

BRACEWELL

November 29, 2023

BY E-MAIL

Hon. Arthur F. Engoron
Supreme Court of the State of New York
60 Centre Street
New York, NY 10007

Re: *People v. Donald J. Trump, et al.*, Index No. 452564/2022

Dear Justice Engoron:

On November 14, 2022, I was appointed by the Court in the above-referenced matter as Independent Monitor (the “Order of Appointment”). *See* Dkt. No. 193. On November 17, 2022, the Court supplemented that Order and described certain duties and responsibilities of the Monitor (the “Supplemental Order of Appointment”). *See* Dkt. No. 194. Pursuant to the Supplemental Order of Appointment, I am required to “report the status of the monitorship to the Court and the parties monthly, or as the Monitor finds necessary, or as this Court shall order.” That is the purpose of this letter, which constitutes my fifth report to the Court.

Since my last report, my team and I have held additional conferences with the parties and the Court. The parties have provided access to information necessary to effectuate my duties. Additionally, between my last report and now, my team and I have reviewed quarterly financial disclosures provided to third parties, tax information, general ledger data, entity trial balances, securities and bank account details for 12 separate accounts maintained by the Donald J. Trump Revocable Trust (“Trust”), and other information. We have also requested and, to the extent available, reviewed specific financial information in connection with the following:

- The sale of the Trump Organization’s license to operate Trump Golf Links at Ferry Point;
- The loan payoff for the property owned by 401 North Wabash, LLC (the “Chicago Tower”);
- The Conservation Easement tax filing for the Trump National Doral Miami (“Doral”); and

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- Trump Media and Technology Group Corporation (Truth Social).

Observations Since Last Report

In my previous report, dated August 3, 2023 (“August Report”), I notified the Court that certain of the Defendants’ financial disclosures provided to third parties were either incomplete or inconsistent. *See* Dkt. No. 647. I have since observed that Defendants have taken steps to disclose intercompany loans omitted from prior disclosures, modified footnote disclosures regarding contingent liabilities, and have also provided all recent annual and quarterly certifications attesting to the accuracy of various financial statements, as required by certain loan agreements. The Trump Organization also plans to add a clarifying note to internally prepared financial statements issued to third-parties, stating that results will be reported as net income before depreciation (in instances where depreciation is not otherwise reflected in the financial statement). By taking these steps I believe Defendants have resolved the issues identified in the August Report, subject to ongoing monitoring.

Recent Observations

1. *Tax Reporting and Other Disclosures*

On April 11, 2023, I reported that a Materiality Threshold and Review Protocol (the “Materiality Threshold”) had been established to provide the parties with clarity as to their compliance with the terms of the Supplemental Order of Appointment. *See* Dkt. No 617. Among other things, the Materiality Threshold requires Defendants to provide the Monitor with financial information reported to third parties, including select tax returns for certain Trust entities. During this reporting period, relevant tax returns for six Trust entities were not promptly disclosed to the Monitor pursuant to the terms of the Materiality Threshold. Upon my request, Defendants provided the tax returns and acknowledged that their exclusion was an oversight.

2. *Review of Cash Transfers*

The Materiality Threshold also requires that Defendants “provide notice when entities within the Trust make transfers outside of the Trust with an aggregate value in excess of \$5 million.” As mentioned above, during this reporting period, my team requested and conducted a review of bank statements for 12 bank accounts maintained by the Trust from January 2023 through October 2023. Upon review of these bank statements, we observed three cash transfers exceeding \$5 million each, totaling approximately \$40 million. These transactions included a cash transfer of \$29 million to Donald J. Trump, which I have confirmed was used for tax payments. Based upon Defendants explanations I have also confirmed that the other transfers were for

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insurance premiums and to an attorney escrow account.¹ We have discussed with Defendants why these transactions were not previously disclosed and I have now clarified (and Defendants have agreed) that *all* transfers of assets out of the Trust exceeding \$5 million must be reported.

3. *Chicago Tower Loan Reporting*

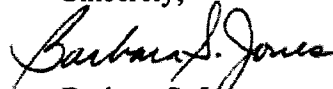
As described above, the loan for the Chicago Tower has been satisfied. However, I have also reviewed information regarding the existence of an intercompany loan related to the property. Defendants are continuing to investigate this issue and any reporting requirements or documentation that may be required. I will report any additional developments on this issue to the Court.

* * *

Defendants have agreed to enhanced monitoring given the matters described in this report. Defendants continue to cooperate with me and are generally in compliance with the Court's orders, and have committed to ensure that all required information, including tax information and cash transfers, are promptly disclosed to the Monitor. My review of the Defendants' submissions of financial information is ongoing and I appreciate the parties' cooperation.

Should you have any questions, please feel free to contact me.

Sincerely,



Barbara S. Jones

¹ See *Carroll v. Trump*, No. 1:22-cv-10016 (LAK), Dkt. No. 210 (describing cash payment in lieu of supersedeas bond).