Trust (for 2016 to 2021) and others at the Trump Organization in some instances with “outside professionals.” (*See, e.g.*, 202.8-g ¶¶80, 161, 251) In particular, the SFCs from 2011 through 2019 specifically represented that particular valuations or groups of valuations were the result of “evaluations” or “assessments” by Mr. Trump working “in conjunction with . . . outside professionals.” (*See, e.g.*, 202.8-g ¶¶161, 251) Contrary to this representation, no outside professionals were ever retained by the Trump Organization to prepare any of the asset valuations presented in the SFCs. (202.8-g ¶¶642) Indeed, as discussed above, to the extent Mr. Trump or the trustees received advice from outside professionals in the form of appraisals for various properties that are assets in the SFCs, they routinely ignored the appraisals – even withholding them from Mazars despite the request from the Mazars accountant that all appraisals be provided (202.8-g ¶¶92) – and used values for the SFCs that greatly exceeded the opinions of the appraisal professionals.

## D. Submission of the False SFCs to Banks

### 1. *Loans From the Deutsche Bank PWM Division*

At the start of 2011, the Trump Organization had a single outstanding loan held by Deutsche Bank on Trump Chicago with just over \$140 million outstanding. (202.8-g ¶438) The Trump Chicago loan was originated by the Commercial Real Estate (“CRE”) division of Deutsche Bank. (202.8-g ¶439) Starting in 2011, Mr. Trump and the Trump Organization initiated a relationship with bankers in the Private Wealth Management (“PWM”) division of Deutsche Bank. (202.8-g ¶440)

The initial introduction to the PWM division at Deutsche Bank came in September 2011, when Jared Kushner, the husband of Ivanka Trump, introduced his brother-in-law Donald Trump, Jr. to Rosemary Vrablic, a Managing Director at the bank in the PWM division. (202.8-g ¶441) As part of this introduction, Ms. Vrablic confirmed the need for recourse in PWM loans in the form of a personal guarantee as part of any loan application. (202.8-g ¶442) As a result of the personal guarantee, the SFCs were central to the PWM division loan application. (202.8-g ¶443)

By personally guaranteeing the loans and providing evidence of his liquidity and net worth through his SFCs, Mr. Trump was able to apply to the PWM division for, and obtain for the Trump Organization, loans with significantly lower interest rates than would otherwise have been available through the CRE division or from commercial real estate lending groups at other banks. (202.8-g ¶444) Through at least 2021, Defendants used the SFCs to secure loans and satisfy annual loan obligations necessary to maintain the loans.

*a. The Doral Loan*

In November 2011, the Trump Organization executed a \$150 million purchase and sale agreement for the Doral Golf Resort and Spa as part of a bankruptcy proceeding. (202.8-g ¶452) The formal process for soliciting the Doral loan began in late October 2011, when Ivanka Trump sent an “Investment Memo” and financial projections for the Doral property to two Deutsche Bank employees. (202.8-g ¶454) On November 13, 2011, Mr. Trump spoke with Richard Byrne, the CEO of Deutsche Bank Securities, to ask if the bank was interested in working with him on financing for the purchase of Doral. (202.8-g ¶456) Mr. Byrne in turn forwarded the request to the Global Head of the CRE division at the bank who wrote that Doral was “a tough asset and our initial reaction was not enthusiastic.” (202.8-g ¶457; Ex. 244) On November 14, 2011, the two bankers spoke with Mr. Trump and Ivanka Trump about the loan. (202.8-g ¶458)

The next day, Mr. Trump sent Mr. Byrne a letter, copying Ivanka Trump, enclosing his 2011 SFC and writing, “As per our conversation, I am pleased to enclose the recently completed financial statement of Donald J. Trump (hopefully you will be impressed!).” (202.8-g ¶459; Ex. 245) The letter continued, “I am also enclosing a letter that establishes my brand value, which is not included in my net worth statement.” (Ex. 245) On November 21, 2011, the CRE division offered the Trump Organization a \$130 million loan at LIBOR + 800 basis points, with a LIBOR floor of 2 percent – a minimum 10% interest rate. (202.8-g ¶461) The Trump Organization did not accept those terms and continued to look elsewhere for financing for Doral. (202.8-g ¶462)

In December 2011, Mr. Trump and Ivanka Trump met with Ms. Vrablic to discuss a potential loan for Doral through the PWM division. (202.8-g ¶463) On December 6, 2011, Ms. Trump emailed Ms. Vrablic that, “My father and I are very much looking forward to meeting with you tomorrow to discuss Doral. I have attached our investment memo as well as some basic information on our golf and hotel portfolios.” (Ex. 246) The two sides began negotiating terms and

on December 15, 2011, Vrablic sent Ms. Trump a term sheet proposing a \$125 million loan with an interest rate of LIBOR + 225 basis points during a renovation period for the resort and LIBOR + 200 basis points during an amortization period for the resort. (202.8-g ¶465) The terms of the loan included recourse through a personal guarantee by Mr. Trump of all principal and interest due on the loan and the operating expenses of the resort. (202.8-g ¶466) The proposal also included a number of covenants, including requirements that Mr. Trump maintain a minimum net worth of \$3 billion and unencumbered liquidity of \$50 million. (202.8-g ¶467)

Ms. Trump forwarded the proposal to Mr. Weisselberg, Jason Greenblatt (Executive Vice President and Chief Legal Officer), and Dave Orowitz (Senior Vice President, Acquisitions and Development) writing: “It doesn’t get better than this . . . . I am tempted not to negotiate this though.” (202.8-g ¶468; Ex. 249) Mr. Greenblatt wrote back: “I will review, but [note] immediately that this is a FULL principal and interest and operating expense personal guaranty. Is DJT willing to do that? Also, the net worth covenants and DJT indebtedness limitations would seem to be a problem?” (Ex. 249) Ms. Trump responded: “That we have known from day one. *We wanted to get a great rate and the only way to get proceeds/term and principle where we want them is to guarantee the deal.* As the market has illustrated getting leverage on resorts right now is not easy (ie 125 plus an equity kicker for 25 percent or Beal with full cash flow sweeps and steep prepayment penalties).”<sup>10</sup> (Ex. 249 (emphasis added))

In an internal credit report dated December 20, 2011, Deutsche Bank employees from the PWM division sought the approval of a \$125 million term commitment for the Doral property.

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<sup>10</sup> In Ms. Trump’s response, “Beal” is a reference to Beal Bank, another financial institution the Trump Organization contacted about a loan for Doral. (PP471)

(202.8-g ¶473) This report noted “[t]he Facility will also be supported by a full and unconditional guarantee provided by DJT of (i) Principal and Interest due under the Facility, and (ii) operating shortfalls of the Resort . . . .” (Ex. 266 at -1691) The credit memo listed this guarantee as a source of repayment, and recommended approval of the loan. (202.8-g ¶475) The memo stated that “[t]he Facility is being recommended for approval based on” a series of factors, the first of which was “Financial Strength of the Guarantor” and another of which was the nature of the personal guarantee. (Ex. 266 at -1693)

The loan was approved through the PWM division and closed on June 11, 2012, with a loan to Trump Endeavor 12 LLC personally guaranteed by Mr. Trump. (202.8-g ¶477) Interest on the loan was set for LIBOR + 2.25 during a renovation period, and LIBOR + 2.0 thereafter. (202.8-g ¶478) The loan agreement, signed by Mr. Trump, recited that Mr. Trump’s June 30, 2011 SFC had to be provided to the bank as a precondition of lending. (202.8-g ¶479)

In multiple instances, the loan agreement required that Mr. Trump certify the accuracy of the financial information in his SFC. (202.8-g ¶480) In particular, the agreement contained a provision entitled, “Full and Accurate Disclosure,” which required Mr. Trump to represent that no information contained in any loan document or in “any written statement furnished by or on behalf of Borrower or any other party pursuant to the terms of the” loan or associated documents “contains any untrue statement of a material fact or omits to state a material fact necessary to make any material statements contained herein or therein not misleading in light of the circumstances under which they were made.” (202.8-g ¶481; Ex. 254 at -5887)

Similarly, issuance of the loan was subject to several conditions precedent, including that “[t]he representations and warranties of Borrower contained in this Agreement and in all certificates, documents and instruments delivered pursuant to this Agreement and the Loan

Documents shall be true and correct on and as of the Closing Date.” (202.8-g ¶482; Ex. 254 at -5911) The loan agreement included a debt service coverage ratio (“DSCR”) covenant and a loan-to-value (“LTV”) ratio covenant. Mr. Trump’s personal guarantee, which he signed, included various financial representations. (202.8-g ¶483)

Mr. Trump, as guarantor, was required to certify: (i) the truth and accuracy of his SFC as a condition of the guarantee—reliance on which Mr. Trump agreed the loan itself was granted; (ii) that he “has furnished to Lender his Prior Financial SFCs” which are “true and correct in all material respects;” (iii) the SFC “presents fairly Guarantor’s financial condition as of June 30, 2011;” and (iv) “there has been no material adverse change in any condition, fact, circumstance or event that would make the Prior Financial SFCs, reports, certificates or other documents submitted by Guarantor in connection with this Guaranty and the other Credit Documents to which he is a party inaccurate, incomplete or otherwise misleading in any material respect.” (Ex. 232 at -4177-78) The loan documents stated that “all the Guaranteed Obligations,” referring to the entirety of the loan and other obligations Mr. Trump guaranteed, “shall be conclusively presumed to have been created in reliance hereon.” (Ex. 232 at -4176)

Pursuant to the guarantee, Mr. Trump was required to maintain \$50 million in unencumbered liquidity, and a minimum net worth of \$2.5 billion to be “tested and certified to on an annual basis based upon the Statement of Financial Condition delivered to Lender during each year.” (202.8-g ¶486; Ex. 232 at -4180) That language means the bank would determine Mr. Trump’s compliance with his net worth covenant by reference solely to the net worth Mr. Trump *reported* and certified to the bank. (202.8-g ¶487) Mr. Trump was also required to “keep and maintain complete and accurate books and records” and periodically to “deliver to Lender or

permit Lender to review,” a series of documents under the guarantee’s financial reporting requirements. (Ex. 232 at -4180-81)

One of those submissions was a statement of financial condition, which was to be delivered annually with a compliance certificate certifying the statement “presents fairly in all material respects the financial condition of Guarantor at the period presented.” (202.8-g ¶489; Ex. 232 at -4180-81, 4189-90) False certifications of such SFCs were expressly identified as events of default under the loan agreement. (202.8-g ¶490)

In connection with the Doral Loan, Mr. Trump submitted SFCs to Deutsche Bank accompanied by certifications required as described above for the years 2014 through 2021 (executed either by him personally or, for years 2016 and later, by Donald Trump, Jr. or Eric Trump, as attorney-in-fact for Mr. Trump). (202.8-g ¶493) Deutsche Bank conducted annual reviews of the Doral loan in July 2013, May 2014, July 2015, July 2016, July 2017, July 2018, September 2019, July 2020, and July 2021. (202.8-g ¶494) The loan remained outstanding until May 2022, when the Trump Organization refinanced the loan through Axos Bank, repaying the \$125 million of principal outstanding to Deutsche Bank. (202.8-g ¶495)

***b. The Chicago Loan***

Roughly contemporaneously with the Doral loan’s closing in June 2012, the Trump Organization sought another loan from the PWM division at Deutsche Bank in connection with the Trump Chicago property—in essence, a refinancing of an existing \$130 million from the CRE division at Deutsche Bank on that property. (202.8-g ¶499) Dueling proposals for the Trump Chicago property within Deutsche Bank were under discussion in or about March 2012. (202.8-g ¶500) One proposal from the CRE division was for a non-recourse (meaning, no personal guarantee) loan facility with a two-year term and an interest rate of LIBOR plus 800 basis points. (202.8-g ¶501) The other proposal from the PWM division was for a loan facility with a two-year

term and *a personal guarantee* at LIBOR plus 400 basis points—so, four percentage points lower, in terms of the interest rate. (202.8-g ¶502) The PWM division credit memo notes as “Credit Support” that “Donald Trump has reported Net Worth of \$4.0 billion with liquidity of approximately \$250 million” based on the 2011 SFC. (202.8-g ¶503; Ex. 274)

In October 2012, the PWM division recommended approval of a loan of up to \$107 million to 401 North Wabash Venture LLC, guaranteed personally by Mr. Trump. (202.8-g ¶504) Given the mixed nature of the hotel-condo property, the loan was broken down into two facilities: (i) Facility A for the residential portion was for up to \$62 million, for a 4-year term, at a rate of LIBOR plus 3.35%; and (ii) Facility B for the hotel portion was for up to \$45 million, for a 5-year term, at a rate of LIBOR plus 2.25%. (202.8-g ¶505) For both facilities, a source of repayment was “[f]ull and unconditional guarantee of DJT which eliminates any shortfall associated with operating and liquidation of the Collateral.” (202.8-g ¶506; Ex. 228 at -68524)

In addition, the PWM division credit memo noted its “recommendation” was based in part on “Financial Strength of the Guarantor,” the “Nature of the Guarantee,” and a developing relationship between the bank and Mr. Trump and his family. (202.8-g ¶507) This credit memo assessed Mr. Trump’s 2011 and 2012 SFCs, stating: “Although Facilities are secured by the Collateral, given its unique nature, the credit exposure is being recommended based on the financial profile of the Guarantor.” (202.8-g ¶508; Ex. 228 at -68526) The loans under the two facilities closed on November 9, 2012, and both included personal guarantees by Mr. Trump supported by his 2011 and 2012 SFCs. (202.8-g ¶509)

The loan agreements, signed by Mr. Trump, recited that Mr. Trump’s then-most-recent SFC had to be provided to the bank as a precondition of lending. (202.8-g ¶510) Mr. Trump’s 2012 SFC was provided to the bank in October 2012 and figures from that SFC are reflected in the



bank's internal consideration of the loans. (202.8-g ¶511) In multiple instances, the loan agreements required that Mr. Trump certify the accuracy of that SFC, including that he represent that no information contained in any loan document or in "any written statement furnished by or on behalf of Borrower or any other party pursuant to the terms of the" loan or associated documents "contains any untrue statement of material fact or omits to state a material fact necessary to make any material statements contained herein or therein not misleading in light of the circumstances under which they were made." (202.8-g ¶512; Ex. 234 at -5992; Ex. 278 at -5282) Similarly, both loan facility agreements contained conditions precedent to lending, including that "[t]he representations and warranties of Borrower contained in this agreement and in all certificates, documents and instruments delivered pursuant to this Agreement and the Loan documents shall be true and correct on and as of the Closing Date." (202.8-g ¶513; Ex. 234 at -6020; Ex. 278 at -5308)

The Trump Chicago loan facilities each included a personal guarantee signed by Mr. Trump pursuant to which he, as guarantor, was required to certify to the truth and accuracy of his SFC as a condition of the guarantees—reliance on which Mr. Trump agreed the loans themselves were granted. (202.8-g ¶514) The terms of each facility's personal guarantees were materially identical to the Doral guarantee, including the requirement that Mr. Trump maintain a minimum net worth, based upon his SFC, of \$2.5 billion, and provide an annual SFC to the bank accompanied by an executed compliance certificate certifying that the SFC "presents fairly in all material respects the financial condition of Guarantor at the period presented." (202.8-g ¶515; Ex. 277 at -38880-81; Ex. 276 at -3232-33)

Deutsche Bank conducted annual reviews of the Trump Chicago facilities in May 2014, July 2015, July 2016, July 2017, July 2018, September 2019, July 2020, and July 2021. (202.8-g ¶520) During the period between the Trump Chicago loan closing and the first annual review in

May 2014 (with extensions in the interim to align the Trump Chicago annual review with other reviews), the Trump Organization paid down the Trump Chicago loan from an overall balance of \$98 million to \$19 million from the proceeds of condominium sales. (202.8-g ¶521)

Based upon the purported strength of Mr. Trump's financial profile, the Trump Organization requested an additional \$54 million in loan funds from Deutsche Bank to be "fully guaranteed by Mr. Trump for all principal, interest and operating shortfalls until the balance of the facility is less than \$45 million (34% LTV)." (202.8-g ¶522; Ex. 265 at -1741) The credit memo recommending approval of this increase in loan funds did so, in part, based on the "Financial Strength of the Guarantor." (202.8-g ¶523) Amended loan documents advancing the additional requested funds closed on June 2, 2014. (202.8-g ¶524)

As with earlier credit memos, this 2014 credit memo (which also recommended approval for the \$170 million loan in connection with the Old Post Office discussed below) evaluated Mr. Trump's SFCs. (202.8-g ¶525) In particular, this credit memo incorporated figures from the 2011, 2012, and 2013 SFCs, stating: "Although Facilities are secured by Collateral, given the unique nature of these credits, the credit exposure is being recommended based on the financial profile of the Guarantor." (202.8-g ¶526; Ex. 265 at -1752) Amended Trump Chicago loan documents—including an agreement and a personal guarantee—were executed by Mr. Trump in May 2014. (202.8-g ¶527)

These new loan documents contained terms and conditions governing submission, certification, and misrepresentation of Mr. Trump's SFCs that were substantially similar to those described above for the Doral and 2012 Trump Chicago loan facilities. (202.8-g ¶528) In the amended Trump Chicago guarantee, Mr. Trump certified that his 2013 SFC was true and correct in all material respects and that the SFC "presents fairly Guarantor's financial condition as of June

30, 2013.” (202.8-g ¶528; Ex. 281 at -3191) By the time of the annual review in July 2015, the Trump Organization had paid down the Trump Chicago loan to an overall balance of \$45 million, which by the loan agreement terms eliminated Mr. Trump’s personal guarantee based on an LTV ratio below the threshold for requiring the guarantee. (202.8-g ¶529)

Either Mr. Trump, Eric Trump, or the trustees of the Trust (depending on the year) certified the accuracy of the SFCs submitted in connection with the Trump Chicago loan facilities for every year from 2013 through 2021, either through the execution of an amended guarantee or through the submission of a compliance certificate. (202.8-g ¶530)

*c. The OPO Loan*

In approximately July 2013, Deutsche Bank began considering whether to extend credit for the Trump Organization’s redevelopment of The Old Post Office in Washington, DC after the Trump Organization was selected by the U.S. General Services Administration in February 2012 to redevelop the property and signed a lease for that purpose on August 5, 2013. (202.8-g ¶533, 534, 542)

In advance of executing the lease, the Trump Organization reached out to the CRE division at Deutsche Bank about potential financing for the project. (202.8-g ¶543) Despite the request coming into the CRE division, Ms. Vrablic from the PWM division—at the urging of Ms. Trump—kept close tabs on the bank’s consideration of the request. (202.8-g ¶544) By October 2013, the CRE division had proposed a term sheet offering the Trump Organization a \$140 million loan at LIBOR + 400 basis points. (202.8-g ¶545) The next month, in November 2013, employees at the Trump Organization took that offer to the PWM division to see if that division could offer more favorable terms. (202.8-g ¶546) By Monday, December 2, 2013, the PWM division provided to Ms. Trump and Dave Orowitz of the Trump Organization a draft term sheet noting that, although

the term sheet reflected a \$160mm commitment, “[w]e understand the request is for \$170 million and are working on getting the step-up approved.” (202.8-g ¶547; Ex. 302; Ex. 303)

The PWM division term sheet differed in the following respects from the CRE term sheet:

(i) Mr. Trump would personally guarantee the full loan amount in the PWM term sheet, whereas the CRE proposal was unresolved as to whether there would be a 10% guarantee; (ii) the PWM term sheet had a loan term of ten years, versus a term of approximately 42 months in the CRE term sheet; (iii) the PWM term sheet had a loan amount, initially, of up to \$160 million, whereas the CRE term sheet had a maximum loan amount of \$140 million; (iv) PWM’s proposal was LIBOR + 2% during the “redevelopment period,” and LIBOR + 1.75% during the “post-redevelopment period,” which was about half the rates in the CRE term sheet; and (v) the PWM term sheet required a \$2.5 billion net worth, significantly higher than any of net worth covenants proposed by CRE, which topped out at \$500 million. (202.8-g ¶548)

Ultimately the Trump Organization and the PWM division agreed on a term sheet that was executed on January 13 and 14, 2014 providing for a \$170 million loan with a 10-year term, 100% personal guarantee by Mr. Trump, interest rates of LIBOR + 2% or 1.75% (depending on the period); and covenants including \$2.5 billion in net worth, \$50 million in unencumbered liquidity, and no additional indebtedness in excess of \$500 million. (202.8-g ¶549) Mr. Trump, as guarantor, would be required to provide his annual SFC to the bank. (202.8-g ¶550)

A May 2014 Deutsche Bank credit memo approved the \$170 million loan to Trump Old Post Office LLC. (202.8-g ¶551) This credit memo incorporated information from Mr. Trump’s 2011, 2012, and 2013 SFCs. (202.8-g ¶552) Mr. Trump’s net worth and his SFCs were critical to the bank’s approval of the final terms of the loan, which closed on August 12, 2014. (202.8-g ¶553)

As with the Doral and Trump Chicago loans, the loan agreement for the OPO loan required that Mr. Trump's most recent SFC (which was his 2013 SFC) be provided to the bank as a condition of the loan. (202.8-g ¶554) The loan agreement required that Mr. Trump certify to the accuracy of the 2013 SFC and represent that no information contained in any loan document or in "any written statement furnished by or on behalf of Borrower or any other party pursuant to the terms of the" loan or associated documents "contains any untrue statement of material fact or omits to state a material fact necessary to make any material statements contained herein or therein not misleading in light of the circumstances under which they were made." (202.8-g ¶555; Ex. 233 at -4991)

Issuance of the loan was noted to be subject to several conditions precedent, including that "[t]he representations and warranties of Borrower contained in this Agreement and in all certificates, documents and instruments delivered pursuant to this Agreement and the Loan Documents shall be true and correct on and as of the Closing Date." (202.8-g ¶556; Ex. 233 at -5025) In addition, because the OPO loan was a construction loan to be disbursed over a long series of tranches, the loan agreement made clear that the bank was not obligated to make such disbursements unless representations by the borrowing entity and the guarantor (Mr. Trump) "shall be true and accurate in all material respects on and of the date of the requested ( with the same effect as if made on such date." (202.8-g ¶557; Ex. 233 at -5028) An "Event of Default" in the OPO loan agreement was defined to include when "[a]ny representation or warranty of Borrower or Guarantor herein or in any other Loan Document or any amendment to any thereof shall prove to have been false and misleading in any material respect at the time made or intended to be effective." (202.8-g ¶558) Mr. Trump's personal guarantee on the OPO loan, which he signed, is dated August 12, 2014 – the same date that the loan closed. (202.8-g ¶559)

Mr. Trump's personal guaranty contained the same financial representations included in the guaranties for the prior PWM loans, including that Mr. Trump's submitted personal financial statement (here the 2013 SFC) "presents fairly Guarantor's financial condition" as of the date indicated, and required Mr. Trump to maintain \$50 million in unencumbered liquidity and a minimum net worth of \$2.5 billion to be "tested and certified to on an annual basis based upon the Statement of Financial Condition delivered to Lender during each year." (202.8-g ¶560-61)

The bank conducted annual reviews of the OPO loan in July 2015, July 2016, July 2017, July 2018, September 2019, July 2020, and July 2021. (202.8-g ¶565) Because the OPO loan was a construction loan, the \$170 million loan amount was disbursed in a series of "draws" over time. (202.8-g ¶566) The first draw was on or about June 22, 2015 in a "Request for Disbursement" signed by Mr. Trump. (202.8-g ¶567) Draws continued throughout 2015 and 2016 and with two noted exceptions were made on requests signed by Mr. Trump personally. (202.8-g ¶568) The exceptions were a draw request on December 21, 2016, signed by Ivanka Trump in the amount of \$4,334,772.83 and the final draw request on February 22, 2017, signed by Eric Trump in the amount of \$2,757,897.30. (202.8-g ¶569)

On or about May 11, 2022, the Trump Organization sold the OPO property for \$375 million. (202.8-g ¶570) Of those proceeds, \$170 million was used to repay the loan to Deutsche Bank. (202.8-g ¶571)

## ***2. 40 Wall Street Loan From Ladder Capital***

In approximately November 2015, the Trump Organization (through Defendant 40 Wall Street LLC) refinanced an existing \$160 million mortgage from Capital One Bank on the office building property at 40 Wall Street. (202.8-g ¶583) The loan from Capital One had an interest rate of 5.7% and required a principal payment of \$5 million in November 2015. (202.8-g ¶575) In

January 2015, after consulting with Eric Trump, Mr. Weisselberg wrote to Capital One asking the bank to waive the principal payment, explicitly citing the \$550 million valuation of 40 Wall Street in the 2014 SFC. (202.8-g ¶576) Capital One declined to waive the principal payment. (202.8-g ¶578) As a result, Mr. Weisselberg began working with his son, a Director at Ladder Capital Finance (“Ladder Capital”), to refinance the \$160 million mortgage at a rate that would be advantageous to the Trump Organization. (202.8-g ¶579-80)

The Ladder Capital loan required Mr. Trump to maintain a net worth of at least \$160 million and liquidity of at least \$15 million. (202.8-g ¶P593) In connection with those covenants, Mr. Trump was required to provide his annual financial statements “prepared in a form previously provided to Lender by Guarantor from an independent firm of certified public accountants acceptable to Lender (Lender agreeing that WeiserMazars LLP is an acceptable firm) and prepared in accordance with GAAP in all material respects (except as disclosed therein), including a balance sheet, and certified by Guarantor as being true, correct and complete and fairly presenting the financial condition and results of such Guarantor.” (202.8-g ¶597; Ex. 328 at 3076-77)

In connection with this refinancing loan, Cushman performed an appraisal of the Trump Organization’s leasehold interest in 40 Wall Street, concluding that this interest had an “as is” market value of \$540 million on June 1, 2015. (202.8-g ¶104) Internal documents indicate that Ladder Capital underwrote the \$160 million loan based in part on Mr. Trump’s reported net worth of \$5.8 billion as set forth in the 2014 SFC. (202.8-g ¶589-92)

### ***3. Seven Springs Loan from RBA/Bryn Mawr***

In 2000, Seven Springs LLC took out an approximately \$8 million mortgage from Royal Bank America (“RBA”), later acquired by Bryn Mawr Bank in 2017. (202.8-g ¶599) Mr. Trump personally guaranteed the mortgage. (202.8-g ¶600) As a result of the personal guarantee, Mr.

Trump's SFCs were submitted to RBA and Bryn Mawr on multiple occasions in connection with the Seven Springs mortgage. (202.8-g ¶601)

A 2014 credit memo from Bryn Mawr contains data drawn from Mr. Trump's 2011 and 2013 SFCs. (202.8-g ¶603) The 2014 memo states that because of the "personal financial strength of Mr. Trump, as evidenced by liquid assets of \$339 million (cash and marketables) and net worth of \$5 billion, Royal Bank America previously waived the requirement of personal tax returns." (202.8-g ¶604; Ex. 338 at pdf 12) Bryn Mawr retained in its files Mr. Trump's SFCs for 2010 through 2016. (202.8-g ¶605)

Typically, the SFCs were sent under the cover of a letter from Mr. McConney, stating that Mr. Trump's SFC was being provided pursuant to the mortgage. (202.8-g ¶606) Submission of the SFCs was required in order to maintain the loan and to obtain a series of extensions. (202.8-g ¶607) For example, the bank approved extensions of the maturity date of the loan in 2011, 2014, and 2019 in reliance upon Mr. Trump's SFCs submitted pursuant to Mr. Trump's personal guarantee. (202.8-g ¶608)

In connection with seeking these extensions, Mr. Trump re-affirmed his personal guaranty in 2011 and 2014, and in 2019 the guarantee was re-affirmed in a certification signed by Eric Trump "as attorney in fact" for Donald J. Trump. (202.8-g ¶609) The personal guaranty for this loan was described by Bryn Mawr in internal records as a positive component of the loan for the bank. (202.8-g ¶610) For example, one 2011 memo stated, under the heading "pro" (vs. con), "Experienced and financially strong guarantor, with a reported \$3.9 Billion net worth." (202.8-g ¶611; Ex. 329 at pdf 80) A 2014 memo similarly noted that renewal of the loan was recommended based on, among other factors, "Strong Guarantor Support" and "Personal financial strength of



Mr. Trump evidenced by a reported net worth of \$5 Billion and liquid assets of \$354MM.” (202.8-g ¶612; Ex. 338 at pdf 15)

## **E. Submission of the False SFCs to Insurers**

### ***1. Surety Insurance from Zurich***

From 2007 through 2021, Zurich North America (“Zurich”) underwrote a surety bond program (the “Surety Program”) for the Trump Organization through insurance broker AON Risk Solutions (“AON”). (202.8-g ¶617) Under the Surety Program, Zurich issued surety bonds on behalf of the Trump Organization within specified dollar limits in exchange for a premium calculated based on a rate times the face amount of the bonds. (202.8-g ¶618) In 2011, the Surety Program had a single bond limit of \$500,000, an aggregate limit for all bonds of \$2,000,000, and a rate of \$20 per thousand. (202.8-g ¶619) When the Surety Program was canceled in 2021, the single bond limit was \$6,000,000, the aggregate limit was \$20,000,000, and the rate was \$10 per thousand. (202.8-g ¶620)

Over the course of the relationship, in accordance with its standard underwriting guidelines for surety business, Zurich required the Trump Organization to provide an indemnification against any loss should Zurich be required to pay under a bond. (202.8-g ¶621) From the inception of the Surety Program, the Trump Organization met this indemnification requirement through a General Indemnity Agreement (“GIA”) executed by Mr. Trump, pursuant to which (similar to a personal guaranty on a loan) he personally agreed to indemnify Zurich for claims under the Surety Program. (202.8-g ¶622, 679) As specified in the term sheet Zurich provided to AON, the indemnity arrangement included as a condition of coverage an annual requirement that Mr. Trump disclose to Zurich’s underwriter his personal financial statements. (202.8-g ¶623) This annual financial disclosure requirement permitted Zurich to ensure that the indemnification from Mr. Trump was

sufficient to support the continued renewal of the Surety Program. (202.8-g ¶624) Indeed, on multiple occasions when AON was unable to secure in a timely manner the required financial disclosure—which took the form of an on-site review of the SFCs in a conference room at the Trump Organization’s offices—Zurich put the Surety Program into “cut-off” status, which means Zurich ceased writing new bonds and would cancel existing bonds on expiration, until Mr. Trump’s SFCs were made available for review. (202.8-g ¶625)

During the on-site review that occurred on November 20, 2018 for the 2019 renewal, Zurich’s underwriter Claudia Markarian was shown the 2018 SFC, which listed as assets real estate holdings with valuations that Mr. Weisselberg represented had been determined each year by a professional appraisal firm “such as Cushman.” (202.8-g ¶626) Zurich’s underwriter considered the valuations to be reliable based on Mr. Weisselberg’s representation that they were prepared by a professional appraisal firm as recorded in her contemporaneous notes placed in her underwriting file. (202.8-g ¶627) Mr. Weisselberg’s representations about how the valuations were determined factored favorably into her analysis leading to her recommendation that Zurich renew the Surety Program for 2019 on the existing terms, which it did. (202.8-g ¶628)

During the on-site visit for the next renewal, Ms. Markarian reviewed Mr. Trump’s 2019 SFC. (202.8-g ¶638) Mr. Weisselberg again represented to her that the valuations for the real estate holdings listed in the 2019 SFC were performed by a professional appraisal firm. (202.8-g ¶639) Again, Ms. Markarian considered the valuations to be reliable based on Mr. Weisselberg’s representation that they were prepared by a professional appraiser, which factored favorably into her analysis leading to her recommendation that Zurich renew the Surety Program in 2020 on the existing terms, which it did. (202.8-g ¶640-41)

During her on-site reviews of the SFCs, Ms. Markarian also relied on the amount of cash

on hand listed in the SFCs as an indication of Mr. Trump's liquidity, which was important to her underwriting analysis as it represented the funds available to repay Zurich in the event Zurich had to pay on a surety bond issued under the program. (202.8-g ¶¶631, 644) She also considered favorably Mr. Weisselberg's representations during her visits that the property values in the SFC did not significantly vary year over year as it indicated stability. (202.8-g ¶¶634-35, 647-48)

Contrary to Mr. Weisselberg's representations, the Trump Organization did not retain any professional appraisal firm to prepare any of the valuations used for the SFCs, and the property values did vary significantly year over year for certain properties. (202.8-g ¶¶629, 636, 649) Moreover, unbeknownst to Ms. Markarian the amount of cash listed in the SFCs was inflated due to the Trump Organization including cash held by Vornado Partnership Interests that was not within Mr. Trump's control. (202.8-g ¶¶403) The Trump Organization also failed to disclose to any of the Zurich underwriters that the valuation for many of the golf courses listed on Mr. Trump's SFCs within the "Clubs" category included a Trump brand premium in the reported valuation, which under Zurich's underwriting guidelines would have to be excluded as an intangible asset. (202.8-g ¶¶651-52)

## ***2. D&O Insurance from HCC***

As of December 2016, the Trump Organization had in place Directors & Officers ("D&O") liability coverage consisting of a single primary policy providing a limit of \$5,000,000 at a premium of \$125,000, expiring on February 17, 2017. (202.8-g ¶¶653) To obtain that coverage, similar to the process for obtaining surety coverage from Zurich, the Trump Organization provided D&O underwriters access to Mr. Trump's SFCs, through a monitored in-person review at Trump Tower. (202.8-g ¶¶654)

In advance of the February 2017 policy expiration, AON scheduled a "D&O Underwriting

Meeting” at the Trump Organization’s offices on January 10, 2017 between Trump Organization personnel (including Mr. Weisselberg) and various insurers, including Tokio Marine HCC (“HCC”). (202.8-g ¶655) The Trump Organization was looking to cancel the existing policies and rewrite the program on the day of Mr. Trump’s presidential inauguration with significantly higher limits of \$50,000,000 – a tenfold increase in the D&O coverage that existed under the single primary policy in place. (202.8-g ¶656) The underwriters at the meeting, including HCC’s underwriter, were provided very few financials but did see the balance sheet for year-end 2015, which showed total assets of \$6.6 billion, cash of \$192 million and total debt of \$519 million with no single debt larger than \$160 million and no concentration of maturities – all as reported in the 2015 SFC. (202.8-g ¶657) The Trump Organization representatives assured the underwriters that the balance sheet for year-end 2016 that would be completed in a few weeks would be even better than the year-end 2015 balance sheet. (202.8-g ¶658) The representation that Mr. Trump had \$192 million in cash was material to the HCC underwriter’s assessment of Mr. Trump’s liquidity because it has bearing on his ability to meet the retention obligation under the HCC policy. (202.8-g ¶659)

In response to specific questioning from the underwriters, the Trump Organization personnel at the meeting, including Mr. Weisselberg, represented that there was no material litigation or inquiry from anyone that could potentially lead to a claim under the D&O coverage. (202.8-g ¶660) This representation was material to the HCC underwriter’s assessment that there were no investigations by law enforcement agencies that could potentially trigger coverage under the D&O policies. (202.8-g ¶661) On January 20, 2017, after considering the information conveyed during the January 10 meeting, HCC offered terms for a primary \$10,000,000 policy with a \$2,500,000 retention for a premium of \$295,000 subject to certain conditions. (202.8-g

¶662) Coverage per these terms was bound on January 31, 2017, with effective dates of January 30, 2017 to January 30, 2018. (202.8-g ¶663)

Despite the representations made to underwriters during the January 10 meeting that there was no material litigation or inquiry from anyone that could potentially lead to a claim, there was at the time of the meeting an ongoing investigation by OAG into the Trump Foundation and Trump family members Donald J. Trump, Donald Trump, Jr., Ivanka Trump, and Eric Trump, all of whom were at the time directors and officers of the Trump Organization, an investigation of which Mr. Weisselberg was well aware. (202.8-g ¶664; Ex. 375; Ex. 376; Ex. 377) In September 2016, four months before the January 10 meeting, OAG had sent a notice of violation to the Trump Foundation and a letter to Trump Organization outside counsel Sheri Dillon requesting documents, to which Dillon replied on October 16, 2016. (202.8-g ¶665; Ex. 375; Ex. 376; Ex. 377) Neither Mr. Weisselberg nor any other Trump Organization representative disclosed to the underwriters at the January 10 meeting or at any other time prior to the January 30 renewal of the D&O policies the existence of OAG's investigation into the Trump Foundation and Trump family members who were directors and officers of the Trump Organization. (202.8-g ¶666) It is evident that the Trump Organization believed the OAG investigation could potentially give rise to a claim because on January 17, 2019, the Trump Organization submitted a claim notice to the D&O insurers, including HCC, through AON seeking coverage in connection with OAG's enforcement action resulting from the investigation. (202.8-g ¶667)

On February 6, 2018, based on the information provided during the renewal negotiations, HCC agreed to extend its \$10,000,000 policy with a \$2,500,000 retention for the expiring premium of \$295,000 for another 12 months, ending February 10, 2019. (202.8-g ¶668) Based on further correspondence exchanged in 2018 between AON on behalf of the insureds and HCC's

coverage counsel disputing whether coverage existed for other tendered claims, HCC's underwriter determined that the exposure on the risk was significantly higher than previously assessed. (202.8-g ¶¶669) As a result, on January 24, 2019, HCC offered to renew the \$10,000,000 policy for a substantially increased premium of \$1,600,000, more than five times the expiring premium. (202.8-g ¶¶670) The Trump Organization declined to accept the renewal terms. (202.8-g ¶¶671)

## **F. Each Defendant was Involved in the Fraudulent Conduct**

### ***1. Donald J. Trump***

Mr. Trump was the president of the Trump Organization and beneficial owner, including through the Trust, of all of the assets listed in the SFCs. (202.8-g ¶¶673) As expressly represented in the SFCs, Mr. Trump was responsible for the content of the SFCs from 2011 through 2015, the date covered by last SFC issued prior to Mr. Trump assuming public office. (202.8-g ¶¶672) For the SFCs from 2011 to 2015, Mr. Trump had "final review" over the SFC's contents. (Ex. 54 at 98:5-16) Even after taking public office, each annual SFC would not be issued until it was reviewed and approved by Mr. Trump. (Ex. 363 at 142:4-143:5) In March 2017, Mr. Trump appointed his sons Donald Trump, Jr. and Eric Trump as his agents to act with power of attorney over banking and real estate transactions, and exercising that power of attorney they signed compliance certificates pertaining to the SFCs from 2016 to 2021 as his attorney-in-fact. (202.8-g ¶¶674-75)

### ***2. Donald Trump, Jr.***

Donald Trump, Jr. is an Executive Vice President of the Trump Organization and has also served as an officer in each of the other entity Defendants named in this action. (202.8-g ¶¶680-81, 695) He has also served as a trustee of the Trust from January 19, 2017 to the present, except for

the seven-month period from January 19 to July 7 of 2021, during which period Donald J. Trump was the sole trustee of the Trust. (202.8-g ¶¶681, 755-56) Donald Trump, Jr. signed the representation letters for the SFCs from 2016 through 2019 in his capacity as an executive officer of the Trump Organization and as trustee of the Trust. (202.8-g ¶¶682-85) He signed the representation letters for the 2020 and 2021 SFCs as trustee of the Trust. (202.8-g ¶¶686-87) He also signed numerous guarantor compliance certificates in connection with loans that are the subject of this action from 2017 through 2019 as attorney-in-fact for Mr. Trump variously certifying that the 2016, 2017, 2018, and 2019 SFCs each “presents fairly in all material respects the financial condition of Guarantor at the period presented.” (202.8-g ¶¶688-694)

### *3. Eric Trump*

Eric Trump is an Executive Vice President of the Trump Organization, served as an officer in each of the other entity Defendants named in this action, and from 2016 through at least 2021 was the “chief decision maker” at the company. (202.8-g ¶¶696, 709; Ex. 391 at 29:10-13, 77:11-21; Ex. 50 at 19:7-17) In his capacity as President of Seven Springs LLC, in June 2019 he signed a loan modification agreement in connection with the loan transaction with the Bryn Mawr Trust Company, and on the same date signed an agreement as attorney-in-fact for Mr. Trump reaffirming Mr. Trump’s obligation as guarantor on the loan. (202.8-g ¶¶698-99) Eric Trump also signed multiple guarantor compliance certificates in connection with loans that are the subject of this action in October 2020 as attorney-in-fact for Mr. Trump, certifying that to the best of their knowledge Mr. Trump’s net worth was over \$2.5 million. (202.8-g ¶¶700-02) He was the individual who provided the values for Seven Springs and TNGC Briarcliff to Mr. McConney that were used in a number of SFCs. (202.8-g ¶¶74, 296)

For the 2021 SFC, Eric Trump signed the engagement letter with Whitley Penn on behalf

of the Trump Organization and participated in discussions with others at the company concerning valuation methodologies for the 2021 SFC. (202.8-g ¶703) In October 2021, he signed multiple guarantor compliance certificates in connection with loans that are the subject of this action as attorney-in-fact for Mr. Trump certifying that the 2021 SFC “presents fairly in all material respects the financial condition of Guarantor at the period presented.” (202.8-g ¶706-08)

#### ***4. Allen Weisselberg***

Allen Weisselberg was Chief Financial Officer of the Trump Organization from at least 2011 until he resigned from that position and became a Senior Advisor to the organization in August of 2022 after pleading guilty to charges of tax fraud. (202.8-g ¶710) Prior to Mr. Trump assuming public office, Mr. Weisselberg reported directly to Mr. Trump. (202.8-g ¶711) In his role as CFO, Mr. Weisselberg was in charge of the accounting department at the Trump Organization. (202.8-g ¶712)

Mr. Weisselberg had a primary role in preparing the SFCs together with Messrs. McConney and Birney, both of whom reported to him. (202.8-g ¶713-14) Mr. Weisselberg signed the SFC engagement and representation letters for 2011 through 2015 as an executive officer of the Trump Organization and for 2016 through 2020 as an executive officer of the Trump Organization and as trustee of the Trust. (202.8-g ¶716-35)

#### ***5. Jeffrey McConney***

Jeffrey McConney was Controller of the Trump Organization from the early 2000s through at least 2022 and led the process of preparing Mr. Trump’s SFCs since the 1990s. (202.8-g ¶736-37) Working under Mr. Weisselberg’s supervision, he was responsible for assembling the SFC documentation and sending it to the accounting firm along with his supporting data spreadsheets. (202.8-g ¶738) In May 2016, Mr. McConney sent a compliance certificate pertaining to the 2015



SFC to Deutsche Bank, and the following year submitted to the bank another compliance certificate pertaining to the 2016 SFC. (202.8-g ¶741-42)

### ***6. The Entity Defendants***

The Trust was established in April 2014. (202.8-g ¶745) The trustees of the Trust were responsible for the presentation of the SFCs from 2016 through 2021. (202.8-g ¶743)

DJT Holdings LLC and DJT Holdings Managing Member LLC are entities that sit at the top of the Trump Organization's organizational chart and together own many of the Trump-affiliated entities that comprise the Trump Organization. (202.8-g ¶760, 762, 764, 766) Trump Organization Inc. is owned 100% by DJT Holdings Managing Member LLC and Trump Organization LLC is owned 100% by DJT Holdings LLC. (202.8-g ¶746)

Trump Endeavor 12 LLC is the owner of the Doral Property and was the borrower on the June 2012 Doral loan for which Mr. Trump was the guarantor. (202.8-g ¶767-68) 401 North Wabash Venture LLC is the owner of the Trump International Hotel & Tower in Chicago and was the borrower on the November 2012 Chicago loan, for which Mr. Trump was the guarantor. (202.8-g ¶777-78) Trump Old Post Office LLC held the ground lease for Trump International Hotel in Washington, D.C. and was the borrower on the August 2014 OPO loan, for which Mr. Trump was the guarantor. (202.8-g ¶782-83) 40 Wall Street LLC holds the ground lease for the office building located at 40 Wall Street and was the borrower on the July 2015 loan with Ladder Capital, for which Mr. Trump was the guarantor. (202.8-g ¶785-86) Seven Springs LLC owns the Seven Springs estate and was the borrower on a June 2000 mortgage on the property, for which Mr. Trump was the guarantor. (202.8-g ¶787-78)

### **STANDARD OF REVIEW**

The proponent of a summary judgment motion must make a prima facie showing of entitlement to judgment as a matter of law, tendering sufficient evidence to demonstrate the

absence of any material issues of fact. *Winegrad v. New York Univ. Med. Center*, 64 N.Y.2d 851, 853 (1985); *Zuckerman v. City of New York*, 49 N.Y.2d 557, 562 (1980). Once this showing has been made, the burden shifts to the party opposing the motion for summary judgment to produce evidentiary proof in admissible form sufficient to establish the existence of material issues of fact which require a trial of the action. *Zuckerman*, 49 N.Y.2d at 562; *Alvarez v. Prospect Hosp.*, 68 N.Y.2d 320, 324–25 (1986). “General allegations . . ., merely conclusory and unsupported by competent evidence, are insufficient to defeat a motion for summary judgment.” *Rosenberg v. Rockville Centre Soccer Club, Inc.*, 166 A.D.2d 570, 571 (2d Dep’t 1990) (citing *Alvarez*). “An attorney’s affidavit is of no probative value on a summary judgment motion *unless* accompanied by documentary evidence which constitutes admissible proof.” *Adam v. Cutner & Rathkopf*, 238 A.D.2d 234, 239 (1st Dep’t 1997) (emphasis in original).

## ARGUMENT

### I. DEFENDANTS VIOLATED §63(12) BY USING FALSE FINANCIAL STATEMENTS TO DEFRAUD BANKS AND INSURERS

Executive Law § 63(12) gives the Office of the Attorney General (“OAG”) the power to bring an action against any person or entity that engages in “repeated fraudulent or illegal acts” or “otherwise demonstrate[s] persistent fraud or illegality in the carrying on . . . or transaction of business.” N.Y. Exec. Law § 63(12). There are thus two categories of conduct that can subject a party to liability under § 63(12): acts that are “fraudulent” and acts that are “illegal.” *Id.* While Defendants engaged in both fraudulent and illegal acts, the People move for summary judgment only as to their First Cause of Action sounding in fraud.<sup>11</sup>

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<sup>11</sup> Plaintiff reserves the right to prove at trial that Defendants engaged in illegal acts and conspiracy to commit illegal and fraudulent acts, all in violation of § 63(12), under Plaintiff’s remaining Second through Seventh Causes of Action.

**A. Defendants Engaged in Fraud under § 63(12) in Preparing and Submitting the SFCs**

Executive Law § 63(12) broadly construes fraud “to include acts characterized as dishonest or misleading.” *People v. Apple Health and Sports Clubs, Ltd.*, 206 A.D.2d 266, 267 (1st Dep’t 1994), *dismissed in part, denied in part*, 84 N.Y.2d 1004 (1994). The statute proscribes any acts committed in the conduct of business that have “the capacity or tendency to deceive,” or that “create[] an atmosphere conducive to fraud.” *People v. Northern Leasing Systems, Inc.*, 193 A.D.3d 67, 75 (1st Dep’t 2021); *State v. Gen. Elect. Co.*, 302 A.D.2d 314, 314 (1st Dep’t 2003). Such acts, by the plain language of the statute, include those committed through any scheme to defraud, and also through “misrepresentation, concealment, suppression,” or “false pretense.” N.Y. Exec. Law § 63(12).

Moreover, individual defendants may be liable for fraud under § 63(12) if they personally participated in it or had actual knowledge of it, as when they create “an enterprise conducive to fraud” through their supervision of the enterprise. *Northern Leasing*, 193 A.D.3d at 75-76. Neither an intent to defraud nor reliance need be shown. *Apple Health*, 206 A.D.2d at 267; *People v. Coventry First LLC*, 52 A.D.3d 345, 346 (1st Dep’t 2008); *see also People v. Trump Entrepreneur Initiative*, 137 A.D.3d 409, 417 (1st Dep’t 2016) (recognizing prior First Department precedent establishing that “fraud under § 63(12) may be established without proof of scienter or reliance”). In assessing whether this broad standard for fraud has been satisfied, the Court should look not only to the average recipient of fraudulent conduct, “but also the ignorant, the unthinking and the credulous.” *Gen. Electric*, 302 A.D.2d at 314; *see also People v. Allen*, 198 A.D.3d 531, 533 (1st Dep’t 2021) (upholding finding of fraud under § 63(12) based on fraudulent representations to investors), *leave to appeal granted*, 38 N.Y.3d 996 (2022).

*1. The SFCs from 2011 to 2021 were False and Misleading*

As detailed above and in the accompanying Appendix, each of the 11 SFCs from 2011 through 2021 is both false and misleading (although a finding of either will suffice under the standard, *see Apple Health*, 206 A.D.2d at 267) because Defendants engaged in multiple deceptive schemes to inflate the value of more than a dozen assets in each year. For Mr. Trump's triplex, Defendants used a fictitious number for the square footage of the apartment that was triple the actual size. For many properties (Seven Springs, 40 Wall Street, Mar-a-Lago, 1290 AoA, TNGC Briarcliff, TNGC LA, Trump Tower, and Trump Vegas), Defendants failed to consider existing appraisals, including appraisals that the Trump Organization itself relied on to challenge tax assessments. For many of the clubs, Defendants added an undisclosed brand premium and included the value of membership deposit liabilities despite representing that it valued those liabilities at \$0. For unsold condominium units at Trump Park Avenue, Defendants valued rent stabilized units as if they were unrestricted at 65 times their appraised value, used original offering plan prices instead of option prices and current market values developed by the Trump Organization's real estate brokerage arm for internal business purposes. For Mr. Trump's cash – an important measure of liquidity – and escrow deposits Defendants included amount held by a separate partnership over which Mr. Trump exercised no control. And for real estate licensing developments Defendants included speculative incomes from deals yet to be reduced to writing and intercompany agreements despite representing that only income from signed agreements with other developers would be included.

The cumulative effect of these numerous deceptive schemes to inflate Mr. Trump's assets, and hence his net worth, is staggering. Correcting for Defendants' deceptive practices results in reducing Mr. Trump's net worth by 17-39% per year, which translates to the enormous sum of \$1

billion or more in all but one year. And these are reductions to correct just the deceptive schemes that can be easily and directly quantified based on undisputed evidence, without considering reductions for such obvious deceptions as including projected future income expected years out without any discount to present value, cherry-picking only the most favorable capitalization rates from marketing reports, and ignoring internal budget projections when calculating net operating income.

Based on the overwhelming evidence that Defendants grossly inflated more than a dozen assets each year from 2011 to 2021 by 17-39%, the Court should find that each of the 11 SFCs issued during this period was both false and misleading.

## ***2. Defendants Used the False SFCs to Defraud Banks and Insurers***

The voluminous contemporaneous record before the Court establishes beyond dispute that Defendants used Mr. Trump's SFCs in and after July 2014 – the cutoff used by the First Department for timely claims, *see People by James v. Trump*, No. 2023-00717, 2023 WL 4187947, at \*2 (1st Dep't June 27, 2023) – in connection with business transactions to commit fraud on banks and insurers. Each of these submissions of the SFCs, in addition to other commercial dealings, was conduct that supports liability for fraud under § 63(12). *See People ex rel. Spitzer v. Gen. Elec. Co.*, 302 A.D.2d 314, 315 (1st Dep't 2003) (liability based on false statements to counterparty).

For a loan that closed on August 12, 2014, related to the Trump Organization's purchase of the Old Post Office ("OPO") in Washington, D.C., Mr. Trump submitted as part of the loan application his 2011, 2012, and 2013 SFCs, certifying to Deutsche Bank that the 2013 SFC was true and correct as required by his personal guarantee on the loan. Mr. Trump then submitted annually his subsequent SFCs from 2014 through 2021 for the bank's review as required under his

continuing loan obligations. Similarly, for loans made by Deutsche Bank to the Trump Organization for Doral and Trump Chicago that closed prior to July 2014, Mr. Trump submitted annually after that date his subsequent SFCs from 2014 through 2021 for the bank's review, certifying to their truth and accuracy as required under his continuing obligations as necessary to maintain the loan.

Mr. Trump also used his SFCs after July 2014 in connection with loans from two other banks. In November 2015, the Trump Organization submitted Mr. Trump's 2014 SFC to Ladder Capital as part of its application to refinance an existing \$160 million mortgage on 40 Wall Street. And in seeking extensions on a mortgage for Seven Springs, Mr. Trump's trustees submitted his 2014, 2015, and 2016 SFCs to Bryn Mawr Bank.

In addition to banks, the Trump Organization submitted Mr. Trump's SFCs to insurance companies to renew coverage after July 2014. For the 2019 and 2020 renewals of the Trump Organization's surety insurance program, Mr. Weisselberg provided for review to Zurich North America Mr. Trump's 2018 and 2019 SFCs as required under the program's conditions of coverage, misrepresenting that the asset values were determined by an outside professional appraiser and that the property values reflected in the SFCs were stable year over year, neither of which were true but both of which were favorably weighed by the underwriter. In addition, unbeknownst to the Zurich underwriter, the cash listed as an asset on the SFCs, which the underwriter relied upon as an indication of Mr. Trump's liquidity, was significantly overstated because it included cash held by the Vornado Partnership Interests over which he exercised no control.

Similarly, during a January 2017 renewal meeting with insurers for the Trump Organization's directors and officers insurance program, Mr. Weisselberg provided for the

insurers' review Mr. Trump's 2015 SFC as evidence of Mr. Trump's liquidity and overall financial strength, and further misrepresented to underwriters that there were no ongoing legal proceedings or government inquiries that could possibly give rise to a claim, despite the existence of an ongoing government investigation which the Trump Organization later tendered to the carriers for coverage.

Based on these undisputed facts, the Court should find that Defendants used the false SFCs in numerous business transactions to deceive and defraud banks and insurers in violation of § 63(12). *See Northern Leasing*, 193 A.D.3d at 75; *Gen. Elect.*, 302 A.D.2d at 314; *Flandera v. AFA Am. Inc.*, 78 A.D.3d 1639, 1640 (4th Dep't 2010) ("An assessment of market value that is based upon misrepresentations concerning existing facts" supports common law fraud action); *see also Omnicare, Inc. v. Laborers District Council*, 575 U.S. 175, 191 (2015) ("[I]f the real facts are otherwise, but not provided, the opinion statement will mislead its audience.").

**B. Defendants' Conduct in Violation of § 63(12) was Repeated and Persistent**

Under § 63(12), conduct may be the subject of an enforcement action if it is either "repeated" or "persistent." Such conduct is "repeated" if it involves either "any separate and distinct fraudulent or illegal act, or conduct which affects more than one person." N.Y. Exec. Law § 63(12). Thus, "the Attorney-General [may] bring a proceeding when the respondent was guilty of only one act of alleged misconduct, providing it affected more than one person." *State of New York v. Wolowitz*, 96 A.D.2d 47, 61 (2d Dep't 1983). The term "persistent" includes the "continuance or carrying on of any fraudulent or illegal act or conduct." N.Y. Exec. Law § 63(12)

Here, the fraud was repeated and persistent. Each of the SFCs issued annually from 2011 through 2021 by or on behalf of Mr. Trump falsely inflated his net worth. And within each SFC, the inflated net worth was the product of *multiple* deceptive schemes that inflated more than a

*dozen* individual assets by hundreds of millions of dollars and otherwise violated GAAP in numerous ways contrary to the repeated representation in the SFCs that they were GAAP compliant. Each of the SFCs were, in turn, submitted by Defendants in connection with five separate loans over multiple years and to renew insurance policies on three different occasions.

Nor is there any dispute that each of the Defendants participated repeatedly and persistently in the preparation and fraudulent use of the SFCs. Mr. Trump was responsible for the SFCs through 2015 and continued to review and approve the SFCs issued from 2016 through 2021 and he (or in some years others acting as his attorney-in-fact) submitted his SFCs on multiple occasions to banks in support of his personal guaranty on each of the five loans. Donald Trump, Jr. signed the representation letters for the SFC engagement from 2016 through 2021 and signed numerous compliance certificates for loans certifying that the SFCs from 2016 through 2019 were truthful and accurate. Eric Trump provided the values for Seven Springs used in the 2012, 2013, and 2014 SFC, signed the 2019 loan modification on behalf of Seven Springs LLC, reaffirmed Mr. Trump's obligations under the guaranty for that loan, and signed numerous loan compliance certificates certifying to Mr. Trump's net worth. He also signed the engagement letter for the 2021 SFC, participated in discussion about the valuation methodologies for the SFC, and signed numerous compliance certificates for loans certifying that the 2021 SFC was truthful and accurate.

Allen Weisselberg and Jeffrey McConney were also heavily involved in the scheme to inflate Mr. Trump's net worth. Mr. McConney led the process of preparing the SFCs under Mr. Weisselberg's supervision, had primary responsibility for assembling and forwarding the SFC documentation to the accountants, and in 2016 and 2017 sent compliance certificates to Deutsche Bank. Mr. Weisselberg signed all of the SFC engagement and representation letters from 2011 through 2020 and reviewed the SFCs with Mr. Trump to obtain his approval each year.



Each of the entity Defendants also had repeated and persistent involvement in using the false SFCs to commit business fraud. The Trump Organization Inc., the Trump Organization LLC, DJT Holdings LLC and DJT Holdings Managing Member LLC all participated through the conduct of their officers, including Mr. Trump, Donald Trump, Jr., and Eric Trump. And the remaining entity Defendants participated both through their officers, including Mr. Trump, Donald Trump, Jr. and Eric Trump, and as borrowers on the various loans at issue in this action.

There can be no serious doubt on this record that Defendants' fraudulent conduct was both repeated and persistent within the meaning of § 63(12). *See Wolowitz*, 96 A.D.2d at 61.

**CONCLUSION**

Based on the foregoing, OAG respectfully requests that the Court grant Plaintiff's motion for judgment as a matter of law on Plaintiff's First Cause of Action for fraud under Executive Law § 63(12), along with such other and further relief the Court deems necessary and appropriate.

Dated: New York, New York  
August 4, 2023

Respectfully submitted,

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**CERTIFICATION**

With leave of Court entered on June 21, 2023, NYSCEF No. 638, Plaintiff is filing this Memorandum of Law in Support of Plaintiff's Motion for Partial Summary Judgment with an enlarged word count not to exceed 25,000 words. Pursuant to Rule 202.8-b of the Uniform Civil Rules for the Supreme Court & the County Court ("Uniform Rules"), I certify that, excluding the caption, table of contents, table of authorities, signature block, and this certification, the foregoing Memorandum of Law contains 19,308 words, calculated using Microsoft Word, which complies with the Court's order granting leave to file an oversize submission.

Dated: New York, New York  
August 4, 2023

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# Appendix

# Tab 1

## Reductions to Certain Asset Values in 2011-2021 SOFCs (Tab 1)

		2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
	<b>Net Worth Per Statement</b>	\$4,261,590,000	\$4,558,680,000	\$4,978,050,000	\$5,777,540,000	\$6,061,210,000	\$5,779,100,000	\$5,876,310,000	\$6,121,020,000	\$6,102,160,000	\$4,702,240,000	\$4,534,830,000
<b>REDUCTIONS</b>	<b>Triplex</b> <i>Tab 2</i>		\$114,024,000	\$126,693,333	\$126,693,333	\$207,143,600	\$207,143,600					
	<b>Seven Springs</b> <i>Tab 3</i>	\$204,500,000	\$234,500,000	\$234,500,000	\$234,500,000							
	<b>40 Wall Street</b> <i>Tab 4</i>	\$324,700,000	\$307,200,000	\$280,211,000	\$292,371,000	\$195,400,000						
	<b>Mar-a-Lago</b> <i>Tab 5</i>	\$408,529,614	\$513,902,903	\$472,149,221	\$386,710,813	\$327,451,915	\$549,359,730	\$556,928,373	\$714,052,519	\$620,518,780	\$490,404,874	\$584,510,496
	<b>Aberdeen</b> <i>Tab 6</i>				\$283,323,115	\$209,333,768	\$177,212,504	\$173,380,307	\$174,997,015	\$166,692,494	\$59,075,815	\$66,685,439
	<b>1290 AoA (Vornado)</b> <i>Tab 7</i>		\$235,491,176	\$296,836,538	\$233,501,539	\$205,745,981	\$226,500,000		\$503,097,573	\$507,613,155		\$172,444,140
	<b>Golf Clubs</b> <i>Tab 8</i>		\$53,000,000 <i>Chart 4</i>	\$224,663,281 <i>Charts 1,2,4</i>	\$304,710,330 <i>Charts 1,2,3,4</i>	\$259,881,684 <i>Charts 1,2,3,4</i>	\$170,090,603 <i>Charts 1,2,4</i>	\$153,585,255 <i>Charts 1,2</i>	\$114,554,890 <i>Charts 1,2</i>	\$115,468,026 <i>Charts 1,2</i>	\$115,468,026 <i>Charts 1,2</i>	
	<b>Park Avenue</b> <i>Tab 9</i>	\$61,165,500 <i>Charts 1,2</i>	\$93,822,750 <i>Charts 1,2,3</i>	\$86,792,000 <i>Charts 1,2,3</i>	\$93,485,000 <i>Charts 1,2,3</i>	\$32,794,000 <i>Chart 1</i>	\$26,502,836 <i>Chart 1</i>	\$25,700,247 <i>Chart 1</i>	\$28,600,783 <i>Chart 1</i>	\$18,158,518 <i>Chart 1</i>	\$14,370,776 <i>Chart 1</i>	\$10,970,905 <i>Chart 1</i>
	<b>Trump Tower</b> <i>Tab 10</i>								\$173,787,607	\$322,696,375		
	<b>Cash</b> <i>Tab 11</i>			\$14,221,800	\$24,756,854	\$32,708,696	\$19,593,643	\$16,536,243	\$24,355,588	\$24,653,729	\$28,251,623	\$93,126,589
	<b>Escrow</b> <i>Tab 12</i>				\$20,800,000	\$15,980,000	\$14,470,000	\$8,750,000	\$8,180,000	\$11,195,400	\$7,108,500	\$12,696,600
	<b>Licensing Development</b> <i>Tab 13</i>			\$87,535,099 <i>Chart 1</i>	\$224,259,337 <i>Chart 1</i>	\$214,095,761 <i>Charts 1,2</i>	\$167,234,554 <i>Charts 1,2</i>	\$166,260,089 <i>Charts 1,2</i>	\$160,686,029 <i>Charts 1,2</i>		\$97,468,692 <i>Chart 1</i>	\$106,503,627 <i>Chart 1</i>
	<b>Total Reduction</b>	\$998,895,114	\$1,551,940,829	\$1,823,602,272	\$2,225,111,321	\$1,700,535,404	\$1,558,107,470	\$1,101,140,514	\$1,902,312,005	\$1,786,996,477	\$812,148,306	\$1,046,937,796
	<b>% Reduction</b>	23.44%	34.04%	36.63%	38.51%	28.06%	26.96%	18.74%	31.08%	29.28%	17.27%	23.09%

**Tab 2**

**Triplex (Tab 2)**

<b>Year</b>	<b>Triplex Value Based on 30,000 SF</b>	<b>Corrected Triplex Value Based on 10,996 SF</b>	<b>Inflated Amount</b>	<b>Source</b>
<b>2012</b>	\$180,000,000	\$65,976,000	\$114,024,000	202.8-g Statement ¶¶ 36-48
<b>2013</b>	\$200,000,000	\$73,306,667	\$126,693,333	202.8-g Statement ¶¶ 36-48
<b>2014</b>	\$200,000,000	\$73,306,667	\$126,693,333	202.8-g Statement ¶¶ 36-48
<b>2015</b>	\$327,000,000	\$119,856,400	\$207,143,600	202.8-g Statement ¶¶ 36-48
<b>2016</b>	\$327,000,000	\$119,856,400	\$207,143,600	202.8-g Statement ¶¶ 36-48



**Tab 3**

## Seven Springs (Tab 3)

<b>Year</b>	<b>Statement Value</b>	<b>Difference Between Statement Value and 2015 Appraisal</b>	<b>Source</b>
<b>2011</b>	\$261,000,000	\$204,500,000	202.8-g Statement ¶¶ 67, 73, 75
<b>2012</b>	\$291,000,000	\$234,500,000	202.8-g Statement ¶¶ 67, 73, 75
<b>2013</b>	\$291,000,000	\$234,500,000	202.8-g Statement ¶¶ 67, 73, 75
<b>2014</b>	\$291,000,000	\$234,500,000	202.8-g Statement ¶¶ 67, 73, 75

**Tab 4**

## 40 Wall Street (Tab 4)

Year	SOFC Value	Independent Value	Reduction	Independent Source	Source
2011	\$524,700,000	\$200,000,000	\$324,700,000	2011 CW Appraisal	202.8-g Statement ¶¶ 78-84, 114
2012	\$527,200,000	\$220,000,000	\$307,200,000	2012 CW Appraisal	202.8-g Statement ¶¶ 85-92, 114
2013	\$530,700,000	\$250,489,000	\$280,211,000	2013 Capital One Internal Valuation	202.8-g Statement ¶¶ 93-97, 114
2014	\$550,100,000	\$257,729,000	\$292,371,000	2014 Capital One Internal Valuation	202.8-g Statement ¶¶ 98-103, 114
2015	\$735,400,000	\$540,000,000	\$195,400,000	2015 CW Appraisal	202.8-g Statement ¶¶ 104-114
<b>Total</b>	<b>\$2,868,100,000</b>	<b>\$1,468,218,000</b>	<b>\$1,399,882,000</b>		

**Tab 5**

## Mar-a-Lago (Tab 5)

Year	SOFC Value	Independent Value	Reduction	Independent Source	Source
2011	\$426,529,614	\$18,000,000	\$408,529,614	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2012	\$531,902,903	\$18,000,000	\$513,902,903	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2013	\$490,149,221	\$18,000,000	\$472,149,221	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2014	\$405,362,123	\$18,651,310	\$386,710,813	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2015	\$347,761,431	\$20,309,516	\$327,451,915	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2016	\$570,373,061	\$21,013,331	\$549,359,730	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2017	\$580,028,373	\$23,100,000	\$556,928,373	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2018	\$739,452,519	\$25,400,000	\$714,052,519	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2019	\$647,118,780	\$26,600,000	\$620,518,780	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2020	\$517,004,874	\$26,600,000	\$490,404,874	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200
2021	\$612,110,496	\$27,600,000	\$584,510,496	Palm Beach County Property Appraiser's Office	202.8-g Statement ¶¶ 198-200

**Tab 6**

## Aberdeen (Tab 6)

Year	Value of Undeveloped Land (GBP)	Number of Homes (SOFC)	Price per Home	Number of Homes (Approved)	Reduction (GBP)	Conversion Rate	Downturn Reduction	Reduction (USD)	Source
2014	£207,910,000.00	2500	£83,164.00	500	£166,328,000.00	1.7034	0%	\$283,323,115	202.8-g Statement ¶¶ 205-11, 222
2015	£207,910,000.00	2500	£83,164.00	500	£166,328,000.00	1.5732	20%	\$209,333,768	202.8-g Statement ¶¶ 205-11, 222
2016	£207,910,000.00	2500	£83,164.00	500	£166,328,000.00	1.3318	20%	\$177,212,504	202.8-g Statement ¶¶ 205-11, 222
2017	£207,910,000.00	2500	£83,164.00	500	£166,328,000.00	1.303	20%	\$173,380,307	202.8-g Statement ¶¶ 205-11, 222
2018	£207,910,000.00	2500	£83,164.00	500	£166,328,000.00	1.31515	20%	\$174,997,015	202.8-g Statement ¶¶ 205-11, 222
2019	£217,680,973.00	2035	£106,968.54	500	£164,196,704.45	1.269	20%	\$166,692,494	202.8-g Statement ¶¶ 214-218, 222
2020	£82,537,613.00	1200	£68,781.34	500	£48,146,940.92	1.22699	0%	\$59,075,815	202.8-g Statement ¶¶ 214-220, 222
2021	£82,537,613.00	1200	£68,781.34	500	£48,146,940.92	1.38504	0%	\$66,685,439	202.8-g Statement ¶¶ 214-220, 222



**Tab 7**

## 1290 AoA (Vornado) (Tab 7)

Year	SOFC Value – 1290	Minus Debt	SOFC Value – DJT Share	Independent Value – 1290	Minus Debt	Independent Value – DJT Share	Reduction	Independent Source	Source
2012	\$2,784,970,588	(\$410,000,000)	\$712,491,176	\$2,000,000,000	(\$410,000,000)	\$477,000,000	\$235,491,176	2012 Cushman Appraisal	202.8-g Statement ¶¶ 233-237, 256
2013	\$2,989,455,128	(\$950,000,000)	\$611,836,538	\$2,000,000,000	(\$950,000,000)	\$315,000,000	\$296,836,538	2012 Cushman Appraisal	202.8-g Statement ¶¶ 233, 238-240, 256
2014	\$3,078,338,462	(\$950,000,000)	\$638,501,539	\$2,300,000,000	(\$950,000,000)	\$405,000,000	\$233,501,539	2012 Cushman Appraisal (Using as-of 2016 Value)	202.8-g Statement ¶¶ 241-243, 256
2015	\$2,985,819,936	(\$950,000,000)	\$610,745,981	\$2,300,000,000	(\$950,000,000)	\$405,000,000	\$205,745,981	2012 Cushman Appraisal (Using as-of 2016 Value)	202.8-g Statement ¶¶ 241, 244-245, 256
2016	\$3,055,000,000	(\$950,000,000)	\$631,500,000	\$2,300,000,000	(\$950,000,000)	\$405,000,000	\$226,500,000	2012 Cushman Appraisal (Using as-of 2016 Value)	202.8-g Statement ¶¶ 241, 246-247, 256
2017									
2018	\$4,192,479,775	(\$950,000,000)	\$972,743,933	\$2,515,487,865	(\$950,000,000)	\$469,646,360	\$503,097,573	Stabilized Cap Rate from Cushman and Wakefield Report	202.8-g Statement ¶¶ 263-64, 274
2019	\$4,230,109,625	(\$950,000,000)	\$984,032,888	\$2,538,065,775	(\$950,000,000)	\$476,419,733	\$507,613,155	Stabilized Cap Rate from Cushman and Wakefield Report	202.8-g Statement ¶¶ 265, 275-76
2020									
2021	\$2,574,813,800	(\$950,000,000)	\$487,444,140	\$2,000,000,000	(\$950,000,000)	\$315,000,000	\$172,444,140	2021 CBRE Appraised Value	202.8-g Statement ¶¶ 253-56

**Tab 8**

## Golf Clubs (Tab 8) – Chart 1

	Jupiter	LA	Colts Neck	Philadelphia	DC	Charlotte	Hudson Valley	Total	Source
<b>2013</b>	\$14,131,800	\$18,962,900	\$14,136,300	\$4,188,300	\$13,881,000	\$3,014,400	\$3,499,500	<b>\$71,814,200</b>	202.8-g Statement ¶ 308
<b>2014</b>	\$15,399.04		\$14,163,918	\$4,914,735	\$14,830,755	\$3,482,772	\$3,822,041	<b>\$41,229,620</b>	202.8-g Statement ¶ 308
<b>2015</b>	\$8,680,598		\$7,178,998	\$2,548,516	\$8,327,010	\$1,957,403	\$1,993,966	<b>\$30,686,491</b>	202.8-g Statement ¶ 308
<b>2016</b>	\$9,093,500	\$6,838,282	\$7,027,398	\$2,597,752	\$8,608,133	\$2,236,226	\$2,040,231	<b>\$38,441,522</b>	202.8-g Statement ¶ 308
<b>2017</b>	\$9,287,777	\$6,870,017	\$7,021,299	\$2,684,775	\$8,859,315	\$2,411,581	\$2,107,623	<b>\$39,242,387</b>	202.8-g Statement ¶ 308
<b>2018</b>	\$9,435,046	\$6,694,184	\$7,022,498	\$2,711,844	\$8,901,001	\$2,606,902	\$2,082,934	<b>\$39,454,409</b>	202.8-g Statement ¶ 308
<b>2019</b>	\$9,493,561	\$7,139,313	\$7,097,709	\$2,730,185	\$9,015,908	\$2,758,110	\$2,132,759	<b>\$40,367,545</b>	202.8-g Statement ¶ 308
<b>2020</b>	\$9,493,561	\$7,139,313	\$7,097,709	\$2,730,185	\$9,015,908	\$2,758,110	\$2,132,759	<b>\$40,367,545</b>	202.8-g Statement ¶ 308
<b>Total</b>	<b>\$69,631,242</b>	<b>\$53,644,009</b>	<b>\$70,745,829</b>	<b>\$25,106,292</b>	<b>\$81,439,030</b>	<b>\$21,225,504</b>	<b>\$19,811,813</b>	<b>\$341,603,719</b>	202.8-g Statement ¶ 308

## Golf Clubs (Tab 8) – Chart 2

Membership Deposit Liability Value Reduction Chart											
Year	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	Source
Jupiter		\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	\$41,000,000	202.8-g Statement ¶¶ 319-20
Colts Neck	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	\$11,700,000	202.8-g Statement ¶¶ 321-22
Philadelphia	\$953,237	\$953,237	\$953,237	\$953,237	\$953,237	\$953,237	\$953,237	\$953,237	\$953,237	\$953,237	202.8-g Statement ¶¶ 323-24
DC		\$16,131,075	\$16,131,075	\$16,131,075	\$16,131,075	\$16,131,075	\$16,131,075	\$16,131,075	\$16,131,075	\$16,131,075	202.8-g Statement ¶¶ 325-26
Charlotte	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	\$4,080,550	202.8-g Statement ¶¶ 327-28
Hudson Valley	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	\$1,235,619	202.8-g Statement ¶¶ 329-30
Total	\$17,969,406	\$75,100,481	\$75,100,481	\$75,100,481	\$75,100,481	\$75,100,481	\$75,100,481	\$75,100,481	\$75,100,481	\$2,188,856	202.8-g Statement ¶¶ 331-32

## Golf Clubs (Tab 8) – Chart 3

Year	Property	Fixed Assets Value	Appraised Value	Difference in Value	Sources
2014	TNGC Briarcliff	\$73,130,987	\$16,500,000	\$56,630,987	202.8-g Statement ¶¶ 288-89, 291
2014	TNGC LA	\$74,300,642	\$16,000,000	\$58,300,642	202.8-g Statement ¶¶ 292, 294-95
2015	TNGC Briarcliff	\$73,430,217	\$16,500,000	\$56,930,217	202.8-g Statement ¶¶ 288, 290-91
2015	TNGC LA	\$56,615,895	\$16,000,000	\$40,615,895	202.8-g Statement ¶¶ 293-295

## Golf Clubs (Tab 8) – Chart 4

Year	Property	SOFC Per Lot	Appraisal per Lot	SOFC Value of Undeveloped (Easement) Land	Difference Between SOFC and Appraisal	Sources
2012	TNGC LA	4,500,000	1,187,500	\$72,000,000	\$53,000,000	202.8-g Statement ¶¶ 300, 302, 304
2013	TNGC Briarcliff			\$101,748,600	\$56,748,600	202.8-g Statement ¶¶ 296-297, 304
2013	TNGC LA	\$2,500,000	\$1,187,500	\$40,000,000	\$21,000,000	202.8-g Statement ¶¶ 301,302, 304
2014	TNGC Briarcliff			\$101,748,600	\$58,448,600	202.8-g Statement ¶¶ 296, 298, 304
2014	TNGC LA	\$2,500,000	\$1,562,500	\$40,000,000	\$15,000,000	202.8-g Statement ¶¶ 301, 303-304
2015	TNGC Briarcliff			\$101,748,600	\$56,548,600	202.8-g Statement ¶¶ 296, 298, 304
2016	TNGC Briarcliff			\$101,748,600	\$56,548,600	202.8-g Statement ¶¶ 296, 298, 304

**Tab 9**



## Park Avenue (Tab 9) – Chart 1

Apt Year	No.	4A	6B	7A	7B	7D	7E	7G	8E	8H	10E	12E	15AB	Sum Total	Appraised Value	Difference in Value	Source
2011		\$4,021,500	\$5,733,000	\$4,119,500	\$4,119,500	\$5,411,000	\$2,782,500	\$5,011,500	\$3,051,000	\$2,037,000	\$2,430,000	\$2,451,000	\$8,428,000	\$49,595,500	\$750,000	\$48,845,500	202.8-g Statement ¶¶ 336-343, 363
2012		\$4,021,500	\$5,733,000	\$4,119,500	\$4,119,500	\$5,411,000	\$2,782,500	\$5,011,500	\$3,051,000	\$2,037,000	\$2,430,000	\$2,451,000	\$8,428,000	\$49,595,500	\$750,000	\$48,845,500	202.8-g Statement ¶¶ 336-343, 363
2013		\$4,021,500	\$5,733,000	\$4,119,500	\$4,119,500	\$5,411,000	\$2,782,500	\$5,011,500	\$0	\$2,037,000	\$2,430,000	\$2,451,000	\$8,428,000	\$46,544,500	\$687,500	\$45,857,000	202.8-g Statement ¶¶ 336-342, 344-345, 363
2014		\$4,021,500	\$5,733,000	\$0	\$0	\$5,411,000	\$2,782,500	\$5,011,500	\$0	\$2,037,000	\$2,430,000	\$2,451,000	\$8,428,000	\$38,305,500	\$562,500	\$37,743,000	202.8-g Statement ¶¶ 336-342, 346-347, 363
2015		\$4,021,500	\$5,733,000	\$0	\$0	\$5,411,000	\$2,782,500	\$0	\$0	\$2,037,000	\$2,430,000	\$2,451,000	\$8,428,000	\$33,294,000	\$500,000	\$32,794,000	202.8-g Statement ¶¶ 336-342, 348-49, 363
2016		\$3,135,065	\$4,069,543	\$0	\$0	\$3,840,972	\$2,169,171	\$0	\$0	\$1,852,663	\$2,210,098	\$2,229,198	\$7,496,126	\$27,002,836	\$500,000	\$26,502,836	202.8-g Statement ¶¶ 336-342, 350-51, 363
2017		\$2,918,083	\$4,069,543	\$0	\$0	\$3,840,972	\$2,019,039	\$0	\$0	\$1,724,437	\$2,057,135	\$2,074,912	\$7,496,126	\$26,200,247	\$500,000	\$25,700,247	202.8-g Statement ¶¶ 336-342, 352-53, 363
2018		\$3,385,726	\$4,671,850	\$0	\$0	\$4,409,451	\$2,342,604	\$0	\$0	\$2,000,790	\$2,386,805	\$2,407,431	\$7,496,126	\$29,100,783	\$500,000	\$28,600,783	202.8-g Statement ¶¶ 336-342, 354-55, 363
2019		\$2,469,722	\$3,516,105	\$0	\$0	\$3,318,619	\$1,708,815	\$0	\$0	\$0	\$1,741,057	\$0	\$5,779,200	\$18,533,518	\$375,000	\$18,158,518	202.8-g Statement ¶¶ 336-342, 356-57, 363
2020		\$2,829,934	\$4,034,319	\$0	\$0	\$3,807,727	\$1,687,592	\$0	\$0	\$0	\$1,719,433	\$0	\$4,091,786	\$18,170,791	\$3,800,015	\$14,370,776	202.8-g Statement ¶¶ 358-360, 363
2021		\$2,154,375	\$3,071,250	\$0	\$0	\$2,898,750	\$1,265,441	\$0	\$0	\$0	\$1,289,318	\$0	\$4,091,786	\$14,770,920	\$3,800,015	\$10,970,905	202.8-g Statement ¶¶ 358, 361-63

## Park Avenue (Tab 9) – Chart 2

Year	SFC Value	Option Price	Difference in Value	Sources
2011	\$20,820,000	\$8,500,000	\$12,320,000	202.8-g Statement ¶¶ 365-66
2012	\$20,820,000	\$8,500,000	\$12,320,000	202.8-g Statement ¶¶ 365-66
2013	\$25,000,000	\$8,500,000	\$16,500,000	202.8-g Statement ¶¶ 365, 367
2014	\$45,000,000	\$14,264,000	\$30,736,000	202.8-g Statement ¶¶ 368-369
<b>Total</b>	<b>\$111,640,000</b>	<b>\$39,764,000</b>	<b>\$71,876,000</b>	

## Park Avenue (Tab 9) – Chart 3

	2012		
	Offering Plan Price	Current Value	Difference in Value
3B	\$19,358,750	\$11,500,000	
4A			
6B			
7A/B			
7D			
7E			
7G			
8E			
8H			
10E			
12E			
12J	\$2,079,000	\$1,400,000	
15AB			
19A	\$14,449,500	\$11,500,000	
PH20	\$35,000,000	\$30,000,000	
PH21	\$35,000,000	\$30,000,000	
PH23	\$33,000,000	\$25,000,000	
PH24	\$32,000,000	\$24,000,000	
PH27	\$20,820,000	\$16,650,000	
PH28	\$0	\$0	
PH31/32	\$31,000,000	\$40,000,000	
<b>Total:</b>	<b>\$222,707,250</b>	<b>\$190,050,000</b>	<b>\$32,657,250</b>
<b>Sources</b>	202.8-g Statement ¶¶ 375-376, 381		

	2013		
	Offering Plan Price	Current Value	Difference in Value
3B	\$13,680,000	\$12,000,000	
4A			
6B			
7A			
7D			
7E			
7G			
8E	\$3,051,000	\$2,350,000	
8H			
10E			
12E			
12J	\$2,079,000	\$1,525,000	
15A			
19A	\$10,500,000	\$10,000,000	
*PH20	\$45,000,000	\$42,000,000	
PH21	\$40,000,000	\$39,000,000	
PH23	\$36,000,000	\$33,000,000	
PH24	\$35,000,000	\$32,000,000	
PH27	\$25,000,000	\$21,000,000	
PH28	\$0	\$0	
PH31/32	\$45,000,000	\$38,000,000	
<b>Total:</b>	<b>\$255,310,000</b>	<b>\$230,875,000</b>	<b>\$24,435,000</b>
<b>Sources</b>	202.8-g Statement ¶¶ 377-378, 381		

	2014		
	Offering Plan Price	Current Value	Difference in Value
3B			
4A			
6B			
7A	\$6,200,000	\$5,895,000	
7D			
7E			
7G			
8E	\$3,051,000	\$2,350,000	
8H			
10E			
12E			
12J			
15A			
19A	\$10,500,000	\$10,000,000	
*PH20	\$0	\$0	
PH21	\$37,000,000	\$32,000,000	
PH23	\$33,000,000	\$28,000,000	
PH24	\$24,995,000	\$24,995,000	
PH27	\$25,000,000	\$18,000,000	
PH28	\$25,000,000	\$18,500,000	
PH31/32	\$35,000,000	\$35,000,000	
<b>Total:</b>	<b>\$199,746,000</b>	<b>\$174,740,000</b>	<b>\$25,006,000</b>
<b>Sources</b>	202.8-g Statement ¶¶ 379-381		

**Tab 10**

**Trump Tower (Tab 10)**

	<b>NOI per SFC</b>	<b>Cap Rate Used</b>	<b>Projected Stabilized Cap Rate</b>	<b>SFC Value</b>	<b>Adjusted Value</b>	<b>Adjustment amount</b>	<b>Source</b>
<b>2018</b>	20,942,383	2.86%	3.75%	\$732,251,154	\$558,463,547	\$173,787,607	202.8-g Statement ¶¶ 258-272
<b>2019</b>	21,539,983	2.67%	4.45%	\$806,740,936	\$484,044,562	\$322,696,375	202.8-g Statement ¶¶ 258-272

# Tab 11

## Cash (Tab 11)

Statement Year	Amount Included Based On 30% Share In Vornado Property Interests	Total Cash / Liquidity Reported	Vornado Property Interests Cash as a Percent of Total Cash	Source
2013	\$14,221,800	\$339,100,000	4%	202.8-g Statement ¶¶ 394, 403
2014	\$24,756,854	\$302,300,000	8%	202.8-g Statement ¶¶ 395, 403
2015	\$32,708,696	\$192,300,000	17%	202.8-g Statement ¶¶ 396, 403
2016	\$19,593,643	\$114,400,000	17%	202.8-g Statement ¶¶ 397, 403
2017	\$16,536,243	\$76,000,000	22%	202.8-g Statement ¶¶ 398, 403
2018	\$24,355,588	\$76,200,000	32%	202.8-g Statement ¶¶ 399, 403
2019	\$24,653,729	\$87,000,000	28%	202.8-g Statement ¶¶ 400, 403
2020	\$28,251,623	\$92,700,000	30%	202.8-g Statement ¶¶ 401, 403
2021	\$93,126,589	\$293,800,000	32%	202.8-g Statement ¶¶ 402, 403
	<b>\$278,204,765</b>			

**Tab 12**



## Escrow (Tab 12)

Statement Year	Amount Included Based On 30% Share In Vornado Property Interests	Vornado Property Interests Escrow Deposits or Restricted Cash as a Percent of Total Escrow Category	Source
2014	\$20,800,000	52%	202.8-g Statement ¶¶ 409, 417
2015	\$15,980,000	47%	202.8-g Statement ¶¶ 410, 417
2016	\$14,470,000	52%	202.8-g Statement ¶¶ 411, 417
2017	\$8,750,000	36%	202.8-g Statement ¶¶ 412, 417
2018	\$8,180,000	36%	202.8-g Statement ¶¶ 413, 417
2019	\$11,195,400	39%	202.8-g Statement ¶¶ 414, 417
2020	\$7,108,500	28%	202.8-g Statement ¶¶ 415, 417
2021	\$12,696,600	44%	202.8-g Statement ¶¶ 416, 417
	<b>\$99,180,500</b>		

**Tab 13**

## Licensing Development (Tab 13) – Chart 1

Year	Stated Existing Portfolio Value	Existing Portfolio Value Removing Related Party Transactions	Difference in Value	Source
2013	\$128,205,717.00	\$40,670,618.00	\$87,535,099.00	202.8-g Statement ¶¶ 426-429
2014	\$ 291,619,279.00	\$67,359,942.00	\$224,259,337.00	202.8-g Statement ¶¶ 426-428, 430
2015	\$194,201,728.00	\$83,642,358.00	\$110,559,370.00	202.8-g Statement ¶¶ 426-428, 431
2016	\$150,032,908.00	\$29,111,151.00	\$ 120,921,757.00	202.8-g Statement ¶¶ 426-428, 432
2017	\$130,671,505.00	\$17,142,978.00	\$113,528,527.00	202.8-g Statement ¶¶ 426-428, 433
2018	\$ 97,585,238.00	\$(17,901,797.00)	\$115,487,035.00	202.8-g Statement ¶¶ 426-428, 434
2020	\$102,022,557.00	\$4,553,865.00	\$97,468,692.00	202.8-g Statement ¶¶ 426-428, 435
2021	\$118,914,383.00	\$12,410,756.00	\$106,503,627.00	202.8-g Statement ¶¶ 426-428, 436

## Licensing Development (Tab 13) – Chart 2

Statement Year	Total Value	Amount of TBD Deals in Total Value	% of Total	Source
2015	\$339,000,000	\$103,536,391	30.50%	202.8-g Statement ¶¶ 422-25
2016	\$227,400,000	\$46,312,797	20.40%	202.8-g Statement ¶¶ 422-25
2017	\$246,000,000	\$52,731,562	21.40%	202.8-g Statement ¶¶ 422-25
2018	\$202,900,000	\$45,198,994	22.30%	202.8-g Statement ¶¶ 422-25