

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

**FACTS TO BE PROVEN AT TRIAL**

Hon. Arthur Engoron

Pursuant to the Amended Order filed September 8, 2023 (NYSCEF No. 1441), Plaintiff the People of the State of New York, by their attorney, Letitia James, Attorney General of the State of New York (“OAG”) submits this list of facts to be proven at trial.<sup>1</sup> OAG incorporates by reference its Rule 202.8-g Statement of Material Facts filed August 28, 2023 (NYSCEF No. 767) and its Response to Defendants’ Statement of Undisputed Material Facts filed September 8, 2023 (NYSCEF No. 1278).

**I. The Parties**

1. The “Trump Organization” is a common enterprise of approximately 500 separate entities, including the corporate entities named as Defendants in this action, that collectively do business under that name and operate for the benefit, and under the control, of Donald J. Trump.

2. The entities comprising the Trump Organization maintain officers and employees in common, operate under common control, share offices, commingle funds, and share advertising and marketing.

---

<sup>1</sup> This list reflects fact to be proven based on OAG’s Complaint in this action and does not reflect the issues that remain for trial based on the Court’s Decision + Order on Motions filed September 26, 2023 (NYSCEF No. 1531)

3. The Defendants in this action have consistently at all relevant times, done business as and using the “Trump Organization” name and affiliation.

4. Defendant Donald J. Trump is the beneficial owner of the “Trump Organization.” Donald J. Trump served as the President and Chairman of the Trump Organization from May 1, 1981 to January 19, 2017. While serving as President of the United States, Mr. Trump remained the inactive president of the Trump Organization. After leaving office on January 20, 2021, Mr. Trump resumed his position as the president of the Trump Organization.

5. Defendant Donald J. Trump Revocable Trust is a trust created under the laws of New York that is the legal owner of the entities constituting the Trump Organization. The Donald J. Trump Revocable Trust was created on April 7, 2014 and amended by Second Amendment to the Trust dated January 17, 2017. The purpose of the trust is to hold assets for the exclusive benefit of Donald J. Trump. Mr. Trump is the sole beneficiary of The Donald J. Trump Revocable Trust. Mr. Trump was, for a period in 2021, also the sole trustee of the Trust.

6. Defendant Donald Trump, Jr. is an Executive Vice President of the Trump Organization. He maintains a business office at 725 Fifth Avenue, New York, NY. Donald Trump, Jr. oversees the Trump Organization’s property portfolio and is involved in all aspects of the company’s property development, from deal evaluation, analysis and pre-development planning to construction, branding, marketing, operations, sales and leasing. Donald Trump Jr. is also responsible for all of the commercial leasing for the Trump Organization which includes Trump Tower and 40 Wall Street.

7. Defendant Eric Trump is an Executive Vice President of the Trump Organization, and Chairman of the Advisory Board of the Donald J. Trump Revocable Trust. He maintains a business office at 725 Fifth Avenue, New York, NY. Eric Trump is responsible for all aspects of

management and operation of the Trump Organization including new project acquisition, development and construction. Eric Trump actively spearheaded the growth of Trump Golf including the addition of 13 golf properties since 2006.

8. Defendants Donald Trump, Jr. and Eric Trump took over management of the Trump Organization from Mr. Trump in 2017.

9. Defendant Allen Weisselberg was the Chief Financial Officer of the Trump Organization from 2003 until July 2021. During that time he maintained a business office at 725 Fifth Avenue, New York, NY. Among his responsibilities as CFO, from at least 2011 until 2020, Mr. Weisselberg supervised and approved the preparation of the valuations contained in the Statements of Financial Condition.

10. Defendant Jeffrey McConney is the Controller of the Trump Organization. He maintains a business office at 725 Fifth Avenue, New York, NY. Among his responsibilities as Controller, from 2011 to 2016, Mr. McConney prepared the valuations contained in the Statements of Financial Condition. From 2016 until at least 2021, Mr. McConney supervised and approved the preparation of the valuations contained in the Statements of Financial Condition.

11. Ivanka Trump was an Executive Vice President for Development and Acquisitions of the Trump Organization through early January 2017. Among other responsibilities, Ms. Trump negotiated and secured financing for Trump Organization properties. While at the Trump Organization she directed all areas of the company's real estate and hotel management platforms. This included active participation in all aspects of projects, including deal evaluation, pre-development planning, financing, design, construction, sales and marketing, as well as involvement in all decisions relating to those activities—large and small. Among other duties, she negotiated the lease with the government and a loan related to the Old Post Office property. Ms.

Trump also negotiated loans on Trump Organization properties at Doral and Chicago. On each of those transactions with Deutsche Bank, Ms. Trump was aware that the transactions included a personal guaranty from Mr. Trump that required him to provide annual Statements of Financial Condition and certifications.

12. After leaving the Trump Organization, Ms. Trump retained a financial interest in the operations of the Trump Organization through a number of vehicles, including an interest in the Old Post Office property through Ivanka OPO LLC. In a 2021 federal filing, Ms. Trump reported total income from Trump Organization entities of \$2,588,449, including income from Ivanka OPO LLC, TTT Consulting, LLC, TTTT Venture LLC and Trump International Realty.

## **II. Preparation of the SFCs**

### *a. Engagement and Representation Letters*

13. Each year from 2011 through 2021 the Trump Organization prepared an annual Statement of Financial Condition for Donald J. Trump (“Statement” or “SFC”). The asset valuations for the Statements were prepared in a similar manner each year under the supervision of Allen Weisselberg and Jeffrey McConney, and then shared with an outside accounting firm that compiled the Statements (the “Compiling Accountant”) based on this information. For the years 2011 through 2020, the Compiling Accountant was Mazars, LLP; for 2021, it was Whitley Penn, LLP.

14. Each year from 2011 and 2020, Mazars entered into an engagement letter with the Trump Organization concerning the preparation of the SFC. In 2021, after Mazars notified the Trump Organization that it was “resigning from all engagements with the Trump Organization and related entities,” the Trump Organization entered into an engagement with Whitley Penn to

compile the SFC. Each year's engagement letter set forth the responsibilities of the Trump Organization and the Compiling Accountant.

15. Each year, from 2011 through 2021 the Trump Organization would send the Compiling Accountant a representation letter concerning the preparation of the SFC, which set forth the Trump Organization's obligations for the preparation and fair presentation of the personal financial statement in accordance with accounting principles generally accepted in the United States among other obligations.

16. The engagement and representation letters set forth clear obligations for the Trump Organization's valuation and presentation of Mr. Trump's assets on the SFCs. The Trump Organization failed to comply with these obligations as set forth in the engagement and representation letters, despite attesting to its outside accountants that it would do so.

*b. Accounting Standards*

17. GAAP is the recognized set of accounting rules for public, private, and not-for-profit entities in the United States. The Accounting Standards Codification ("ASC") is the authoritative source of GAAP for nongovernmental entities. The ASC is comprised of numerous GAAP standards issued by recognized authorities over many decades.

18. ASC 274 is the relevant standard for Personal Financial Statements, and requires asset values reported in personal financial statements to be based on "Estimated Current Value."

19. ASC 274 further states that personal financial statements shall include sufficient disclosures to make the statements adequately informative. That paragraph states that the disclosures may be made in the body of the financial statements or in the notes to financial statements.

20. Estimated Current Value, which is the standard the SFCs purport to follow, does not allow for "as-if" valuations.

21. A compilation engagement is premised on the basis that Mr. Trump is responsible for the preparation and fair presentation of the Statements under GAAP and that Mr. Trump could not delegate such responsibility to the Compiling Accountant.

22. The Compiling Accountant had no responsibility to challenge or validate the valuations prepared by Mr. Trump unless the Compiling Accountant was aware that the valuations were unreliable.

### **III. False Claims and Misleading Statements in the SFCs**

23. The SFCs did not state assets at their estimated current values.

24. The SFCs misleadingly claimed that valuations were derived in conjunction with outside professionals where no such outside professionals assisted, and even though the valuation techniques used by Trump Organization staff were unreliable and misleading and would not have been used by outside valuation professionals.

25. The SFCs misleadingly claimed that they were prepared in accordance with GAAP outside of enumerated disclosed departures from GAAP. In fact, the SFCs had numerous undisclosed departures from GAAP.

26. The general disclosures relating to potential GAAP departures in the SFCs were not sufficiently informative to the users of the financial statements.

27. The SFCs contained numerous undisclosed departures from GAAP throughout the relevant period, including:

- The addition of an internally generated “brand premium” to the valuation of certain golf course properties.
- The failure to properly record cash.

- The failure to properly record escrow and reserve deposits.
- The failure to disclose changes in valuation methodologies for certain properties from year to year.
- The failure to determine the present value of the liabilities assumed for certain purchases of golf course properties.
- The failure to determine the present value of projected future income when including the income as part of his valuation.
- The failure to disclose the details of certain related party transactions.

28. These significant GAAP departures had a material impact on the financial statements and were not adequately disclosed by Mr. Trump in his SFCs.

#### **IV. Assets in the SFC's**

##### *a. Cash*

29. For the years 2013 through 2021, Donald Trump included in Cash assets on the SFCs the value of assets that Mr. Trump in partnership with Vornado (the “Vornado Partnership Interests”). Mr. Trump had only a limited interest in these assets with no control over disposition, but Mr. Trump listed these cash assets as if they were directly owned by him and under his control.

30. This practice violated GAAP standards for the presentation of cash in a personal financial statement. 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 statement.

31. The decision to include cash from the Vornado partnership as if it were Mr. Trump’s own cash in the Statements was made by Mr. McConney and Mr. Weisselberg.

32. Defendants (including Donald J. Trump, Eric Trump and Donald Trump, Jr.) were aware that distributions were at the discretion of Vornado and that Mr. Trump did not control access to these funds.

*b. Escrow*

33. For the years 2014 through 2021, Donald Trump included in Escrow assets on the SFCs the value of partnership assets in which Mr. Trump had only a limited interest with no control over disposition as if directly owned by him and under his control.

34. The escrow deposits and restricted cash listed as an asset on the Statements for 2014 to 2021 is falsely inflated by the escrow deposits and restricted cash held by Vornado Partnership Interests, because, as the Statements do not disclose, Mr. Trump does not control cash in those partnerships and thus would not control escrowed or restricted cash once any escrow or other restriction were lifted.

*c. Trump Park Ave*

35. For the years 2011 through 2021, Donald Trump valued Trump Park Ave as if it could be sold free and clear of legal restrictions that encumbered and negatively impacted the value of the property

36. Values of the unsold residential units of the Trump Park Avenue reported in the SFCs building were significantly higher than both appraised values and the internal valuations used by the Trump Organization for business planning as a result of Defendants' failure to account for the fact that 12 of the units were rent-stabilized.

37. For at least the years 2011 through 2014, Donald Trump valued unsold apartments at Trump Park Ave using the offering plan or selling prices rather than current market values of those unsold apartments.

38. For the years 2011 through 2014, Donald Trump valued unsold Penthouse apartments at Trump Park Ave that were subject to purchase options at values greater than the option price.

- Ivanka Trump’s rental agreement for a penthouse apartment (Penthouse A) in the Trump Park Avenue building included an option to purchase the unit for \$8,500,000. But in the 2011 and 2012 SFCs, this exact unit was valued at \$20,820,000 — approximately two and a half times as much. For the 2013 statement, the unit was valued at \$25,000,000 — nearly three times the option price.
- Starting in June 2014, Ivanka Trump was given an option to purchase a different, larger unit (Penthouse B) for \$14,264,000. That unit was valued at more than three times as much on the 2014 statement — at \$45 million on the 2014 statement. In that year, Ivanka Trump’s option to purchase the unit at a steep discount off of the value in the statement was included in a lease in which she was charged a rental payment substantially below the market rent for similar units in the same building. After being repeatedly told by an accountant that it was inappropriate to use the higher value rather than the option price, the Trump Organization used the \$14,264,000 value for Penthouse B in the 2015-2020 statements. Despite this correction, this figure was still inaccurate for multiple statements however, because in 2016, an amendment to the lease lowered the purchase price option for Ivanka Trump even lower to \$12,264,000.

*d. 40 Wall Street*

39. The Trump Organization owns a ground lease at 40 Wall Street, meaning it holds a leasehold interest in the land and buildings on the land, but pays rent to the owner.

40. For the years 2011 through 2021, the Trump Organization ignored the impact of ground lease terms in valuing 40 Wall Street on the SOFCs, thus inflating the value of the property as stated there.

41. In 2012 and 2013, the Trump Organization valued 40 Wall Street at \$527 million and \$530 million — more than twice the value calculated by independent, professional appraisers, who calculated a value for the property of \$220 million as of November 1, 2012 in a bank-ordered appraisal for the commercial property that the Trump Organization received. Even more egregiously, those increased valuations were attributed to information obtained from the same professional appraiser who valued the building at just over \$200 million.

42. The Trump Organization inflated valuations in the SFCs for the years 2011 through 2015 by averaging low capitalization rates, cherry-picked from generic marketing materials, to derive the rate to use for valuations of 40 Wall Street while ignoring higher rates listed for properties in the same materials that were more comparable. The Trump Organization also used a figure for net operating income of 40 Wall Street that assumed lower expenses and higher income than what was reflected in the company's financial records.

43. In 2015, the Trump Organization replaced an existing Capital One loan on the building with a loan from Ladder Capital Finance (working with Mr. Weisselberg's son, a director at Ladder). The Ladder loan was approved based in part on an inflated appraisal prepared by Cushman & Wakefield. Ultimately, the final appraisal for the loan came to a valuation of \$540 million through a number of unreasonable adjustments made by Mr. Weisselberg and other Trump Organization employees, including reducing costs and changing the assumptions concerning the ground lease.

44. Not even this increase was enough for Mr. Trump and the Trump Organization. The 2015 statement, which was compiled in June of that year, valued the building at \$735.4 million — over 35% higher than the already inflated \$540 million Cushman appraisal of that same date, which the Trump Organization had in hand.

45. For the years 2016 through 2021, the Trump Organization used an inflated price of comparable sales to inflate the value of 40 Wall Street. For the years 2019 through 2021, the Trump Organization also used an inflated square footage figure when valuing 40 Wall Street based on a price per square foot.

*e. Niketown*

46. Mr. Trump owns two ground leases that comprise a space adjoining Trump Tower. The retail space for many years was leased to Nike and is known as “Niketown.” Both leases contained rent schedules that would increase over time based on the fair market rental value of the properties.

47. On multiple occasions from 2011 to 2019, the Trump Organization provided false and misleading representations of the property’s value in Mr. Trump’s SFCs, including through the following conduct:

48. For the years 2011 through 2020, the Trump Organization ignored the impact of ground lease terms in valuing Niketown.

49. For the years 2013 through 2020, the Trump Organization used a figure for net operating income of Niketown that assumed lower expenses and higher income than what was reflected in the company's financial records.

50. For the years 2013 through 2019, the Trump Organization averaged low capitalization rates, and cherry-picked from generic marketing materials, to derive the rate to use

for valuations of Niketown while ignoring higher rates listed for properties in the same materials that were more comparable.

51. In each of the years from 2014 through 2018, the statement represented that the property's valuations were based on an evaluation done in conjunction with an outside professional, despite the fact that no outside professional was consulted.

52. The valuations from 2013 to 2018 (except for 2015) omitted key variables known to the Trump organization, including the certainty of substantially escalating rental expenses on a particular schedule, and resets in specific years in which ground rent would likely increase substantially. When the escalating scheduled rent expenses were factored into the 2020 and 2021 valuations of Niketown, despite increased revenue assumptions, the property's reported value dropped from the mid-\$400 million range to the \$225-\$250 million range.

*f. Trump Tower*

53. For the years 2011 through 2014, and the years 2016 through 2019, Donald Trump used a figure for net operating income of Trump Tower that assumed lower expenses and higher income than what was reflected in the company's financial records.

54. For the years 2011 through 2014, and the years 2016 through 2019, Donald Trump averaged low capitalization rates, cherry-picked from generic marketing materials, to derive the rate to use for valuations of Trump Tower while ignoring higher rates listed for properties in the same materials that were more comparable. These valuations used inflated NOI figures by using future income that exceeded the Trump Organization's internal budget projections and expenses that were lower than those in the company's audited financials.

55. For 2015, the Trump Organization — without disclosing the change as required by generally accepted accounting principles (GAAP) — used a different methodology, basing its valuation on the sale of a single nearby building described in the press as setting a new world

record. Doing so generated a value in 2015 that was more than \$170 million higher than the previous year's value, nearly \$250 million higher than the following year's value, and \$75 million higher than the value derived in any other year using the NOI divided by capitalization rate method.

*g. Seven Springs*

56. Mr. Trump purchased Seven Springs, a 212-acre estate in Westchester County, NY, in 1995 for \$7.5 million. His son, Eric Trump, took the lead on issues related to the property and even lived there for a time.

57. The property was valued at up to \$291 million in the Statements from 2011 to 2021 based on the contention that the property was zoned for nine mansions and that the Trump Organization had approvals to develop seven mansions that would net a \$161 million profit. However, these values were a fiction, totally unsupported by the development history of the property and contradicted by every professional valuation done on the property. The valuation of the mansions also conflicted with limits imposed by the Town of New Bedford on how the property could be developed.

58. Furthermore, for 2011-2014, the Trump Organization used an inflated price of comparable sales to inflate the value of Seven Springs. In those years, the Trump Organization also failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income of Seven Springs.

59. While using the supposed future mansions as part of the value, Eric Trump was simultaneously working to complete a conservation easement donation to receive a federal tax deduction for giving up certain development rights. This easement donation was a recognition that the Trump Organization would never be able to develop the property for anything close to a \$161 million profit.

60. In 2016, the Trump Organization received an appraisal valuing the property at \$56.5 million. The subsequent statement was changed to disguise what would have appeared as an 80% drop in value for Seven Springs by moving the property into an “other assets” bucket without being itemized and lumping its value together with Mr. Trump’s triplex apartment, which had significantly jumped in value.

61. Relatedly, in 2000, Seven Springs LLC took out an approximately \$8 million mortgage from Royal Bank America (later acquired by Bryn Mawr Bank). Donald Trump’s statements from later years were submitted to this bank on multiple occasions in connection with the Seven Springs mortgage to meet covenants under the loan and obtain a series of extensions. Despite lack of cash flow at the property, Donald Trump’s personal guaranty and supposed personal financial strength was cited by Bryn Mawr’s internal records for purposes of extending and maintaining the mortgage.

*h. Trump Triplex*

62. For the years 2012 through 2021, Donald Trump used an inflated price of comparable sales to inflate the value of the Trump Triplex.

63. For the years 2012 through 2016, Donald Trump calculated valuations of the Trump Triplex using objectively false numbers. The apartment was valued as being 30,000 square feet when it was actually 10,996 square feet.

64. 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 were sent to Mr. Weisselberg in 2012.

65. 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.

66. Mr. Weisselberg – along with Donald Trump, Jr. and Eric Trump – was on an email chain in March 2017, in which Forbes Magazine highlighted the apartment’s correct size; the email specifically alerted those Trump Organization personnel that Mr. Trump had told Forbes his apartment was approximately 33,000 square feet, but Forbes had looked at property records and concluded it was less than one third that size.

67. Despite being apprised of those specific facts, Mr. Weisselberg and Donald Trump, Jr. only days later represented to Mazars that the 2016 Statement was accurate despite incorporating the fraudulently inflated number.

68. Even when confronted with the true facts regarding Mr. Trump’s triplex, Mr. Weisselberg opted to “leave” it “alone” and within days falsely certify a financial statement contrary to those true facts.

69. Only after Forbes published an article in May 2017 entitled “Donald Trump has Been Lying About the Size of His Penthouse” did McConney, Weisselberg, and Mr. Trump stop fraudulently inflating the square footage of the Triplex when calculating the value for the Statements.

70. The Triplex was only included in a catch-all category entitled “other assets” that omitted essentially all details about its value; accordingly, no itemized value was provided, and no recipient of the Statements would have known the inputs used to generate the value.

*i. Vornado Partnership (1290 Avenue of the Americas, 555 California Street)*

71. For the years 2011 through 2021, Donald Trump included the value of partnership assets in 1290 Avenue of the Americas and 555 California Street (the “Vornado Properties”), in which Mr. Trump had only a limited interest with no control over disposition, as if directly owned

by him and under his control, without considering the nature of Mr. Trump's limited partnership interest.

72. For the years 2012, 2013 and 2016 through 2019 Donald Trump used low capitalization rates that were cherry-picked from generic marketing materials to derive the rate to use for valuations of the Vornado Properties while ignoring higher rates listed for properties in the same materials that are more comparable.

73. For the years 2017 to 2021, the Trump Organization purported to use the "stabilized net operating income" and claimed in supporting spreadsheets that the NOI figures to derive the values for the Vornado Properties came from audited financial statements. Those statements were false and misleading. In reality, the Trump Organization, at the direction of Allen Weisselberg, frequently used unaudited reports and then adjusted them to suit its own purposes by adding millions of dollars in net operating income to the figures.

74. Moreover, for all years in which the Trump Organization padded the 1290 Avenue of the Americas NOI by inclusion of millions of dollars in revenue to achieve a purportedly "stabilized" figure, combining that tactic with the selection of the lowest or near-lowest capitalization it could pull from generic reports was misleading.

75. To the extent either approach could be justified on the basis of "upside" in the property, using *both* tactics at the same time effectively double-counted such potential upside and thus was a wholly improper valuation approach. The Trump Organization either knew, or should have known, that approach was improper.

*j. Las Vegas*

76. Mr. Trump has a 50% interest in a joint venture with Philip Ruffin in a hotel condominium tower (the Trump International Hotel and Tower) in Las Vegas, Nevada. Prior to 2013, the statements omitted Mr. Trump's 50% interest in the property because, for tax purposes,

Mr. Trump asserted that the property had no value. Mr. Trump repeatedly submitted lower property valuation estimates to Nevada tax authorities and higher property valuations on his statements. For example, in 2015, the Trump Organization submitted a \$24,950,000 valuation to contest taxes being levied by Nevada tax authorities. That same year, his statement showed the property valued at \$107,732,646 — a value the Trump Organization reached using fraudulent methods.

77. The Trump Organization’s fraudulent methods included, for the years 2013 through 2021, failing to conduct a discounted cash flow analysis to derive the present value for anticipated future income of the Las Vegas property.

78. Additionally, in 2017 and 2018, the Trump Organization valued unsold apartments at Trump International Hotel Las Vegas using offering plan or asking prices rather than current market value

*k. Golf and Social Clubs*

79. Mr. Trump did not itemize the value of each of his golf and social clubs on his statements but instead presented their value as a single aggregated line item. The “clubs” category included at least twelve clubs and represents the single largest itemized asset on the statement each year. Mr. Trump used a number of deceptive techniques in determining the value of the clubs:

80. **Fixed Assets Scheme:** This tactic valued the clubs based on fixed assets without factoring in any depreciation. This is contrary to industry custom and practice for an ongoing business, which typically values these types of properties using an income-based approach.

81. **Unsold Membership Scheme:** This tactic artificially increased the properties’ value by claiming unsold memberships were considerably more expensive than what they actually cost and claiming that their purchase was considerably more common than they actually were.

82. **Membership Deposit Scheme:** This tactic treated the value of membership deposit liability as part of the purchase price of a club despite representing at the same time that Mr.

Trump's liability for those deposits was zero. This tactic artificially increased the cost, and value, of clubs purchased by the Trump Organization.

83. **Brand Premium Scheme:** The Trump Organization added a premium to inflate the value of golf courses and clubs, often up to 30% for the "Trump Brand," but expressly claimed that brand premiums were not included. Including an intangible asset, such as a brand premium, is prohibited by GAAP.

84. In addition, Plaintiff's expert analysis has identified significant discrepancies between the valuation methods employed by Defendants when valuing golf and club properties on Mr. Trump's SOFCs and generally accepted valuation methodologies used by buyers and sellers of such properties.

85. Specifically, in addition to the schemes listed above, Defendants improperly failed to support their valuations with comparable market data; used inappropriate valuation methodologies that would not be used by an informed, willing buyer in the marketplace; failed to acknowledge deferred maintenance or age of club infrastructure or components; ignored deed and easement restrictions; ignored the impact of leasehold values (which are likely to be significantly lower than fee simple values); and ignored contemporaneous appraisals that valued the same properties at much lower values.

86. Defendants also failed to use valuation methodologies accepted in the golf and club marketplace, including the application of a market-based capitalization rate to net operating income for profitable courses and clubs (the Overall Rate or "OAR" method) and the application of a Gross Income Multiplier (or "GIM") to income for properties with a negative cash flow.

87. The impact of these schemes on the inflated valuation of specific golf and social clubs is described below.

*l. Mar-a-Lago*

88. For the years 2011 through 2021, Donald Trump valued Mar-a-Lago without consideration for legal restrictions, namely a 1995 Conservation Deed and a 2002 Deed of Development Rights, that negatively impacted the market value of the property.

89. Mar-a-Lago was valued as high as \$739 million in the SFCs based on the false premise that it was unrestricted property despite the 1995 and 2002 deeds donating his residential development rights, sharply restricting changes to the property, and limiting the permissible use of the property to a social club.

90. For the years 2011 through 2021, Donald Trump used sales of properties that were not comparable to inflate valuations of Mar-a-Lago, as if it were an unrestricted home to be “sold to an individual,” rather than the heavily encumbered historical landmark restricted to club usage that it was. This valuation method additionally was improperly based on the premise that Mar-a-Lago is a large, unrestricted residential plot of land that could be valued on a per-acre basis and sold off in that fashion, as if it could be subdivided into much smaller lots.

91. For the years 2011 and 2012, Donald Trump used asking prices instead of sale prices or current market value for comparable properties to inflate valuations of Mar-a-Lago.

92. For the years 2011 through 2015, Donald Trump increased the value of Mar-a-Lago by adding a 30% club-based premium to the final result, despite otherwise purporting to value the property as a home to be sold to one individual.

*m. Aberdeen*

93. The valuation of Trump International Golf Links Scotland (Aberdeen) assumed 2,500 homes could be developed when the Trump Organization had obtained zoning approval to develop less than 1,500 cottages and apartments, many of which were expressly identified as being only for short-term rental. The \$267 million value attributed to those 2,500 homes accounted for

more than 80% of the total \$327 million valuation for Aberdeen on the 2014 statement. Thus, for the years 2014 through 2021 Donald Trump valued Trump Aberdeen without consideration for legal restrictions that negatively impacted the market value of the property.

94. Other schemes used by the Trump Organization to inflate the values of Aberdeen included:

95. For the years 2011 through 2021, using a fixed assets approach to value the Aberdeen club rather than acceptable approaches using income or comparable sales.

96. For the years 2011 through 2018, failing to conduct a discounted cash flow analysis to derive the present value for anticipated future income at Trump Aberdeen.

97. For the years 2014 through 2018, using sales of properties that were not comparable in order to inflate the valuation of Trump Aberdeen.

*n. Trump Turnberry*

98. Trump International Golf Links Scotland (Turnberry) was purchased in 2014 for approximately \$60 million, and had its first full year of operations in 2017. From 2017 through 2021, the Trump Organization employed the fixed-assets scheme to value the club and did not factor in any depreciation of the assets, deriving values ranging between \$123 million to \$126.8 million.

99. In the 2021 statement, for the first time, the Trump Organization included an estimated depreciation from 2015 to 2021 of \$16,309,538, which was an implicit acknowledgement that ignoring depreciation in prior years was improper. Since opening in 2017, the golf course has operated at a loss each year. Therefore, using a valuation for the golf course based on the fixed asset scheme is false and misleading and the golf course should have been valued at a much lower figure.

*o. TNGC: Jupiter*

100. Mr. Trump purchased Trump National Golf Club Jupiter in Florida for \$5 million. Less than a year later, Mr. Trump valued the same property at \$62 million on his 2013 statement, a markup of 1,100%. For every year from 2013 to 2020, much of the value attributed to Jupiter was fraudulently inflated.

101. The bulk of the fraudulent value was based on the membership deposit scheme, using an inflated purchase price from the purported assumption of “refundable” membership liabilities. Mr. Trump claimed to have paid \$46 million for the club, consisting of \$5 million in cash he actually paid and \$41 million in assumed membership liabilities. In the statements, Mr. Trump did not disclose the inclusion of those inflated liabilities in the price of the club and in fact took the opposite position that his potential liability for those membership deposits was zero.

102. Additionally, the Trump Organization overstated the value of this golf course by adding an additional 30% for the Trump brand in 2013 and 2014 and 15% from 2015 through 2020 – even though the statements disclaimed that any of the valuations included a brand premium.

103. Additionally, for the years 2013 through 2020, Donald Trump using a fixed-assets approach to value the Jupiter golf club rather than acceptable approaches using income or comparable sales.

*p. TNGC: Briarcliff*

104. The SOFC valuation of Trump National Golf Club Westchester, Briarcliff Manor in New York anticipated income from inflated membership initiation fees, using the unsold membership scheme. For example, the valuation for 2011 assumed new members would pay an initiation fee of nearly \$200,000 for each of the 67 unsold memberships, even though many new members in that year paid no initiation fee at all and no new member in the prior year paid an initiation fee of more than \$50,000. In some instances, Mr. Trump specifically directed employees to reduce or eliminate the initiation fees to boost membership numbers.

105. Mr. Trump also utilized the fixed-asset scheme on this property, ignoring an appraisal that showed the true value of the property to be much lower. For the years 2012 through 2021, the Trump Organization using a fixed-assets approach to value the LA golf club rather than acceptable approaches using income or comparable sales.

106. For the years 2011 through 2021, Donald Trump failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income for the Briarcliff golf club.

107. For the years 2013 through 2020, Donald Trump used sales of properties that were not comparable to inflate valuations of the Briarcliff golf club.

*q. TNGC: LA*

108. The Trump Organization falsely inflated the value of Trump National Golf Club Los Angeles, Rancho Palos Verdes, California — consisting of a residential development and a golf club — by inflating the value for a substantial number of potential lots for sale in the areas around the golf course.

109. In addition, the Trump Organization used other schemes including:

110. For the years 2013 through 2021, the Trump Organization used a fixed-assets approach to value the LA golf club rather than acceptable approaches using income or comparable sales.

111. For the years 2011 through 2021, the Trump Organization failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income for the LA golf club.

112. Starting in 2013 to 2020, the Trump Organization applied an undisclosed 30% brand premium that inflated the value of the golf club. The brand premium scheme created an almost \$50 million increase in the valuation of the golf club in the 2013 statement.

113. Additionally, the Trump Organization donated over 16 lots comprising the club's driving range and putting green as a conservation easement, which would preclude any development, but leave the driving range and putting green available to golfers. The donation's \$25 million value was reached through tactics that fraudulently manipulated the valuation, including ignoring a report prepared by an engineer to assess the costs of developing the lot; failing to account for cost savings from a nearly \$1 million obligation the Trump Organization avoided by not having to develop affordable housing units on the lot; and cutting by one-third the value to the golf course of leaving the driving range available to golfers.

*r. TNGC: Colts Neck*

114. Mr. Trump utilized the fixed-asset, membership deposit, and brand premium schemes to inflate the value of Trump National Golf Course Colts Neck, Colts Neck, New Jersey.

115. The unsold memberships at this property were priced several times greater than what they actually cost to procure. Specifically for the membership deposits, despite advising recipients of the statements that these were worthless liabilities, the Trump Organization included their full face value (\$11.7 million) to inflate the purchase price of the club to approximately \$40 million from 2012 to 2020.

116. In addition for the years 2013 through 2020, Donald Trump increased the value of the Colts Neck golf club by a fixed percentage to account for Trump brand value.

117. For the years 2012 through 2020, Donald Trump using a fixed-assets approach to value the Colts Neck golf club rather than acceptable approaches using income or comparable sales.

118. For the years 2011 through 2020, Donald Trump inflated the purchase price of the Colts Neck golf club by including the amount of membership deposit liability despite representing the liability was worth zero.

119. In 2011, Donald Trump failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income at Colts Neck.

120. In 2021, the Trump Organization switched its method of valuation based on the advice of an outside golf consultant they had previously ignored. The resulting valuation of \$27.5 million was about half of the valuation from 2020 of \$55.1 million. Simply put, when following appropriate accounting practices, after thirteen years of ownership and capital expenditures by Donald Trump, Colts Neck was worth less than the original \$28 million purchase paid in 2008.

*s. TNGC: Philadelphia*

121. The Trump Organization employed the unsold membership, membership deposit, and fixed-asset schemes at Trump National Golf Course Philadelphia, Pine Hill, New Jersey.

122. For example, the initiation fee in 2010 was \$10,000, but in 2011 the company valued unsold memberships at prices ranging between \$15,000 to \$25,000. Likewise, in 2012 the unsold memberships were valued at prices ranging between \$15,000 to \$35,000, even though most initiation fees were waived for new members from 2010 to 2013. The Trump Organization also included the full face value of refundable membership deposits of \$953,237 as part of the reported purchase price despite declaring in the statements that liability for the membership deposits was zero dollars.

123. Additionally, for the years 2013 through 2020, Donald Trump increased the value of the Philadelphia golf club by a fixed percentage to account for Trump brand value.

124. For the years 2011 through 2021, Donald Trump using a fixed-assets approach to value the Philadelphia golf club rather than acceptable approaches using income or comparable sales.

125. For the years 2011 through 2021, Donald Trump ignored the impact of ground lease terms in valuing the Philadelphia golf club.

126. In 2011, Donald Trump failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income at the Philadelphia golf club.

*t. TNGC: DC*

127. The Trump Organization utilized the fixed-asset, membership deposit, brand premium schemes at Trump National Golf Course DC, located in Sterling, Virginia.

128. As an example, in 2011 and 2012, the cost of a full individual golf membership was \$25,000 and a corporate membership was \$125,000. However, the company valued nearly all of the unsold memberships well above those prices— between \$75,000 and \$225,000—without any discounted cash flow analysis.

129. Additionally, the Trump Organization arbitrarily added a brand premium (15% or 30% depending on the year) despite asserting in the statements that no brand premium was included. In 2021, when the club switched to using a combination of fixed assets and income, the valuation fell by \$17 million from the 2020 figure.

130. In addition, for the years 2013 through 2020, Donald Trump using a fixed-assets approach to value the DC golf club rather than acceptable approaches using income or comparable sales. And for the years 2013 through 2020, Donald Trump inflated the purchase price of the DC golf club by including the amount of membership deposit liability despite representing the liability was worth zero.

*u. TNGC: Charlotte*

131. The Trump Organization utilized the unsold membership, membership deposit, and brand premium schemes on Trump National Golf Course Charlotte, Mooresville, North Carolina.

132. Specific fraudulent methods use to inflate valuation of this club included:

133. For 2012, the Trump Organization failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income at the Charlotte golf club

134. For 2012, the Trump Organization valued unsold Charlotte golf club memberships at inflated prices that conflicted with what was actually being charged.

135. For the years 2012 through 2020, the Trump Organization used a fixed-assets approach to value the Charlotte golf club rather than acceptable approaches using income or comparable sales.

136. From 2013 to 2020, the Trump Organization also added a brand premium of either 30% or 15% (depending on the year) to fixed assets.

137. From 2013-2020, the Trump Organization added the value of refundable membership deposits (\$4,080,550) to the property's purchase price.

138. For the years 2012 through 2020, the Trump Organization inflated the purchase price of the Charlotte golf club by including the amount of membership deposit liability despite representing the liability was worth zero.

*v. TNGC: Hudson Valley*

139. At Trump National Golf Course Hudson Valley, Hopewell Junction, New York, the Trump Organization employed the fixed-asset, unsold membership, membership deposit, and brand premium schemes.

140. As an example, in 2010, the club's initiation fee was \$10,000 and most fees were waived for new members, yet the Trump Organization valued over 80% of the unsold memberships at prices ranging between \$15,000 to \$25,000.

141. The Trump Organization included the full face value of refundable membership deposits of \$1,235,619 into the purchase price of the club, despite declaring in the statements that liability for the membership deposits was zero dollars. For the years 2011 through 2020, the Trump Organization inflated the purchase price of the Hudson Valley golf club by including the amount of membership deposit liability despite representing the liability was worth zero.

142. In addition, for the years 2011 through 2021, the Trump Organization ignored the impact of ground lease terms in valuing the Hudson Valley golf club.

143. For the years 2011 through 2020, the Trump Organization used a fixed-assets approach to value the Hudson Valley golf club rather than acceptable approaches using income or comparable sales.

144. For the years 2011 and 2012, the Trump Organization failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income at the Hudson Valley golf club.

145. From 2013 to 2020, the Trump Organization employed the brand premium scheme, even though the statements claimed that brand premiums were not included. As with other clubs, in 2021, once the property was valued using a combination of fixed assets and income, the club valuation fell by almost \$4 million from the 2020 figure.

*w. Licensing and Development Fees*

146. For the years 2011 through 2018, Donald Trump failed to conduct a discounted cash flow analysis to derive the present value for anticipated future income for Licensing Development Fees.

147. For the years 2013 through 2021, Donald Trump included fees from related party transactions between Trump Organization affiliates as if they were transactions with outside entities negotiated at arms-length.

148. For the years 2015 through 2018, Donald Trump included income from speculative future deals labeled “to be determined” despite representing only signed deals are included in the value.

**V. The SFCs**

149. The 2011 SFC overstated Mr. Trump's assets by at least \$998 million (23% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

150. The 2012 SFC overstated Mr. Trump's assets by at least \$1.55 billion (34% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

151. The 2013 SFC overstated Mr. Trump's assets by at least 1.82 billion (38% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

152. The 2014 SFC overstated Mr. Trump's assets by at least \$2.22 billion (38% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

153. The 2015 SFC overstated Mr. Trump's assets by at least \$1.7 billion (28% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

154. The 2016 SFC overstated Mr. Trump's assets by at least \$1.55 billion (26% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

155. The 2017 SFC overstated Mr. Trump's assets by at least \$1.1 billion (18% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

156. The 2018 SFC overstated Mr. Trump's assets by at least \$1.9 billion (31% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

157. The 2019 SFC overstated Mr. Trump's assets by at least \$1.78 billion (29% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

158. The 2020 SFC overstated Mr. Trump's assets by at least \$818 million (17% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

159. The 2021 SFC overstated Mr. Trump's assets by at least \$1 billion (23% of the stated net worth) and, accordingly, was false and misleading with the capacity to deceive.

## **VI. The Fraudulent Transactions**

*a. Doral Loan*

160. Donald Trump falsely certified to Deutsche Bank the accuracy of the 2014 SFC on November 11, 2014, for the benefit of Trump Endeavor 12 LLC.

161. Donald Trump falsely certified to Deutsche Bank the accuracy of the 2015 SFC on May 10, 2016, for the benefit of Trump Endeavor 12 LLC.

162. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2016 SFC on March 13, 2017, for the benefit of Trump Endeavor 12 LLC.

163. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2017 SFC on October 13, 2017, for the benefit of Trump Endeavor 12 LLC.

164. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2018 SFC on October 25, 2018, for the benefit of Trump Endeavor 12 LLC.

165. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2019 SFC on October 31, 2019, for the benefit of Trump Endeavor 12 LLC.

166. Donald Trump, by Eric Trump acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2021 SFC on October 28, 2021, for the benefit of Trump Endeavor 12 LLC.

*b. Chicago Loan*

167. Donald Trump falsely certified to Deutsche Bank the accuracy of the 2015 SFC on May 10, 2016, for the benefit of 401 North Wabash Venture LLC.

168. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2018 SFC on October 25, 2018, for the benefit of 401 North Wabash Venture LLC.

169. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2019 SFC on October 31, 2019, for the benefit of 401 North Wabash Venture LLC.

170. Donald Trump, by Eric Trump acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2021 SFC on October 28, 2021, for the benefit of 401 North Wabash Venture LLC.

*c. OPO Loan*

171. Trump Old Post Office LLC closed on the loan with Deutsche Bank on August 12, 2014, falsely certifying to the bank at closing the accuracy of the 2011, 2012, and 2013 SFCs.

172. Donald Trump falsely certified to Deutsche Bank the accuracy of the 2015 SFC on May 10, 2016, for the benefit of Trump Old Post Office LLC.

173. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2016 SFC on March 13, 2017, for the benefit of Trump Old Post Office LLC.

174. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2017 SFC on October 13, 2017, for the benefit of Trump Old Post Office LLC.

175. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2018 SFC on October 25, 2018, for the benefit of Trump Old Post Office LLC.

176. Donald Trump, by Donald Trump, Jr. acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2019 SFC on October 31, 2019, for the benefit of Trump Old Post Office LLC.

177. Donald Trump, by Eric Trump acting as his attorney in fact, falsely certified to Deutsche Bank the accuracy of the 2021 SFC on October 28, 2021, for the benefit of Trump Old Post Office LLC.

*d. 40 Wall Street Loan*

178. Donald Trump executed the Guarantee on the refinancing loan with Ladder Capital on July 2, 2015, falsely certifying to the bank the accuracy of the 2014 SFC, for the benefit of 40 Wall Street LLC.

179. 40 Wall Street LLC closed on the refinancing loan with Ladder Capital in November 2015, falsely certifying to the bank at closing the accuracy of the 2014 SFC.

180. Allen Weisselberg, as trustee of the Trust, falsely certified to the servicing bank Wells Fargo the accuracy of Donald Trump's Summary of Net Worth based on the 2016 SFC on July 11, 2017, for the benefit of 40 Wall Street LLC.

181. Allen Weisselberg, as trustee of the Trust, falsely certified to the servicing bank Wells Fargo the accuracy of Donald Trump's Summary of Net Worth based on the 2017 SFC on November 7, 2017, for the benefit of 40 Wall Street LLC.

182. Allen Weisselberg, as trustee of the Trust, falsely certified to the servicing bank Wells Fargo the accuracy of Donald Trump's Summary of Net Worth based on the 2018 SFC on October 25, 2018, for the benefit of 40 Wall Street LLC.

183. Allen Weisselberg, as trustee of the Trust, falsely certified to the servicing bank Wells Fargo the accuracy of Donald Trump's Summary of Net Worth based on the 2019 SFC on November 11, 2018, for the benefit of 40 Wall Street LLC.

*e. Seven Springs Mortgage*

184. Donald Trump, as President of the Seven Springs LLC member companies, executed a loan modification agreement with Bryn Mawr Trust Company restating and reaffirming the accuracy of all previously-submitted loan documents, including the 2013 SFC, on July 28, 2014.

185. Jeffrey McConney submitted to Bryn Mawr Trust Company the 2015 SFC pursuant to the promissory note under the mortgage on December 15, 2016, for the benefit of Seven Springs LLC.

186. Jeffrey McConney submitted to Bryn Mawr Trust Company the 2016 SFC pursuant to the promissory note under the mortgage on March 16, 2017, for the benefit of Seven Springs LLC.

187. Eric Trump, as President of Seven Springs LLC, executed a loan modification agreement with Bryn Mawr Trust Company restating and reaffirming the accuracy of all previously-submitted loan documents, including the SFCs, on July 9, 2019, for the benefit of Seven Springs LLC.

*f. 2019 Surety Program Renewal*

188. Allen Weisselberg submitted to Zurich the 2018 SFC during the renewal meeting on November 20, 2018, for the benefit of the named insureds on the expiring policy (including all the entity Defendants), representing to Zurich's underwriter that the asset values were determined by professional appraisers and the values did not vary significantly year over year.

189. Allen Weisselberg submitted to Zurich the 2019 SFC during the renewal meeting on January 15, 2020, for the benefit of the named insureds on the expiring policy (including all the entity Defendants), misrepresenting to Zurich's underwriter that the asset values were determined by professional appraisers and the values did not vary significantly year over year.

*g. 2019 Directors & Officers Insurance Program Renewal*

190. Allen Weisselberg submitted to HCC and other insurers the 2015 SFC during the renewal meeting on January 10, 2017, for the benefit of the named insureds on the expiring policy (including all the Defendants), misrepresenting to the underwriters that there was no material litigation or inquiry from anyone that could potentially lead to a claim under the coverage.

*h. Ferry Point*

191. The Trump Organization, through Allen Weisselberg, submitted an offer to the City of New York (the “City”) for a concession to operate, maintain, and manage an 18-hole golf course and related facilities at Ferry Point Park, Bronx, NY; the bid enclosed a letter from Weiser LLP (Mazars’ predecessor) incorporating Mr. Trump’s Statement of Financial Condition, referencing his net worth and cash position. A similar December 2011 letter was also submitted to the City.

192. The award granting the Trump Organization the concession cites Mr. Trump’s wealth as one basis for award, and the contract documents include a personal guaranty by Mr. Trump. The guaranty stated that the full 2010 Statement of Financial Condition had been furnished to the City.

193. After 2012, when the Trump Organization won the contract, it was required (as part of Mr. Trump’s personal guaranty on the contract) to represent periodically that there had been no material change in Mr. Trump’s financial position. It did so by letters from Mazars that were expressly based on the then-most-recent Statement of Financial Condition.

194. The Trump Organization submitted “no material change letters” to the City in 2010, 2011, 2013, 2016, 2017, 2018, and 2021.

*i. Buffalo Bills*

195. In connection with a bid by Donald Trump and the Trump Organization to purchase the Buffalo Bills football team, in July 2014, Jeff McConney certified to Deutsche Bank as to Mr.

Trump's liquidity as of June 30, 2014, and that there had been "no material decrease" from the 2013 Statement of Financial Condition figures previously certified by Mr. Trump.

196. This certification was made in order to induce Deutsche Bank to issue a "confidence letter" in support of the bid, and Deutsche Bank did issue such a letter.

197. Although Mr. Trump's 2013 Statement of Financial Condition reported a net worth of approximately \$5.1 billion, Mr. Trump sent a separate letter, under his own signature, using an even higher figure in an effort to win the bidding: "I have a net worth in excess of Eight Billion Dollars (financial statements to be provided upon request) . . . ."

## **VII. Each Defendant's Involvement In The Fraudulent Transactions**

198. Donald Trump was responsible for the 2015 SFC issued on March 18, 2016 and certified to Deutsche Bank the accuracy of the SFCs for 2015 through 2019 and 2021, either directly or through his attorney in fact, for the Doral, Chicago, and OPO loans.

199. Donald Trump, Jr., in his capacity as trustee of the Trust, was responsible for issuing the SFCs from 2016 through 2021 and certified to Deutsche Bank the accuracy of the SFCs for 2016 through 2019 as Donald Trump's attorney in fact for the Doral, Chicago, and OPO loan.

200. Eric Trump participated in the preparation of the value for TNGC Briarcliff for the SFCs for 2015 to 2018, certified to Deutsche Bank the accuracy of the 2021 SFC as Donald Trump's attorney in fact for the Doral, Chicago, and OPO loans, and on July 9, 2019 executed a loan modification agreement with Bryn Mawr Trust Company restating and reaffirming the accuracy of all previously-submitted loan documents, including SFCs.

201. Allen Weisselberg prepared the SFCs from at least 2015 to 2021, and in his capacity as trustee of the Trust, was responsible for issuing the SFCs from 2016 through 2021 and certified

to the servicing bank Wells Fargo the accuracy of Donald Trump's Summary of Net Worth based on the SFCs for 2016 through 2019 for the 40 Wall Street loan.

202. Jeffrey McConney prepared the SFCs from at least 2015 to 2021 and submitted the SFCs for 2015 and 2016 to Bryn Mawr Trust Company pursuant to the promissory note under the Seven Springs mortgage.

203. The Trust was responsible for issuing the SFCs from 2016 to 2021 and did so through acts of its trustees, Allen Weisselberg and Donald Trump, Jr.

204. Trump Endeavor 12 LLC submitted and certified to Deutsche Bank the accuracy of the SFCs from 2014 to 2019 and for 2021 through the acts of Donald Trump and his attorneys in fact, Donald Trump, Jr. and Eric Trump.

205. 401 North Wabash Venture LLC submitted and certified to Deutsche Bank the accuracy of the SFCs for 2015 and from 2018 to 2021 through the acts of Donald Trump and his attorneys in fact, Donald Trump, Jr. and Eric Trump.

206. Trump Old Post Office LLC submitted and certified to Deutsche Bank the accuracy of the SFCs for 2011 to 2013 at closing and the SFCs for 2015 to 2019 and for 2021 through the acts of Donald Trump and his attorneys in fact, Donald Trump, Jr. and Eric Trump.

207. 40 Wall Street LLC submitted and certified to Ladder Capital the accuracy of the 2014 SFC at closing and certified to the servicing bank Wells Fargo the accuracy of Donald Trump's Summary of Net Worth based on the SFCs for 2016 through 2019 through the acts of Allen Weisselberg, as trustee of the Trust, acting on its behalf.

208. Seven Springs LLC submitted and certified to Bryn Mawr Trust Company the accuracy of the 2013 SFC through a loan modification executed by Donald Trump as President of its member companies on July 28, 2014, submitted to Bryn Mawr Trust Company the SFCs for

2015 and 2016 through the acts of Jeffrey McConney, acting on its behalf, and certified to Bryn Mawr Trust Company the accuracy of all previously-submitted SFCs through a loan modification executed by Eric Trump as its President on July 9, 2019.

209. The remaining entity Defendants participated in the transactions described above through the acts of the individual Defendants, who at all relevant times were executive officers and in the case of Mr. Trump, the beneficial owner, of these companies and acted on their behalf and for their benefit.

### **VIII. Facts Demonstrating Defendants' Conspiracy**

210. Defendants' acts and practices, such as making or causing to be made false entries in the business records of an enterprise, reflect the existence of an agreement to falsify the Statements of Financial Condition, supporting data spreadsheets, and other business records with requisite intent for that conduct to violate the Penal Law.

211. Defendants' acts and practices, such as making or causing to be made materially inaccurate written instruments purporting to describe Donald Trump's financial condition, reflect the existence of an agreement to issue false financial statements as defined under the New York Penal Law.

212. At least one of the Defendant co-conspirators engaged in an overt act in furtherance of the conspiracy. Those acts included entering or causing to be entered false entries in the business records of an enterprise, or knowingly omitting to make true entries in those business records, or using the Statements of Financial Condition for purposes of obtaining financial benefits. Additionally at least one of the Defendant co-conspirators engaged in an overt act preparing the Statements, certifying the Statements' accuracy, signing letters necessary to the Statements'

issuances, preparing supporting information, contributing supporting information, or conveying such information to third parties, in furtherance of the agreement.

- That for the years 2011 and 2014, regular meetings were held between Defendants Donald J. Trump and Allen Weisselberg, with Michael Cohen, for the purpose of inflating the valuations of the SFCs for those years.
- That Defendant Allen Weisselberg instructed, on at least one occasion, Patrick Birney that Donald J. Trump wanted valuations of assets reported on the SFCs to be higher than initial drafts.
- That Defendant Jeff McConney and Patrick Birney compiled the supporting data spreadsheets for the SFCs, including false entries or omitting true entries, under the direction and instruction of Allen Weisselberg,
- For each representation letter submitted to the Compiling Accountant for each year's SFC engagement, Allen Weisselberg (for the years 2011 through 2016) and Donald Trump Jr. (for 2016 through 2021) represented that they were providing truthful information to the Compiling Accountant.
- For each year between 2011 and 2021, Jeff McConney, Allen Weisselberg and Patrick Birney disputed valuations with Forbes reporters to push the latter to report a higher net worth for Donald J. Trump.
- At least one of the Defendant co-conspirators engaged in an overt act, such as preparing the Statements, certifying the Statements' accuracy, signing letters necessary to the Statements' issuances, preparing supporting information, contributing supporting information, or conveying such information to third parties, in furtherance of the agreement.

- Overt acts in furtherance of the conspiracy occurred as late as 2019, 2020, 2021, and 2022.

#### **IX. False Business Records**

213. Defendants, through conduct including using false figures to value properties, making claims that liquid assets belonged to Mr. Trump when they did not, including in the SFCs false verbiage about how underlying valuations were prepared, and generating SFCs and supporting documents that omit true facts, made or caused to be made false entries and/or made or caused to be made the omission of true entries in the business records of an enterprise.

214. Defendants undertook the acts and omissions described above with the intent of issuing a false financial statement under Penal Law § 175.45 and commit insurance fraud violations.

215. Defendants' conduct in this regard was "repeated" in the sense that it occurred multiple times and affected more than one person.

216. Defendants' conduct in this regard was "persistent" because it continued and was carried on over the course of several years.

#### **X. Issuance of False Financial Statements**

217. Defendants, through their conduct, have, with intent to defraud, knowingly made or uttered materially inaccurate written instruments purporting to describe Donald Trump's financial condition.

218. Defendants' conduct in this regard was "repeated" in the sense that it occurred multiple times and affected more than one person.

219. Defendants' conduct in this regard was "persistent" because it continued and was carried on over the course of several years.

220. With respect to Defendants that are not natural persons, they are liable for the additional reasons that the unlawful issuance of a false financial statement was committed by one or more of their high managerial agents acting within the scope of the agent's employment.

## **XI. The Scope of Disgorgement**

### *a. Lost Interest*

221. It is unlikely that Deutsche Bank's Private Wealth Management would have made loans to Mr. Trump had DB discovered the SFCs were misstated and materially misrepresented.

222. When Deutsche Bank approved the loans to the Trump Organization based on the false and misleading SFCs, the loans were mispriced as the bank was taking on more risk than agreed and receiving less interest than warranted by the actual risk profile of the transaction. Thus, Mr. Trump and/or the Trump Organization paid less interest on the loans as a result of the mispriced risk interest rate.

223. Deutsche Bank followed appropriate underwriting guidelines but was nevertheless deceived by the Trump Organization.

224. To calculate the improper gain obtained by the Trump Organization and the loss to the banks, it is appropriate to look at the proposed prices and fees offered by DB Commercial Real Estate ("CRE") in the case of Doral, Trump Chicago and OPO and at contemporaneous indications of market pricing to both confirm DB CRE's pricing and to evaluate the improper gain on the 40 Wall and Seven Springs loans. The differentials are appropriate because they serve as contemporaneous evidence of the actual benefit Mr. Trump received and the banks suffered. One can take the specific interest rate differential for each loan and run the years they were outstanding. The result is the grand total of lost interest Mr. Trump and the Trump Organization should have

paid the banks and lenders for taking the Credit Risk they actually incurred. This grand total, based on contemporaneous documentation, represents an approximation of the market benefit Mr. Trump and the Trump Organization obtained by means of the use of the Statements. In sum it is over \$187 million.

225. Each of these loans also included a default rate that could take effect if an Event of Default occurred. The Deutsche Bank loan documents defined an Event of Default 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.” The additional interest that could be charged for each loan due to an Event of Default was 4% above the existing rate.

*b. Proceeds from Sale of OPO*

226. On or about May 11, 2022 the Trump Organization sold the OPO property for \$375 million. Of those proceeds, \$170 million were used to repay the loan to Deutsche Bank.

227. The balance of the proceeds from the OPO sale were ill-gotten gains that the Trump Organization would not have received but for their use of the false and misleading SFCs

*c. Proceeds from Ferry Point Transaction*

228. Based on Ferry Point financial statements Bally Casino’s paid the Trump Organization a one-time fee of \$10 million in 2022 for the right to negotiate a sales transaction for the leasehold rights to the Golf Course.

229. On June 26, 2023 the Trump Organization executed a sale agreement assigning its lease of the Ferry Point Golf Course to Bally’s Casino in exchange for \$50 million.

230. In a side letter to the sale agreement, Bally's and the Trump Organization have also agreed that should Bally's obtain an extension on the Ferry Point lease from the City before the lease term ends, Bally's will pay the Trump Organization an additional \$10 million.

231. The side letter also states that if Bally's is successful in obtaining an NYS gaming license to develop a casino at Ferry Point, Bally's will pay the Trump Organization an additional \$115 million.

232. The Trump Organization would not have realized the benefits of any of these transactions with Bally's but for their use of the false and misleading financial statements in conjunction with the Ferry Point transaction and the false and misleading "No Material Change" letters submitted to the City of New York on a regular basis.