

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,

v.

DONALD J. TRUMP, DONALD TRUMP, JR.,  
ERIC TRUMP, ALLEN WEISSELBERG,  
JEFFREY MCCONNEY, THE DONALD J.  
TRUMP REVOCABLE TRUST, THE TRUMP  
ORGANIZATION, INC., THE TRUMP  
ORGANIZATION LLC, DJT HOLDINGS  
LLC, DJT HOLDINGS MANAGING  
MEMBER, TRUMP ENDEAVOR 12 LLC,  
401 NORTH WABASH VENTURE LLC,  
TRUMP OLD POST OFFICE LLC, 40 WALL  
STREET LLC, AND SEVEN SPRINGS LLC,

Defendants.

Index No: 452564/2022

Engoron, J.S.C.

AFFIRMATION OF AMIT SHAH  
IN SUPPORT OF MOTION BY  
KNIGHT SPECIALTY  
INSURANCE COMPANY TO  
SET ASIDE EXCEPTION TO  
SURETY AND TO JUSTIFY  
SURETY

I, Amit Shah, on this 15<sup>th</sup> day of April, 2024, under the penalties of perjury under the laws of New York, which may include a fine or imprisonment, that the following is true, and I understand this document may be filed in an action or proceeding in a court of law.

1. I am the President of Knight Specialty Insurance Company (“KSIC”).

2. I submit this affirmation on behalf of KSIC in support of KSIC and Defendants’ joint application to (1) set aside the New York Attorney General (“NYAG”)’s exceptions to the sufficiency of the surety on the undertaking given by KSIC in this matter, filed with the Court on April 1, 2024, as amended on April 4, 2024 (NYSCEF Doc. Nos. 1707-1708); (2) accept KSIC’s justification as surety for the undertaking; and (3) impose costs pursuant to CPLR § 2506.

3. KSIC is a corporation duly organized and existing under the laws of Delaware. A

copy of the entity details reflecting KSIC's good standing is annexed hereto as **Exhibit A**.

4. KSIC was authorized to transact insurance business in the State of Delaware as of December 4, 2013. A copy of December 31, 2013, correspondence from the Delaware Department of Insurance to Nancy Stepanski of Westmont Associates, Inc., and the accompanying Certificate of Authority to KSIC are annexed hereto as **Exhibit B**.

5. KSIC's Certificate of Authority, which remains in effect "until terminated, suspended, or revoked," specifically states that KSIC is authorized to transact the business of, *inter alia*, "surety." Ex. B. The Certificate of Authority further provides that KSIC's authority is "limited to that described in Delaware Insurance Code, Chapter 19 as a Domestic Lines Insurer." Id.; see also 18 Del. § 1932. 18 Del. § 1932 provides that "[s]uch insurers may write surplus lines insurance in any jurisdiction, including this State."

6. As of the date of this affirmation, KSIC's Delaware Certificate of Authority has never been terminated, suspended, or revoked.

7. Surplus lines authority refers to the authority to place non-admitted coverage and is referred to under applicable law as "excess lines" authority.

8. KSIC was approved for excess line eligibility in New York as of June 10, 2021. A copy of June 10, 2021, correspondence from the Excess Line Association of New York ("ELANY") is annexed hereto as **Exhibit C** (the "ELANY Letter").

9. As an eligible excess line insurer in the state of New York, KSIC is, therefore, properly authorized to issue the surety on behalf of Defendants.

10. The ELANY Letter provides that "Knight Specialty has provided sufficient documentation to establish that it meets New York's eligibility requirements" for excess line eligibility. Ex. C.

those requirements were that “the applicant maintains a minimum policyholder surplus of \$47,000,000 and that it is licensed in its home state to write the lines of business it seeks to write in New York on an excess line basis.” Id.<sup>1</sup>

12. The ELANY Letter concludes that “transactions submitted to ELANY by excess line brokers, which Knight Specialty underwrites, will be processed *in the ordinary course of business* provided they otherwise meet the legal requirements for excess line transactions.” Id. (emphasis added).

13. As of the date of this affirmation, ELANY has not terminated, suspended, or revoked its approval of KSIC for excess line eligibility.

14. KSIC continues to meet ELANY’s requirements for excess line eligibility insofar as KSIC: (1) maintains a minimum policyholder surplus of \$48,000,000, and (2) remains licensed in Delaware to write in New York on an excess line basis. See infra ¶¶ 3-13, Exs. C, H.

15. As evidenced by the New York State Page to the KSIC Annual Statement (the “New York State Page”) for the period ending December 31, 2023, KSIC, during that period, indeed did place business in New York state on an excess line basis, though KSIC did not place surety coverage. The New York State Page is annexed hereto as **Exhibit D**.

16. At my direction, KSIC also performed diligence to confirm its legal authority to act as surety before issuing the subject bond. KSIC’s diligence included, *inter alia*, a review of the New York Insurance Law and KSIC’s own files respecting KSIC’s authorization to issue insurance on an excess and surplus lines basis in its home state of Delaware and in the state of New York.

17. Although KSIC had not before placed a surety bond in New York, KSIC is

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<sup>1</sup> The minimum surplus requirement is currently \$48,000,000.

New York excess lines marketplace.

18. The \$175 million bond at issue here is adequately secured.

19. KSIC has entered into a Collateral Account Pledge and Security Agreement (the “Account Pledge Agreement”) with the Donald J. Trump Revocable Trust (the “DJT Trust”). A copy of the Collateral Account Pledge and Security Agreement is annexed hereto as **Exhibit E**.

20. Pursuant to the Account Pledge Agreement, the DJT Trust granted KSIC a security interest in a Schwab brokerage account, in which the DJT Trust is obligated to maintain no less than \$175 million in cash or cash equivalents at all times. Ex. E at 3.

21. The Account Pledge Agreement also contains a “true-up” provision, which requires the DJT Trust to deposit additional collateral into the account in the event the balance falls below the required minimum. Ex. E at 3.

22. As of Friday, April 5, 2024, the account contains \$175,304,075.95 in cash. A copy of the account statement is annexed hereto as **Exhibit F**.

23. KSIC, the DJT Trust, and Schwab have also entered into a Pledged Asset Account Control Agreement, whereby Schwab, as custodian of the account, has acknowledged KSIC’s right to exercise control over the account within two business days of receiving notice from KSIC of KSIC’s intent to activate the control. A copy of the Pledged Asset Account Control Agreement is annexed hereto as **Exhibit G**.

24. KSIC also independently maintains sufficient assets to secure the bond.

25. As of December 31, 2023, KSIC had \$539,284,552 in assets and \$138,441,671 in equity. A copy of the KSIC’s financial statement dated December 31, 2023, as submitted in connection with the undertaking, is annexed hereto as **Exhibit H**.

Company, Ltd. ("KIC"), by which KIC reinsures 100% of KSIC's risk. A copy of that reinsurance agreement (the "Reinsurance Agreement") is annexed hereto as **Exhibit I**.

27. As of December 31, 2023, KIC had, on a consolidated basis, \$2,177,780,679 in assets and \$1,005,031,058 in equity. A copy of KIC's financial statement dated December 31, 2023, as submitted in connection with the undertaking, is annexed hereto as **Exhibit J**.

28. Under the terms of the Reinsurance Agreement, KIC is required to deposit collateral into a trust account, based on KSIC's expected losses and unearned premiums, on a quarterly basis.

29. With respect to the bond, the potential loss to KSIC is minor due to the DJT Trust's deposit of collateral in the Schwab brokerage account and the agreements granting KSIC the ability to exercise control over that brokerage account immediately in the event that a debt becomes due.

30. KSIC also has the right to demand deposits of additional collateral to the trust account from KIC if its expected losses increase.

31. As of December 31, 2023, KIC maintains \$56,456,561 in cash and \$937,343,258 in marketable securities to support its reinsurance obligations, far in excess of the amount of the bond here. See Ex. J.

Dated: Los Angeles, California  
April 15, 2024



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Amit Shah

**CERTIFICATION**

Pursuant to Rule 202.8-b of the Uniform Civil Rules for the Supreme Court & the County Court, I certify that, excluding the caption, table of contents, table of authorities, signature block, and this certification, the foregoing Affirmation contains 1,256 words. The foregoing word counts were calculated using Microsoft® Word®.

Dated: April 15, 2024  
New York, New York



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