

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF KINGS

ISHMAIL DIMSON, MIGUEL RODRIGUEZ, EDWARD CROSS, LAURANE YEARWOOD, MARY ALSTON, PATRICIA NELSON, STEVEN CHERNOFF, NANCY DELIA-SMITH, TAISHA INESTI, ELAINE WILSON, ARTHUR SCHWARTZ, BETSY MUNOZ-BERMUDEZ, JOANN SINDONE, CAROL VACCA, LEONIE GREEN, MYRTLE SMITH, NANCY VASQUEZ, KATHLEEN BADYNA, DEREK MCKISSICK and HORACE VINCENT, on behalf of themselves and all others similarly situated,

Plaintiffs,

-against-

DONALD J. TRUMP and MARYANNE TRUMP BARRY, the Co-Executors of the Estate of FRED C. TRUMP, deceased, in their capacity as Co-Executors, and individually, SHAWN HUGHES, the Executor of the Estate of ROBERT S. TRUMP, deceased, in his capacity as Executor, ELIZABETH TRUMP GRAU, JOAN WALTER, the Executrix of the Estate of JOHN W. WALTER, deceased, in her capacity as Executor, E. TRUMP & SON COMPANY, TRUMP ORGANIZATION INC., TRUMP ORGANIZATION LLC, BEACH HAVEN APTS. NO. 1, INC., SHORE HAVEN APTS. NO. 1, INC., SUSSEX HALL, INC., TRUMP VILLAGE CONSTRUCTION CORP., WEXFORD HALL, INC., ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP., MIDLAND ASSOCIATES LLC, TRUMP MANAGEMENT INC., APARTMENT MANAGEMENT ASSOCIATES INC., JACK MITNICK, SPAHR LACHER & SPERBER, INC., SPAHR LACHER & SPERBER L.L.P., MAZARS USA LLP, CAMMEBY'S REALTY CORP., ARGYLE APARTMENTS LLC, BEACH HAVEN APARTMENTS ASSOCIATES LLC, BEACH HAVEN GROUP LLC, BRIAR WYCK APARTMENTS LLC, EDGERTON APARTMENTS DEL LLC, FALCON APARTMENTS DEL LLC, FONTAINEBLEAU TOWERS DEL LLC, GREEN PARK ESSEX APARTMENTS DEL LLC, GREEN PARK SUSSEX APARTMENTS DEL LLC, GRYMES HILL APARTMENTS DEL LLC, KENDALL APARTMENTS DEL LLC, LAWRENCE GARDENS APARTMENTS DEL LLC, LAWRENCE TOWERS DEL LLC, NAUTILUS APARTMENTS DEL LLC, SHORE HAVEN APARTMENTS DEL LLC, SOUTHAMPTON APARTMENTS DEL LLC, SUSSEX APARTMENTS ASSOCIATES DEL LLC, STATEN ISLAND 18 ACRES LLC, TRUMP VILLAGE APARTMENTS ONE OWNER LLC, TRUMP VILLAGE APARTMENTS TWO OWNER LLC, TYSENS APARTMENTS LLC, WESTMINSTER APARTMENTS LLC, WEXFORD APARTMENTS DEL LLC, WILSHIRE APARTMENTS DEL LLC, WINSTON APARTMENTS DEL LLC, APARTMENT MANAGEMENT ASSOCIATES LLC, PARKOFF OPERATING CORP., BELCREST PARK ASSETS LLC, CHELSEA PARK ASSETS LLC, FIESTA PARK ASSETS LLC, D.S.J. REALTY, L.L.C., ATLANTIC MANAGEMENT CO. INC., JOHN or JANE DOE 1-100 and XYZ CORPORATION 1-100,

Defendants.

Index No.:
518776/20

SECOND
AMENDED
CLASS ACTION
COMPLAINT

1. Plaintiffs ISHMAIL DIMSON, MIGUEL RODRIGUEZ, EDWARD CROSS, LAURANE YEARWOOD, MARY ALSTON, PATRICIA NELSON, STEVEN CHERNOFF, NANCY DELIA-SMITH, TAISHA INESTI, ELAINE WILSON, ARTHUR SCHWARTZ, BETSY MUNOZ-BERMUDEZ, JOANN SINDONE, CAROL VACCA, LEONIE GREEN, MYRTLE SMITH, NANCY VASQUEZ, KATHLEEN BADYNA, DEREK MCKISSICK and HORACE VINCENT, on behalf of themselves and all others similarly situated (“Plaintiffs”), by their attorneys, PARKER WAICHMAN LLP, upon information and belief, at all times hereinafter mentioned, allege as follows:

2. The alleged actions of FRED C. TRUMP (“Fred Trump”), deceased, DONALD J. TRUMP (“Donald Trump”) and MARYANNE TRUMP BARRY (“Maryanne Trump Barry”), in their capacity as Co-Executors of the Estate of Fred Trump and individually, ROBERT S. TRUMP (“Robert Trump”), deceased, by SHAWN HUGES in his capacity as the Executor of the Estate of Robert Trump (“Shawn Hughes”), ELIZABETH TRUMP GRAU (“Elizabeth Trump Grau”); and JOHN W. WALTER (“John Walter”), deceased, by JOAN WALTER in her capacity as Executrix of the Estate of John Walter, (collectively, “Trump Defendants”) involving Defendant ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP. (“All County”) are now well-known and in the public record.

3. The Pulitzer Prize-winning investigation by David Barstow, Susanne Craig, and Russ Buettner, “*Trump Engaged in Suspect Tax Schemes as He Reaped Riches From His Father,*” first published in the *New York Times* on October 2, 2018 (Exhibit A),¹ revealed a conspiracy of fraud and deception that forms the basis of the complaint of Mary L. Trump in her own civil action against her family and others (“Mary L. Trump Action”), which was filed shortly before the original summons and

¹ David Barstow, Susanne Craig and Russ Buettner, “Trump Engaged in Suspect Tax Schemes as He Reaped Riches From His Father.” *The New York Times*. October 2, 2018. Accessed October 2, 2020. <https://www.nytimes.com/interactive/2018/10/02/us/politics/donald-trump-tax-schemes-fred-trump.html>.

complaint was filed in this action. (Exhibit B).² The same members of the Trump family named as defendants in the Mary L. Trump Action are also named in this action.

4. Until the revelations of the *New York Times* article, not even Mary L. Trump knew the fraud that members of her own family had perpetrated on her and others. *Id.* This “secret”, as the Mary L. Trump complaint calls it, and as it relates to this action, concerns All County, a corporation formed by the Trump Defendants and their accountants to systematically cheat and steal from their own rent-regulated tenants, in addition to facilitating a scheme of tax fraud designed to transfer Fred Trump’s enormous wealth to his children and a beloved nephew. What the Trump Defendants did with that money is not the subject of this Complaint, though it is the core of the Mary L. Trump Action. The tax fraud accomplished by the Trump Defendants and described in this Complaint is also not the subject of this action. Instead, this Complaint addresses the source of that money and the identity of the true victims of the fraudulent acts committed by the Trump Defendants, All County and their accountants – the rent-regulated tenants, who are the Plaintiffs here.

5. The *New York Times* called the All County fraud “the most overt fraud” of all those discussed in its exposé.

[F]ormed by the Trump family in 1992[,] All County’s ostensible purpose was to be the purchasing agent for Fred Trump’s buildings, buying everything from boilers to cleaning supplies. It did no such thing, records and interviews show. Instead, All County siphoned millions of dollars from Fred Trump’s empire by simply marking up purchases already made by his employees. Those millions, effectively untaxed gifts, then flowed to All County’s shareholders – Donald Trump, his siblings and a cousin [John Walter]. Fred Trump then used the padded All County receipts to justify bigger rent increases for thousands of tenants.

Exhibit A, *Trump Engaged in Suspect Tax Schemes* at 6 [emphasis added].

² *Mary L. Trump v. Donald J. Trump, in his personal capacity, Maryanne Trump Barry, and the Executor of the Estate of Robert S. Trump, deceased, in his or her capacity as executor*, Index No. 654698/2020, Sup. Ct., N.Y. Co., Filed 9/24/20, Complaint at para. 4.

6. The millions of dollars referred to by the *New York Times* came not only from intentionally inflating All County’s invoices, thereby rerouting Fred Trump’s money into the pockets of his children and his nephew, John Walter, but also from imposing fraudulent rent increases on rent-regulated Plaintiffs and the putative Class in this action as a result of those bogus invoices. Shamelessly, the Trump Defendants used these rent-regulated tenants not only as the means to commit tax evasion, by surreptitiously transferring Fred Trump’s wealth to his children and nephew, but also to augment their profits through the payment of excess and unlawful rent by Plaintiffs and the putative Class. The Trump Defendants carried out this scheme (“Trump’s All County Scheme”) through a complex web of business entities including those which owned the properties, those involved in managing the properties, brokerage agents and accountants, amongst others. While the scheme enriched the Trump Defendants, it financially burdened the rent-regulated tenants – a burden which continues to this very day, as the past illegal rent overcharges now form the base upon which all subsequent rents and legal rent increases were added.

7. In the Mary L. Trump Action, All County is described as “a sham corporation” set up in 1992 by the Trump Defendants:

Put simply, All County inserted itself between Trump companies that operated real estate interests like apartment buildings and the suppliers who provided appliances and other items to apartments in those buildings. All County purchased the items at pre-negotiated prices, and then issued padded invoices marking those prices way up to the Trump operating companies. Defendants pocketed the difference. Transaction by transaction, money was siphoned from the Trump operating companies, which had other stakeholders like Mary [L. Trump], and into Defendants’ accounts. All County was just one scam among many. (In addition, while not directly part of this case, as the *New York Times* reported, the All County scam was one of the ways Defendants avoided inheritance taxes, and **the marked-up invoices also helped the Trumps justify rent hikes on their low-income tenants.**)

Exhibit B, Mary L. Trump complaint at ¶ 12 [emphasis added]

8. So long as honesty was not a necessity, the operation of All County as a scheme to unlawfully increase rents through fraudulent purchasing costs was brutally simple - if you had all the

necessary information. For example, where the original price for a refrigerator-stove combination was \$642.69 in 1991 when Fred Trump originally negotiated the price, in 1993 that price jumped up by a whopping 46% when All County was brought into the transaction as the “purchasing agent”. The Trump Defendants then passed the bogus excess charges relating to the refrigerator-stove combination directly onto rent-regulated tenants through rental increases for the same appliance. *Id.* at 23.

9. Notwithstanding the tax fraud on the government, the *New York Times* described All County’s effect on the tenants as “insidious.” Exhibit A at 24. The reason why was that as the owner of rent-regulated apartments in New York, Fred Trump had to justify rent increases beyond the annual increases approved by the government. How? By taking additional rent increases based on purported capital improvements, like a new refrigerator-stove combination, but at an inflated price, based on the fraudulently inflated All County invoices. As testified to by Robert Trump at a sworn deposition, “[t]he higher the [All County] markup would be, the higher the rent that might be charged” *Id.* at p. 25.

10. In the story of the Trump Defendant’s tax fraud activities, as told in the *New York Times*, and the internecine purloining of funds *from its own family members* as told in the Mary L. Trump Action, up to now, no one has spoken for the true victims – the *tenants* of the Trump apartments – the bedrock of the Trump family fortune. That “fortune,” however, was built on the rent monies paid by thousands of the Trumps’ tenants whom we now come to learn were defrauded and had rent money stolen out of their pockets for the financial benefit of the Trump children and a nephew. To the extent that the current rents of such apartments were built upon the fraud of years past, the effect of the fraud to the rent-regulated tenants continues unabated and in fact, greatly exacerbated. This action now seeks to finally redress those thefts.

NATURE OF THE ACTION

11. This is a class action brought by Plaintiffs, on behalf of themselves and all others similarly situated, who were damaged and/or injured as a result of the fraudulent, deceptive, negligent, careless, reckless, grossly negligent, willful, unlawful, and otherwise larcenous conduct of the Trump Defendants and All County. All County is a domestic corporation that at all times herein mentioned claims to have purchased capital assets, including appliances, fixtures, building materials, supplies, and other items used for renovations, improvements, and maintenance (“capital assets”) later deemed Individual Apartment Improvements (IAIs) or Major Capital Improvements (MCIs) for rent-regulated apartments in the residential buildings owned by the Trump Defendants (“Trump Portfolio”).

12. The Trump Defendants pre-negotiated the prices for capital assets with third-party suppliers, but used All County as a “purchasing agent” to sell the assets back to the Trump Portfolio at an artificially inflated and fraudulent price. The artificial markups of the capital assets were then reported to the tenants and governmental entities as the verified cost of purported improvements to justify deceptive, unlawful, and illegal rent hikes for rent-regulated apartments in violation of the protections afforded by the laws of the City and State of New York.

13. John Walter, the nephew of Fred Trump, served as chief operating officer of All County. As chief operating officer, John Walter directed the logistics of All County’s purchasing activities; paid supplier invoices; archived All County receipts and records at its registered headquarters – his private residence – located at 511 Manhasset Woods Road, Manhasset, New York; and developed and maintained a sophisticated computer system to facilitate each step of the operation.

14. John Walter also distributed All County’s profits to his fellow All County co-owners and co-conspirators in Trump’s All County Scheme, namely, Defendants Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, who together with John Walter, each held a twenty

percent (20%) ownership interest in All County, discussed its operations, directed its affairs, and received regular cash distributions.

15. In addition to the illicit All County profits, the Trump Defendants also siphoned additional unlawful income from the tenants who were unknowingly defrauded into paying unlawful rent increases based on the fraudulent and inflated costs of the purported improvements. These rent increases then formed part of the base rent for Plaintiff's and putative Class plaintiffs' apartments; remain so to date in violation of law; and are still being charged to tenants by the present owners of the subject buildings.

16. Plaintiffs, on behalf of themselves and all others similarly situated, are present and former tenants of the many thousands of rent-regulated apartments found in the Trump Portfolio and subjected to the Trump's All County Scheme from the time of All County's incorporation in 1992 through the present.

17. The fraudulent, deceptive, negligent, careless, reckless, grossly negligent, willful, unlawful, and otherwise larcenous conduct of the Trump Defendants in the ownership and management of the subject apartments have resulted in significant damages to Plaintiffs and the Class. This conduct directly resulted in the Plaintiffs and the Class suffering rent overcharges from increases in excess of what is statutorily permitted for rent-regulated apartments in the City of New York.

18. The Trump Defendants perpetuated Trump's All County Scheme by using an association-in-fact of individuals and business entities to engage in a pattern of racketeering activity in violation of the Racketeer Influenced and Corrupt Organizations Act ("RICO"), 18 USC §1962.

19. This association-in-fact consisted of an enterprise that included numerous building ownership entities which the Trump Defendants used to hold title, the building management companies Defendants TRUMP MANAGEMENT INC. ("TMI") and APARTMENT MANAGEMENT ASSOCIATES INC. ("AMA"), the Trump Defendants' own accountants, Jack Mitnick, individually,

and the firm SPAHR LACHER & SPERBER, INC. and/or SPAHR LACHER & SPERBER L.L.P. (collectively, “SLS”), and the apartment broker, D.S.J. REALTY L.L.C. (“DSJ”).

20. The Trump Defendants conducted racketeering activities through the enterprise whereby they profited from Plaintiffs and the putative Class by misrepresenting the costs of purported IAIs and MCIs in order to fraudulently increase the rents of their rent-regulated apartments.

21. The Trump Defendants utilized the ordinary tools of their residential real estate enterprise in the commission of their scheme to defraud Plaintiffs and the putative Class. Specifically, the Trump Defendants used the U.S. mail and wires for the wholesale purchase of capital assets; preparation and submission of rent increase applications; the delivery of rent agreements, renewals, bills, and mailings to the Plaintiffs, each of which affirmatively misrepresented the rent obligations of Plaintiffs and the putative Class; the management of the Trump Portfolio, including meetings, telephone consultations, and the distribution of profits to members of the enterprise.

22. The Trump Defendants, their employees, agents and successors in interest engaged in fraudulent, deceptive, negligent, careless, reckless, grossly negligent, willful, unlawful, and otherwise larcenous conduct directed at Plaintiffs, the putative Class, and the public through false and misleading widespread marketing, advertising, and promotion representing that rent-regulated units were being offered at a legal regulated rent when they were not.

23. The Trump Defendants, their employees, agents and successors in interest engaged in fraudulent, deceptive, negligent, careless, reckless, grossly negligent, willful, unlawful, and otherwise larcenous conduct directed at Plaintiffs, the putative Class, and the public by knowingly and willfully continuing to charge unlawful and illegal rent increases, thereby adding to or compounding legal rent increases with additional unlawful, illegal and fraudulent rent increases.

24. The Trump Defendants, their employees, associates, or representatives knew that the subject apartments were not offered at a legal rent because they had knowingly and intentionally utilized All County in a scheme to both evade taxation and overcharge the tenants of these rent-regulated

apartments with unlawful and illegal rent increases, allowing the Trump Defendants to enjoy their increasing illegal profits.

25. The Trump Defendants, their employees, associates, and/or representatives knew or should have known that the subject apartments were neither lawfully regulated, nor offered at a legal rent, but nevertheless continued to charge that illegal rent to Plaintiffs and the putative Class.

26. The Trump Defendants, their employees, associates, and/or representatives knew or should have known that the subject apartments were neither lawfully regulated, nor offered at a legal rent, having directly participated in Trump's All County Scheme, but nevertheless continued to charge illegal rent to Plaintiffs and the putative Class.

27. The Trump Defendants, their employees, associates, and/or representatives knew or should have known that the subject apartments were neither lawfully regulated, nor offered at a legal rent, but nevertheless continued to charge illegal rent to Plaintiffs and the Class resulting from the Trump's All County Scheme.

28. The Trump Defendants' systematic misrepresentations to their rent-regulated tenants, and outright abuse of New York City's rent-regulated housing laws – in the face of the urgent demand for affordable housing among New Yorkers – was and remains an outrageous attack on one of the most vulnerable segments of the public.

29. The Trump Defendants engaged in fraudulent, deceptive, negligent, careless, reckless, grossly negligent, willful, unlawful, and otherwise larcenous conduct as to rent claimed, on purportedly regulated leases, for over 14,000 apartments in residential building complexes in the boroughs of Brooklyn, Queens, and Staten Island by use of widespread marketing and advertising of such apartments which resulted in a fraud of such enormity, affecting tens of thousands, if not hundreds of thousands, of people, as to constitute a fraud on the public.

30. Plaintiffs bring this action on behalf of themselves and other similarly situated tenants that were offered and entered into purportedly rent-regulated leases for over 14,000 apartments in

residential building complexes of the Trump Portfolio owned and operated by the Trump Defendants in the boroughs of Brooklyn, Queens, and Staten Island who paid illegal rent increases due to the conduct of the Trump Defendants and continued rent overcharges to this day by the subsequent purchasers and successors in interest. The subject residential apartments and building complexes of the Trump Portfolio, and any presently unknown, include, but are not limited to:

- | | | |
|---------------------|----------------------|----------------------|
| a) Argyle Hall | m) Green Park Sussex | y) Shore Haven |
| b) Beach Haven | n) Grymes Hill | z) Southampton |
| c) Belcrest | o) Highlander Hall | aa) Sunnyside Towers |
| d) Briar Wyck | p) Kendall Hall | bb) Sussex Hall |
| e) Chelsea Hall | q) Lawrence Gardens | cc) Starrett City |
| f) Clyde Hall | r) Lawrence Towers | dd) Trump Village |
| g) Coronet Hall | s) Lincoln Shore | ee) Tysens Park |
| h) Edgerton Hall | t) Nautilus Hall | ff) Wedgewood Hall |
| i) Falcon | u) Ocean Terrace | gg) Westminster Hall |
| j) Fiesta | v) Park Briar | hh) Wexford Hall |
| k) Fountainbleau | w) Saxony Hall | ii) Wilshire Hall |
| l) Green Park Essex | x) Sea Isle | jj) Winston Hall |

31. The Trump Defendants are liable to Plaintiffs and the putative Class for damages sustained from RICO enterprise racketeering activities, utilizing the U.S. mail and wires to fraudulently, unlawfully, and illegally deceive and overcharge rent-regulated tenants in their lawful rent obligations. As a consequence, the Trump Defendants are liable for such overcharges and damages as RICO provides, together with punitive and treble damages, as well as prejudgment interest and attorney's fees as provided for by law under theories of fraud, negligence, breach of contract, illegality and mistake of contract, breach of express warranty and implied warranty, consumer fraud, fraudulent misrepresentation and concealment, negligent misrepresentation, gross negligence, unjust enrichment, theft, and conversion.

32. The present owners, landlords, and/ or managing and operating agents of the Trump Portfolio, and their associated business entities, are also liable to Plaintiffs and the putative Class for damages sustained as a result of continued overcharge of rent-regulated tenants, together with prejudgment interest and attorney's fees as provided for by law under the New York City Rent Stabilization Law.

33. Finally, Plaintiffs and the putative Class seek an award of attorney fees pursuant to 18 USC §1964(c), CPLR 909, and Real Property Law ("RPL") § 234, as well as the costs and expenses of this litigation, including reasonable attorneys' fees and expert fees pursuant to 18 USC §1964(c), Rent Stabilization Law § 26-516(a)(4) and Rent Stabilization Code § 2526.1(d).

PARTY PLAINTIFFS AND CLASS REPRESENTATIVES

34. Plaintiff ISHMAIL DIMSON is a citizen of the State of New York and currently resides at 537 Vandalia Avenue, Apartment 2, Brooklyn, New York.

35. Plaintiff previously resided as a rent-regulated tenant at Beach Haven Apartments, 557 Avenue Z, Apartment 3D, Brooklyn, New York from approximately 1992 through 2010.

36. Plaintiff's regulated rent at Beach Haven Apartments was excessively increased by Defendants following purported improvements made to his residence.

37. Plaintiff's regulated rent at Beach Haven Apartments was excessively increased by Defendants following purported improvements made to the premises of Beach Haven Apartments.

38. Plaintiff's rent-regulated apartment at Beach Haven Apartments was improperly and illegally deregulated by Defendants.

39. Plaintiff MIGUEL RODRIGUEZ is a citizen of the State of New York and has resided at Briar Wyck Apartments, 86-25 Van Wyck Expressway, Apartment 526, Queens, New York from approximately 1993 through the present.

40. Plaintiff's regulated rent at Briar Wyck Apartments was excessively increased by Defendants following purported improvements made to his residence.

41. Plaintiff's regulated rent at Briar Wyck Apartments was excessively increased by Defendants following purported improvements made to the premises of Briar Wyck Apartments.

42. Plaintiff's rent-regulated apartment at Briar Wyck Apartments was improperly and illegally deregulated by Defendants.

43. Plaintiff EDWARD CROSS is a citizen of the State of New York and has resided at Briar Wyck Apartments, 86-25 Van Wyck Expressway, Apartment L10, Queens, New York from approximately 1997 through the present.

44. Plaintiff's regulated rent at Briar Wyck Apartments was excessively increased by Defendants following purported improvements made to his residence.

45. Plaintiff's regulated rent at Briar Wyck Apartments was excessively increased by Defendants following purported improvements made to the premises of Briar Wyck Apartments.

46. Plaintiff's rent-regulated apartment at Briar Wyck Apartments was improperly and illegally deregulated by Defendants.

47. Plaintiff LAURANE YEARWOOD is a citizen of the State of New York and has resided at Grymes Hill Apartments, 490 Howard Avenue, Apartment 1A, Staten Island, New York from approximately 2018 through the present.

48. Plaintiff's regulated rent at Grymes Hill Apartments was excessively increased by Defendants following purported improvements made to her residence.

49. Plaintiff's regulated rent at Grymes Hill Apartments was excessively increased by Defendants following purported improvements made to the premises of Grymes Hill Apartments.

50. Plaintiff's rent-regulated apartment at Grymes Hill Apartments was improperly and illegally deregulated by Defendants.

51. Plaintiff MARY ALSTON is a citizen of the State of New York and has resided at Lawrence Towers, 3280 Nostrand Avenue, Apartment 415, Brooklyn, New York from approximately 2009 through the present.

52. Plaintiff's regulated rent at Lawrence Towers was excessively increased by Defendants following purported improvements made to her residence.

53. Plaintiff's regulated rent at Lawrence Towers was excessively increased by Defendants following purported improvements made to the premises of Lawrence Towers.

54. Plaintiff's rent-regulated apartment at Lawrence Towers was improperly and illegally deregulated by Defendants.

55. Plaintiff PATRICIA NELSON is a citizen of the State of New York and has resided at Ocean Terrace, 2650 Ocean Parkway, Apartment 4N, Brooklyn, New York from approximately 2017 through the present.

56. Plaintiff's regulated rent at Ocean Terrace was excessively increased by Defendants following purported improvements made to her residence.

57. Plaintiff's regulated rent at Ocean Terrace was excessively increased by Defendants following purported improvements made to the premises of Ocean Terrace.

58. Plaintiff's rent-regulated apartment at Ocean Terrace was improperly and illegally deregulated by Defendants.

59. Plaintiff STEVEN CHERNOFF is a citizen of the State of New York and has resided at Shore Haven Apartments, 1535 Shore Parkway, Apartment 3A, Brooklyn, New York from approximately 2006 through the present.

60. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to his residence.

61. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to the premises of Shore Haven Apartments.

62. Plaintiff's rent-regulated apartment at Shore Haven Apartments was improperly and illegally deregulated by Defendants.

63. Plaintiff NANCY DELIA-SMITH is a citizen of the State of New York and has resided at Shore Haven Apartments, 2049 20th Lane, Apartment 5B, Brooklyn, New York from approximately 2005 through the present.

64. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to her residence.

65. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to the premises of Shore Haven Apartments.

66. Plaintiff's rent-regulated apartment at Shore Haven Apartments was improperly and illegally deregulated by Defendants.

67. Plaintiff TAISHA INESTI is a citizen of the State of New York and has resided at Shore Haven Apartments, 1535 Shore Parkway, Apartment 2A, Brooklyn, New York from approximately 2002 through the present.

68. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to her residence.

69. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to the premises of Shore Haven Apartments.

70. Plaintiff's rent-regulated apartment at Shore Haven Apartments was improperly and illegally deregulated by Defendants.

71. Plaintiff ELAINE WILSON is a citizen of the State of New York and has resided at Starrett City, 1230 Pennsylvania Avenue, Apartment 14F, Brooklyn, New York from approximately 1992 through the present.

72. Plaintiff's regulated rent at Starrett City was excessively increased by Defendants following purported improvements made to her residence.

73. Plaintiff's regulated rent at Starrett City was excessively increased by Defendants following purported improvements made to the premises of Starrett City.

74. Plaintiff's rent-regulated apartment at Starrett City was improperly and illegally deregulated by Defendants.

75. Plaintiff ARTHUR SCHWARTZ is a citizen of the State of New York and has resided at Trump Village, 2930 West 5th Street, Apartment 15R, Brooklyn, New York from approximately 1977 through the present.

76. Plaintiff's regulated rent at Trump Village was excessively increased by Defendants following purported improvements made to his residence.

77. Plaintiff's regulated rent at Trump Village was excessively increased by Defendants following purported improvements made to the premises of Trump Village.

78. Plaintiff's rent-regulated apartment at Trump Village was improperly and illegally deregulated by Defendants.

79. Plaintiff BETSY MUNOZ-BERMUDEZ is a citizen of the State of New York and resided at Tysens Park Apartments, 675 Tysens Lane, Apartment 4Q, Staten Island, New York

from approximately 2010 to 2018, and has resided at 655 Tysens Lane, Apartment 2Q from approximately 2018 through the present.

80. Plaintiff's regulated rent was excessively increased by Defendants following purported improvements made to her residences.

81. Plaintiff's regulated rent at her residences at Tysens Park Apartments was excessively increased by Defendants following purported improvements made to the premises of Tysens Park Apartments.

82. Plaintiff's rent-regulated apartments at Tysens Park Apartments were improperly and illegally deregulated by Defendants.

83. Plaintiff JOANN SINDONE is a citizen of the State of New York and has resided at Tysens Park Apartments, 255 Mill Road, Apartment 5K, Staten Island, New York from approximately 1993 through the present.

84. Plaintiff's regulated rent at Tysens Park Apartments was excessively increased by Defendants following purported improvements made to her residence.

85. Plaintiff's regulated rent at Tysens Park Apartments was excessively increased by Defendants following purported improvements made to the premises of Tysens Park Apartments.

86. Plaintiff's rent-regulated apartment at Tysens Park Apartments was improperly and illegally deregulated by Defendants.

87. Plaintiff CAROL VACCA is a citizen of the State of New York and has resided at Tysens Park Apartments, 675 Tysens Lane, Apartment 1P, Staten Island, New York from approximately 2005 through the present.

88. Plaintiff's regulated rent at Tysens Park Apartments was excessively increased by Defendants following purported improvements made to her residence.

89. Plaintiff's regulated rent at Tysens Park Apartments was excessively increased by Defendants following purported improvements made to the premises of Tysens Park Apartments.

90. Plaintiff's rent-regulated apartment at Tysens Park Apartments was improperly and illegally deregulated by Defendants.

91. Plaintiff LEONIE GREEN is a citizen of the State of New York and has resided at Westminster Hall, 405 Westminster Road, Apartment RH2, Brooklyn, New York from approximately 1998 through the present.

92. Plaintiff's regulated rent at Westminster Hall was excessively increased by Defendants following purported improvements made to her residence.

93. Plaintiff's regulated rent at Westminster Hall was excessively increased by Defendants following purported improvements made to the premises of Westminster Hall.

94. Plaintiff's rent-regulated apartment at Westminster Hall was improperly and illegally deregulated by Defendants.

95. Plaintiff MYRTLE SMITH is a citizen of the State of New York and has resided at Wilshire Hall, 182-30 Wexford Terrace, Apartment 4B, Queens, New York from approximately 2004 through the present.

96. Plaintiff's regulated rent at Wilshire Hall was excessively increased by Defendants following purported improvements made to her residence.

97. Plaintiff's regulated rent at Wilshire Hall was excessively increased by Defendants following purported improvements made to the premises of Wilshire Hall.

98. Plaintiff's rent-regulated apartment at Wilshire Hall was improperly and illegally deregulated by Defendants.

99. Plaintiff NANCY VASQUEZ is a citizen of the State of New York and currently resides at 163 Ocean Avenue, Brooklyn, New York.

100. Plaintiff previously resided as a rent-regulated tenant at Green Park Essex Apartments, 143-09 – 143-29 Barclay Avenue, Apartment 1D, Flushing, New York from approximately 1984 through 2005.

101. Plaintiff's regulated rent at Green Park Essex Apartments was excessively increased by Defendants following purported improvements made to her residence.

102. Plaintiff's regulated rent at Green Park Essex Apartments was excessively increased by Defendants following purported improvements made to the premises of Green Park Essex Apartments.

103. Plaintiff's rent-regulated apartment at Green Park Essex Apartments was improperly and illegally deregulated by Defendants.

104. Plaintiff KATHLEEN BADYNA is a citizen of the State of New York and currently resides at 7901 4th Avenue, Brooklyn, New York.

105. Plaintiff previously resided as a rent-regulated tenant at Shore Haven Apartments, 8841 20th Avenue, Apartment 2G, Brooklyn, New York from approximately 1965 through 2006.

106. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to her residence.

107. Plaintiff's regulated rent at Shore Haven Apartments was excessively increased by Defendants following purported improvements made to the premises of Shore Haven Apartments.

108. Plaintiff's rent-regulated apartment at Shore Haven Apartments was improperly and illegally deregulated by Defendants.

109. Plaintiff DEREK MCKISSICK is a citizen of the State of New York and currently resides at 219-20 143rd Avenue, Jamaica, New York.

110. Plaintiff previously resided as a rent-regulated tenant at Sussex Hall, 166-05 Highland Avenue, Apartment 4Q, Jamaica, New York from approximately 1992 through 1997.

111. Plaintiff's regulated rent at Sussex Hall was excessively increased by Defendants following purported improvements made to his residence.

112. Plaintiff's regulated rent at Sussex Hall was excessively increased by Defendants following purported improvements made to the premises of Sussex Hall.

113. Plaintiff's rent-regulated apartment at Sussex Hall was improperly and illegally deregulated by Defendants.

114. Plaintiff HORACE VINCENT is a citizen of the State of New York and currently resides at 1520 Potter Boulevard, Bay Shore, New York.

115. Plaintiff previously resided as a rent-regulated tenant at Wexford Hall, 86-75 Midland Parkway, Apartment 5N, Jamaica, New York from approximately 1995 through 1997.

116. Plaintiff's regulated rent at Wexford Hall was excessively increased by Defendants following purported improvements made to his residence.

117. Plaintiff's regulated rent at Wexford Hall was excessively increased by Defendants following purported improvements made to the premises of Wexford Hall.

118. Plaintiff's rent-regulated apartment at Wexford Hall was improperly and illegally deregulated by Defendants.

PARTY DEFENDANTS

A. The Trump Defendants.

119. Fred Trump, deceased, was a well-known builder, developer, and manager of real property in New York City.

120. In 1927, Fred Trump began his career in home construction and sales after entering into a partnership with his mother, Elizabeth Christ Trump, which, from the late 1940's through early 1970's, included the construction and/or acquisition of the buildings comprising the Trump Portfolio.

121. Fred Trump owned the buildings that compromised the Trump Portfolio both outright and through numerous individual ownership entities.

122. Fred Trump had five children: Donald Trump, Maryanne Trump Barry, Robert Trump, Fred Trump Jr., and Elizabeth Trump Grau.

123. Donald Trump is the son of Fred Trump.

124. Donald Trump, is sued here in his personal capacity, as well as in his capacity as Co-Executor of the Estate of Fred Trump, deceased, for acts and omissions occurring prior to his assuming public office.

125. Upon information and belief, Donald Trump conducted business transactions for and as an owner, shareholder, member, partner and/or managing agent, in law or in fact, of numerous Trump family corporations and entities.

126. Upon information and belief, at all times mentioned herein, Donald Trump was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of All County.

127. Upon information and belief, at all times mentioned herein, Donald Trump was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of Defendant MIDLAND ASSOCIATES LLC (“Midland”).

128. Upon information and belief, at all times mentioned herein, Donald Trump was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of buildings comprising the Trump Portfolio.

129. Upon information and belief, at all times mentioned herein, Donald Trump maintained direct and/or substantial financial interest in buildings comprising the Trump Portfolio.

130. Maryanne Trump Barry is the daughter of Fred Trump.

131. Maryanne Trump Barry is sued her in her personal capacity, as well as in her capacity as Co-Executor of the Estate of Fred Trump, deceased.

132. Upon information and belief, Maryanne Trump Barry resides in the City and State of New York.

133. From 1983 to 1999, Maryanne Trump Barry served as a judge on the U.S. District Court for the District of New Jersey.

134. From 1999 to 2019, Maryanne Trump Barry served as a judge on the U.S. Court of Appeals for the Third Circuit.

135. In April 2019, Maryanne Trump Barry retired from the U.S. Court of Appeals for the Third Circuit following an investigation by the *New York Times* into whether she violated rules of judicial conduct by participating in the various fraudulent schemes revealed in October 2018. Exhibit A.

136. Upon information and belief, the *New York Times* discovered during its investigation a judicial financial disclosure form filed in 1999 indicating that Maryanne Trump

Barry received income of over one million dollars from All County during the seventeen months preceding the disclosure filing.

137. Upon information and belief, at all times mentioned herein, Maryanne Trump Barry conducted business transactions for and was owner, shareholder, member, partner and/or managing agent, in law or in fact, of numerous Trump family corporations and entities.

138. Upon information and belief, at all times mentioned herein, Maryanne Trump Barry, was owner, shareholder, member, partner and/or managing agent, in law or in fact, of All County.

139. Upon information and belief, at all times mentioned herein, Maryanne Trump Barry, was owner, shareholder, member, partner and/or managing agent, in law or in fact, of Midland.

140. Upon information and belief, at all times mentioned herein, Maryanne Trump Barry was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of buildings comprising the Trump Portfolio.

141. Upon information and belief, at all times mentioned herein, Maryanne Trump Barry, maintained a direct and/or substantial financial interest in buildings comprising the Trump Portfolio.

142. Upon information and belief, Robert Trump was the son of Fred Trump.

143. Upon information and belief, Robert Trump was a New York businessperson and real estate developer who passed away in New York on August 15, 2020.

144. Upon information and belief, at all times mentioned herein Robert Trump conducted business transactions for and was owner, shareholder, member, partner and/or managing agent, in law or in fact, of numerous Trump family corporations and entities.

145. Upon information and belief, at all times mentioned herein, Robert Trump was owner, shareholder, member, partner and/or managing agent, in law or in fact, of All County.

146. Upon information and belief, at all times mentioned herein, Robert Trump was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of Midland.

147. Upon information and belief, at all times mentioned herein, Robert Trump was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of buildings comprising the Trump Portfolio.

148. Upon information and belief, Shawn Hughes, as the Executor of the estate of Robert Trump, is an owner, shareholder, member, partner and/or managing agent, in law or in fact, of All County, Midland, and buildings comprising the Trump Portfolio.

149. Upon information and belief, Shawn Hughes, as the Executor of the estate of Robert Trump, maintains a direct and/or substantial financial interest in buildings comprising the Trump Portfolio.

150. Elizabeth Trump Grau is the daughter of Fred Trump.

151. Upon information and belief, at all times mentioned herein, Elizabeth Trump Grau conducted business transactions for and was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of numerous Trump corporations and entities.

152. Upon information and belief, at all times mentioned herein, Elizabeth Trump Grau, was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of All County.

153. Upon information and belief, at all times mentioned herein, Elizabeth Trump Grau, was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of Midland.

154. Upon information and belief, at all times mentioned herein, Elizabeth Trump Grau was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of buildings comprising the Trump Portfolio.

155. Upon information and belief, at all times mentioned herein, Elizabeth Trump Grau, maintained a direct and/or substantial financial interest in buildings comprising the Trump Portfolio.

156. John Walter was the nephew of Fred Trump.

157. Upon information and belief, John Walter was a New York businessperson, part-time engineer and systems developer, who passed away on January 5, 2018.

158. Upon information and belief, at all times mentioned herein, John Walter was an owner, shareholder, member and/or partner, as well as managing partner, of All County.

159. Upon information and belief, at all times mentioned herein, John Walter conducted business transactions for and was an owner, shareholder, member, partner and/or managing agent, in law or in fact, of numerous Trump corporations, business entities, and the buildings comprising the Trump Portfolio.

160. Upon information and belief, at all times herein mentioned, Donald Trump and Maryanne Trump Barry, both individually and in their capacity as Co-Executors of the estate of Fred Trump, deceased, Shawn Hughes, as Executor of the Estate of Robert Trump, in his capacity as Executor, Elizabeth Trump Grau, and Joan Walter, as Executrix of the Estate of John Walter, in her capacity as Executrix, held financial and ownership interests in the Trump Portfolio.

161. Upon information and belief, at all times herein mentioned, Donald Trump and Maryanne Trump Barry, both individually and in their capacity as Co-Executors of the estate of Fred Trump, deceased, Shawn Hughes, as Executor of the Estate of Robert Trump, in his capacity

as Executor, Elizabeth Trump Grau, and Joan Walter, as Executrix of the Estate of John Walter, in her capacity as Executrix, owned and controlled the entities that operated the Trump Portfolio.

162. Upon information and belief, at all times herein mentioned, Donald Trump and Maryanne Trump Barry, both individually and in their capacity as Co-Executors of the estate of Fred Trump, deceased, Shawn Hughes, as Executor of the Estate of Robert Trump, in his capacity as Executor, Elizabeth Trump Grau, and Joan Walter, as Executrix of the Estate of John Walter, in her capacity as Executrix, owned and controlled the entities that controlled the Trump Portfolio.

163. Upon information and belief, at all times herein mentioned, Donald Trump and Maryanne Trump Barry, both individually and in their capacity as Co-Executors of the estate of Fred Trump, deceased, Shawn Hughes, as Executor of the Estate of Robert Trump, in his capacity as Executor, Elizabeth Trump Grau, and Joan Walter, as Executrix of the Estate of John Walter, in her capacity as Executrix, owned and controlled the entities that maintained the Trump Portfolio.

164. Upon information and belief, at all times herein mentioned, Donald Trump and Maryanne Trump Barry, both individually and in their capacity as Co-Executors of the estate of Fred Trump, deceased, Shawn Hughes, as Executor of the Estate of Robert Trump, in his capacity as Executor, Elizabeth Trump Grau, and Joan Walter, as Executrix of the Estate of John Walter, in her capacity as Executrix, owned and controlled the entities that managed the Trump Portfolio.

165. Upon information and belief, at all times herein mentioned, Donald Trump and Maryanne Trump Barry, both individually and in their capacity as Co-Executors of the estate of Fred Trump, deceased, Shawn Hughes, as Executor of the Estate of Robert Trump, in his capacity as Executor, Elizabeth Trump Grau, and Joan Walter, as Executrix of the Estate of John Walter, in her capacity as Executrix, and their agents, employees, associates, and/or representatives

exclusively controlled the entities that owned, operated, controlled, managed and maintained the Trump Portfolio.

B. Trump Defendants' Ownership and Management Businesses.

166. Upon information and belief, at all times mentioned herein, Defendant E. TRUMP & SON COMPANY ("E. Trump"), was a domestic corporation with its principal place of business in New York, New York.

167. Upon information and belief, at all times mentioned herein, E. Trump was established in 1923 by Fred Trump and his mother, Elizabeth Trump, for the purposes of building and selling residential real estate in the boroughs of Brooklyn, Queens, and Staten Island in the City of New York.

168. Upon information and belief, at all times mentioned herein, E. Trump was the builder, realtor, owner, shareholder, member, partner and/or managing agent of buildings that comprised the Trump Portfolio.

169. Upon information and belief, at all times mentioned herein, Donald Trump became the Chief Executive Officer of E. Trump in 1971 and shortly thereafter renamed the company TRUMP ORGANIZATION INC. ("TOI").

170. Upon information and belief, at all times mentioned herein, TOI is a domestic corporation with its principal place of business in New York, New York.

171. Upon information and belief, at all times mentioned herein, TOI was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

172. Upon information and belief, at all times mentioned herein, TOI was the parent company of the owners, shareholders, members, partners and/or managing agents of buildings that comprised the Trump Portfolio.

173. Upon information and belief, at all times mentioned herein, TOI conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

174. Upon information and belief, at all times mentioned herein, Defendant TRUMP ORGANIZATION LLC (“TOLLC”) is a domestic corporation with its principal place of business in New York, New York.

175. Upon information and belief, at all times mentioned herein, TOLLC was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

176. Upon information and belief, at all times mentioned herein, TOLLC was the parent company of the owners, shareholders, members, partners and/or managing agents of buildings that comprised the Trump Portfolio.

177. Upon information and belief, at all times mentioned herein, TOLLC conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

178. Upon information and belief, at all times mentioned herein, Defendant BEACH HAVEN APTS. NO. 1, INC. (“BH1”) was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

179. Upon information and belief, at all times mentioned herein, BH1 was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

180. Upon information and belief, at all times mentioned herein, BH1 conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

181. Upon information and belief, at all times mentioned herein, Defendant SHORE HAVEN APTS. NO. 1, INC. (“SH1”) was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

182. Upon information and belief, at all times mentioned herein, SH1 was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

183. Upon information and belief, at all times mentioned herein, SH1 conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

184. Upon information and belief, at all times mentioned herein, Defendant SUSSEX HALL, INC. (“Sussex Hall”) was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

185. Upon information and belief, at all times mentioned herein, Sussex Hall was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

186. Upon information and belief, at all times mentioned herein, Sussex Hall conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

187. Upon information and belief, at all times mentioned herein, Defendant TRUMP VILLAGE CONSTRUCTION CORP. (“TVCC”) was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

188. Upon information and belief, at all times mentioned herein, TVCC was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

189. Upon information and belief, at all times mentioned herein, TVCC conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

190. Upon information and belief, at all times mentioned herein, Defendant WEXFORD HALL INC. (“Wexford Hall”) was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

191. Upon information and belief, at all times mentioned herein, Wexford Hall was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

192. Upon information and belief, at all times mentioned herein, Wexford Hall conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

193. Upon information and belief, at all times mentioned herein, All County was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

194. Upon information and belief, All County was formed by the Trump Defendants, their agents, employees, associates, and/or representatives as a “shell” entity in the furtherance of the All County Scheme implemented by the Trump Defendants.

195. Upon information and belief, at all times mentioned herein, All County was a shareholder, member, partner, and/or a managing agent of buildings that compromise the Trump Portfolio.

196. Upon information and belief, at all times mentioned herein, All County acted as the “purchasing agent” of buildings that comprised the Trump Portfolio.

197. Upon information and belief, at all times mentioned herein, All County purchased capital assets such as appliances, fixtures, building materials, supplies, and other items used for renovation, improvement, and/or maintenance deemed IAIs or MCIs from third-party suppliers, and sold these assets back to the owners and/or managing agents of buildings in the Trump Portfolio.

198. Upon information and belief, at all times mentioned herein, All County purchased the aforesaid capital assets at market and/or wholesale prices, but sold the assets to the owners and/or managing agents of buildings in the Trump Portfolio at inflated prices.

199. Upon information and belief, at all times mentioned herein, Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter held equal ownership interests in All County.

200. Upon information and belief, at all times mentioned herein, Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter received income in the form of cash distributions from All County.

201. Upon information and belief, at all times mentioned herein, All County conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

202. Upon information and belief, at all times mentioned herein, Midland was a domestic entity with its principal place of business in Brooklyn, New York.

203. Upon information and belief, at all times mentioned herein, Midland was formed as partnership between Fred Trump and the other Trump Defendants to transfer real estate interests and cash.

204. Upon information and belief, at all times mentioned herein, Midland held ownership interests relating to rental and cooperative apartments in Brooklyn, Queens, and Staten Island, New York, including apartments in the Trump Portfolio.

205. Upon information and belief, at all times mentioned herein, Midland was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

206. Upon information and belief, at all times mentioned herein, Midland conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

207. Upon information and belief, at all times mentioned herein, TMI was a domestic corporation with its principal place of business at a private home located at 511 Manhasset Woods Road, Manhasset, New York.

208. Upon information and belief, TMI was formed by Fred Trump to serve as the exclusive managing agent of buildings that comprised the Trump Portfolio.

209. Upon information and belief, at all times mentioned herein, TMI was an owner, shareholder, member, partner and/or a managing agent of the Trump Portfolio.

210. Upon information and belief, at all times herein mentioned, TMI, its employees, and servants, were agents of the Trump Defendants.

211. Upon information and belief, at all times mentioned herein, TMI entered into agreements with All County for the purchase of capital assets such as appliances, fixtures, building materials, supplies, and other items for renovation, improvement, and/or maintenance of the Trump Portfolio.

212. Upon information and belief, at all times mentioned herein, TMI set, negotiated, and collected rents for rent-regulated apartments in the Trump Portfolio.

213. Upon information and belief, at all times mentioned herein, TMI managed rent-regulated apartment leases and lease renewals in the Trump Portfolio.

214. Upon information and belief, at all times mentioned herein, TMI used the U.S. mail, telephone, and/or facsimile for the transmission of rent-regulated apartment leases, lease renewals, and rent bills and/or rent demands in the ordinary course of business and operation of the Trump Portfolio.

215. Upon information and belief, at all times mentioned herein, TMI, its employees, servants, and/or agents applied for increases in regulated rents for apartments in the Trump Portfolio on behalf of the ownership entities and/or individual owners of buildings that comprised the Trump Portfolio.

216. Upon information and belief, at all times mentioned herein, TMI, its employees, servants, and/or agents applied for increases in regulated rents for apartments in in the Trump Portfolio based on false and/or fraudulent costs of IAIs and/or MCIs.

217. Upon information and belief, at all times mentioned herein, TMI, its employees, servants, and/or agents reported false and/or fraudulent costs of IAI and/or MCI improvements to DHCR.

218. Upon information and belief, at all times mentioned herein, TMI, its employees, servants, and/or agents unlawfully obtained DHCR approval for increases in regulated rents of apartments in the Trump Portfolio based on false and/or fraudulent costs of IAI and/or MCI improvements.

219. Upon information and belief, at all times mentioned herein, TMI, its employees, servants, and/or agents registered false and/or fraudulently obtained rent increases with DHCR for rent-regulated apartments in the Trump Portfolio.

220. Upon information and belief, at all times mentioned herein, TMI advertised the rent-regulated apartments in the Trump Portfolio to the general public.

221. Upon information and belief, at all times mentioned herein, TMI conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

222. Upon information and belief, at all times mentioned herein, AMA was the successor in interest of TMI.

223. Upon information and belief, at all times mentioned herein, AMA was a domestic corporation with its principal place of business in New York, New York.

224. Upon information and belief, at all times mentioned herein, AMA was an owner, shareholder, member, partner and/or a managing agent of buildings that comprised the Trump Portfolio.

225. Upon information and belief, at all times mentioned herein, AMA was formed by the Trump Defendants to substitute for TMI as the exclusive managing agent of the Trump Portfolio.

226. Upon information and belief, at all times mentioned herein, the Trump Defendants were owners, directors, and/or shareholders of AMA.

227. Upon information and belief, at all times mentioned herein, AMA entered into agreements with All County for the purchase of capital assets such as appliances, fixtures, building materials, supplies and other items for the renovation, improvement, and/or maintenance of the Trump Portfolio.

228. Upon information and belief, at all times mentioned herein, AMA set, negotiated, and collected rents for rent-regulated apartments in the Trump Portfolio.

229. Upon information and belief, at all times mentioned herein, AMA managed rent-regulated apartment leases and lease renewals for apartments in the Trump Portfolio.

230. Upon information and belief, at all times mentioned herein, AMA used the U.S. mail, telephone, and/or facsimile for the transmission of rent-regulated apartment leases, lease renewals, and rent bills and/or rent demands in the ordinary course of business and operation of the Trump Portfolio.

231. Upon information and belief, at all times mentioned herein, AMA, its employees, servants, and/or agents applied for increases in regulated rents for apartments in the Trump

Portfolio on behalf of the ownership entities and/or individual owners of buildings that comprise the Trump Portfolio.

232. Upon information and belief, at all times mentioned herein, AMA, its employees, servants, and/or agents applied for increases in regulated rents for apartments in buildings that comprise the Trump Portfolio based on false and/or fraudulent costs of IAI and/or MCI improvements.

233. Upon information and belief, at all times mentioned herein, AMA, its employees, servants, and/or agents reported false and/or fraudulent costs of IAI and/or MCI improvements to DHCR.

234. Upon information and belief, at all times mentioned herein, AMA, its employees, servants, and/or agents unlawfully obtained DHCR approval for increases in regulated rents of apartments in buildings that comprise the Trump Portfolio based on false and/or fraudulent costs of IAI and/or MCI improvements.

235. Upon information and belief, at all times mentioned herein, AMA, its employees, servants, and/or agents registered rent-regulated apartments in buildings that comprise the Trump Portfolio with DHCR that reflected false and/or fraudulently obtained rent increases.

236. Upon information and belief, at all times mentioned herein, AMA advertised the rent-regulated apartments in the Trump Portfolio to the general public.

237. Upon information and belief, at all times mentioned herein, AMA conducted and transacted business in the City and State of New York and derived substantial revenue in the State of New York.

C. Trump Defendants' Accountants.

238. Upon information and belief, at all times mentioned herein, Defendant JACK MITNICK ("Jack Mitnick"), was an agent, servant, representative, and/or employee of the Trump Defendants.

239. Upon information and belief, Jack Mitnick presently resides in the State of Florida.

240. Upon information and belief, Jack Mitnick presently resides in the State of New York.

241. Upon information and belief, at all times mentioned herein, Jack Mitnick designed and implemented a system to unlawfully and illegally increase regulated rents of apartments in buildings that comprise the Trump Portfolio through the purchase of items at artificially inflated prices through All County.

242. Upon information and belief, at all times mentioned herein, Jack Mitnick aided, abetted and conspired to commit acts of fraud and illegality with the Trump Defendants through All County.

243. Upon information and belief, at all times mentioned herein, Jack Mitnick had knowledge of the aforementioned fraud and illegality as he designed, implemented and provided substantial assistance in commission of the fraud and illegality through All County.

244. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly compiled false financial statements in commission of the fraud and illegality through All County.

245. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly compiled false financial statements in commission of the fraud and illegality through All County using the U.S. mail, telephone and/or facsimile.

246. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly compiled false financial statements in commission of the fraud and illegality through All County using the U.S. mail, telephone and/or facsimile on behalf of the Trump Defendants.

247. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly compiled false financial statements in commission of the fraud and illegality through All County under the direction of the Trump Defendants.

248. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly prepared false tax returns in commission of the fraud and illegality.

249. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly prepared false tax returns in commission of the fraud and illegality using the U.S. mail, telephone and/or facsimile.

250. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly prepared false tax returns in commission of the fraud and illegality using the U.S. mail, telephone and/or facsimile on behalf of the Trump Defendants.

251. Upon information and belief, at all the times mentioned herein, Jack Mitnick knowingly prepared false tax returns in commission of the fraud and illegality under the direction of the Trump Defendants.

252. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly misclassified All County revenues in commission of the fraud and illegality.

253. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly misclassified All County revenues in commission of the fraud and illegality on behalf of the Trump Defendants.

254. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly misclassified All County revenues in commission of the fraud and illegality under the direction of the Trump Defendants.

255. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality.

256. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality on behalf of the Trump Defendants.

257. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality under the direction of the Trump Defendants.

258. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly devised fraudulent accounting systems in commission of the fraud and illegality.

259. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly devised fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality.

260. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly devised fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality on behalf of the Trump Defendants.

261. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly devised fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality under the direction of the Trump Defendants.

262. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly maintained fraudulent accounting systems in commission of the fraud and illegality.

263. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality.

264. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality on behalf of the Trump Defendants.

265. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality under the direction of the Trump Defendants.

266. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly, recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio.

267. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly, recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio on behalf of the Trump Defendants.

268. Upon information and belief, at all times mentioned herein, Jack Mitnick knowingly, recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio under the direction of the Trump Defendants

269. Upon information and belief, at all times herein mentioned, Jack Mitnick was an agent, servant, representative, and/or employee of Defendant SPAHR LACHER & SPERBER, INC. (“SLS INC.”).

270. Upon information and belief, at all times mentioned herein, SLS INC. was a domestic accounting firm.

271. Upon information and belief, at all times mentioned herein, SLS INC. conducted business in the City and State of New York and derived substantial revenue in the State of New York.

272. Upon information and belief, at all times mentioned herein. SLS INC., its employees, agents, and/or representative designed and implemented a system, which utilized the U.S. mail, telephone, and/or facsimile, to unlawfully and illegally increase regulated rents of apartments in buildings that comprise the Trump Portfolio through the purchase of items at artificially inflated prices through All County.

273. Upon information and belief, at all times mentioned herein, SLS INC. aided, abetted and conspired to commit acts of fraud and illegality with the Trump Defendants through All County.

274. Upon information and belief, at all times mentioned herein, SLS INC. had knowledge of the aforementioned fraud and provided substantial assistance in, furtherance, and commission of the fraud and illegality.

275. Upon information and belief, at all times mentioned herein, SLS INC. compiled financial statements in commission of the fraud and illegality.

276. Upon information and belief, at all times mentioned herein, SLS INC. compiled financial statements in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile.

277. Upon information and belief, at all times mentioned herein, SLS INC. compiled financial statements in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile on behalf of the Trump Defendants.

278. Upon information and belief, at all times mentioned herein, SLS INC. compiled financial statements in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile under the direction of the Trump Defendants.

279. Upon information and belief, at all times mentioned herein, SLS INC. prepared falsified tax returns in commission of the fraud and illegality.

280. Upon information and belief, at all times mentioned herein, SLS INC. prepared falsified tax returns in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile.

281. Upon information and belief, at all times mentioned herein, SLS INC. prepared falsified tax returns in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile on behalf of the Trump Defendants.

282. Upon information and belief, at all times mentioned herein, SLS INC. prepared falsified tax returns in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile under the direction of the Trump Defendants

283. Upon information and belief, at all times mentioned herein, SLS INC. knowingly misclassified All County revenues in commission of the fraud.

284. Upon information and belief, at all times mentioned herein, SLS INC. knowingly misclassified All County revenues in commission of the fraud and illegality on behalf of the Trump Defendants.

285. Upon information and belief, at all times mentioned herein, SLS INC. knowingly misclassified All County revenues in commission of the fraud and illegality under the direction of the Trump Defendants.

286. Upon information and belief, at all times mentioned herein, SLS INC. knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality.

287. Upon information and belief, at all times mentioned herein, SLS INC. knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality on behalf of the Trump Defendants.

288. Upon information and belief, at all times mentioned herein, SLS INC. knowingly devised a fraudulent accounting system in commission of the fraud and illegality.

289. Upon information and belief, at all times mentioned herein, SLS INC. knowingly devised a fraudulent accounting system which utilized the U.S. mail, telephone, and/or facsimile system in commission of the fraud and illegality.

290. Upon information and belief, at all times mentioned herein, SLS INC. knowingly devised a fraudulent accounting system which utilized the U.S. mail, telephone, and/or facsimile system in commission of the fraud and illegality on behalf of the Trump Defendants.

291. Upon information and belief, at all times mentioned herein, SLS INC. knowingly devised a fraudulent accounting system which utilized the U.S. mail, telephone, and/or facsimile system in commission of the fraud and illegality under the direction of the Trump Defendants.

292. Upon information and belief, at all times mentioned herein, SLS INC. knowingly maintained fraudulent accounting systems in commission of the fraud and illegality.

293. Upon information and belief, at all times mentioned herein, SLS INC. knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality.

294. Upon information and belief, at all times mentioned herein, SLS INC. knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality on behalf of the Trump Defendants.

295. Upon information and belief, at all times mentioned herein, SLS INC. knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality under the direction of the Trump Defendants.

296. Upon information and belief, at all times mentioned herein, SLS INC. recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio.

297. Upon information and belief, at all times mentioned herein, SLS INC. recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio on behalf of the Trump Defendants.

298. Upon information and belief, at all times mentioned herein, SLS INC. recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio under the direction of the Trump Defendants.

299. Upon information and belief, at all times herein mentioned, Jack Mitnick was an agent, servant, representative, and/or employee of Defendant SPAHR LACHER & SPERBER L.L.P. (“SLS LLP”).

300. Upon information and belief, at all times mentioned here, SLS LLP was a domestic accounting and legal services firm.

301. Upon information and belief, at all times mentioned herein, SLS LLP conducted business in the City and State of New York and derived substantial revenue in the State of New York.

302. Upon information and belief, at all times mentioned herein, SLS LLP, its employees, agents, and/or representative designed and implemented a system, which utilized the U.S. mail, telephone, and/or facsimile, to unlawfully and illegally increase regulated rents of apartments in the Trump Portfolio through the purchase of items at artificially inflated prices through All County.

303. Upon information and belief, at all times mentioned herein, SLS LLP aided, abetted and conspired to commit acts of fraud and illegality with the Trump Defendants through All County.

304. Upon information and belief, at all times mentioned herein, SLS LLP had knowledge of the aforementioned fraud and provided substantial assistance in commission of the fraud and illegality.

305. Upon information and belief, at all times mentioned herein, SLS LLP compiled financial statements in commission of the fraud and illegality.

306. Upon information and belief, at all times mentioned herein, SLS LLP compiled financial statements in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile.

307. Upon information and belief, at all times mentioned herein, SLS LLP compiled financial statements in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile on behalf of the Trump Defendants.

308. Upon information and belief, at all times mentioned herein, SLS LLP compiled financial statements in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile under the direction of the Trump Defendants.

309. Upon information and belief, at all times mentioned herein, SLS LLP prepared falsified tax returns in commission of the fraud and illegality.

310. Upon information and belief, at all times mentioned herein, SLS LLP prepared falsified tax returns in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile.

311. Upon information and belief, at all times mentioned herein, SLS LLP prepared falsified tax returns in commission of the fraud and illegality using the U.S. mail, telephone, and/or facsimile on behalf of the Trump Defendants.

312. Upon information and belief, at all times mentioned herein, SLS LLP prepared falsified tax returns in commission of the fraud using the U.S. mail, telephone, and/or facsimile under the direction of the Trump Defendants

313. Upon information and belief, at all times mentioned herein, SLS LLP knowingly misclassified All County revenues in commission of the fraud and illegality.

314. Upon information and belief, at all times mentioned herein, SLS LLP knowingly misclassified All County revenues in commission of the fraud and illegality on behalf of the Trump Defendants.

315. Upon information and belief, at all times mentioned herein, SLS LLP knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality.

316. Upon information and belief, at all times mentioned herein, SLS LLP knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality on behalf of the Trump Defendants.

317. Upon information and belief, at all times mentioned herein, SLS LLP knowingly misclassified Trump Portfolio expenses in commission of the fraud and illegality under the direction of the Trump Defendants.

318. Upon information and belief, at all times mentioned herein, SLS LLP knowingly devised a fraudulent accounting system in commission of the fraud and illegality.

319. Upon information and belief, at all times mentioned here, SLS LLP knowingly devised a fraudulent accounting system which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality.

320. Upon information and belief, at all times mentioned here, SLS LLP knowingly devised a fraudulent accounting system which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality on behalf of the Trump Defendants.

321. Upon information and belief, at all times mentioned here, SLS LLP knowingly devised a fraudulent accounting system which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality under the direction of the Trump Defendants.

322. Upon information and belief, at all times mentioned herein, SLS LLP knowingly maintained fraudulent accounting systems in commission of the fraud and illegality.

323. Upon information and belief, at all times mentioned herein, SLS LLP knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality.

324. Upon information and belief, at all times mentioned herein, SLS LLP knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality on behalf of the Trump Defendants.

325. Upon information and belief, at all times mentioned herein, SLS LLP knowingly maintained fraudulent accounting systems which utilized the U.S. mail, telephone, and/or facsimile in commission of the fraud and illegality under the direction of the Trump Defendants.

326. Upon information and belief, at all times mentioned herein, SLS LLP recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio.

327. Upon information and belief, at all times mentioned herein, SLS LLP recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio on behalf of the Trump Defendants.

328. Upon information and belief, at all times mentioned herein, SLS LLP recklessly and negligently performed tax audits of the Trump Defendants, All County, and the Trump Portfolio under the direction of the Trump Defendants.

329. Upon information and belief, SLS INC and/or SLS LLP (collectively "SLS") were acquired by M.R. Weiser & Co. in 1999, which rebranded as "Weiser" in 2001.

330. Upon information and belief, in 2010, Weiser joined Mazars Group, an international tax and accounting firm, as MAZARS USA LLP, an independent member firm.

331. Upon information and belief, at all times mentioned herein, Defendant MAZARS USA LLP conducted business in the City and State of New York and derived substantial revenue in the State of New York.

332. Upon information and belief, at all times mentioned herein, Defendant MAZARS USA LLP was the successor in interest of SLS and as such is liable for the acts and omissions of SLS.

D. The Present Owners and Managing Agents of the Trump Portfolio.

333. Upon information and belief, at all times mentioned herein, Defendant CAMMEBY'S REALTY CORP. ("Cammeby's") was a domestic entity.

334. Upon information and belief, Cammeby's conducted business in the City and State of New York and derived substantial revenue in the State of New York.

335. Upon information and belief, Cammeby's purchased the buildings that comprise the Trump Portfolio in 2004.

336. Upon information and belief, Cammeby's is the present owner of the buildings that comprise Trump Portfolio.

337. Upon information and belief, Cammeby's is the parent company of entities that presently own the Trump Portfolio.

338. Upon information and belief, Cammeby's owns a controlling interest in the entities that presently own the Trump Portfolio.

339. Upon information and belief, at all times herein mentioned, Defendant ARGYLE APARTMENTS LLC ("Argyle LLC") is a domestic entity.

340. Upon information and belief, at all times herein mentioned, Argyle LLC was the owner in fee of the buildings that comprise Argyle Hall in Brooklyn, New York.

341. Upon information and belief, Argyle Hall is an apartment building complex that consists of over 130 residential units.

342. Upon information and belief, at all times mentioned herein, Argyle LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

343. Upon information and belief, at all times mentioned herein, Defendant BEACH HAVEN APARTMENTS ASSOCIATES LLC (“Beach Haven LLC”) was a domestic entity.

344. Upon information and belief, at all times mentioned herein, Beach Haven LLC was the owner in fee of buildings that comprise Beach Haven Apartments in Brooklyn, New York.

345. Upon information and belief, Beach Haven Apartments is an apartment building complex that consists of over 2,207 residential units.

346. Upon information and belief, at all times mentioned herein, Beach Haven LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

347. Upon information and belief, at all times mentioned herein, BEACH HAVEN GROUP LLC (“Beach Haven Group LLC”) was a domestic entity.

348. Upon information and belief, at all times mentioned herein, Beach Haven Group LLC was the owner in fee of buildings that comprise Beach Haven Apartments in Brooklyn, New York.

349. Upon information and belief, at all times mentioned herein, Beach Haven Group LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

350. Upon information and belief, at all times mentioned herein, Defendant BRIAR WYCK LLC (“Briar Wyck LLC”) was a domestic entity.

351. Upon information and belief, at all times mentioned herein, Briar Wyck LLC was the owner in fee of the buildings that comprise the Briar Wyck in Queens, New York.

352. Upon information and belief, the Briar Wyck is an apartment building complex that consists of over 200 residential units.

353. Upon information and belief, at all times mentioned herein, Briar Wyck LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

354. Upon information and belief, at all times mentioned herein, Defendant EDGERTON APARTMENTS DEL LLC (“Edgerton LLC”) was a foreign entity.

355. Upon information and belief, at all times mentioned herein, Edgerton LLC was the owner in fee of the buildings that comprise Edgerton Hall in Queens, New York.

356. Upon information and belief, Edgerton Hall is an apartment building complex that consists of over 150 residential units.

357. Upon information and belief, at all times mentioned herein, Edgerton LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

358. Upon information and belief, at all times mentioned herein, Defendant FALCON APARTMENTS DEL LLC (“Falcon LLC”) was a foreign entity.

359. Upon information and belief, at all times mentioned herein, Falcon LLC was the owner in fee of the buildings that comprise Falcon Apartments in Brooklyn, New York.

360. Upon information and belief, Falcon Hall is an apartment building complex that consists of over 122 residential units.

361. Upon information and belief, at all times mentioned herein, Falcon LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

362. Upon information and belief, at all times mentioned herein, Defendant FONTAINEBLEAU TOWERS DEL LLC (“Fontainebleau LLC”) was a foreign entity.

363. Upon information and belief, at all times mentioned herein, Defendant Fontainebleau LLC was the owner in fee of the buildings that comprise the Fontainebleu Apartments in Brooklyn, New York.

364. Upon information and belief, Fontainebleu Apartments is an apartment building complex that consists of over 164 residential units.

365. Upon information and belief, at all times mentioned herein, Fontainebleau LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

366. Upon information and belief, at all times mentioned herein, Defendant GREEN PARK ESSEX APARTMENTS DEL LLC (“Green Park Essex LLC”) was a foreign entity.

367. Upon information and belief, at all times mentioned herein, Green Park Essex LLC was the owner in fee of the buildings that comprise Green Park Essex Apartments in Queens, New York.

368. Upon information and belief, Green Park Essex is an apartment building complex that consists of over 168 residential units.

369. Upon information and belief, at all times mentioned herein, Green Park Essex LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

370. Upon information and belief, at all times mentioned herein, Defendant GREEN PARK SUSSEX APARTMENTS DEL LLC (“Green Park Sussex LLC”) was a foreign entity.

371. Upon information and belief, at all times mentioned herein, Green Park Sussex LLC was the owner in fee of the buildings that comprise Green Park Sussex Apartments in Queens, New York.

372. Upon information and belief, Green Park Sussex is an apartment building complex that consists of over 96 residential units.

373. Upon information and belief, at all times mentioned herein, Green Park Sussex LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

374. Upon information and belief, at all times mentioned herein, Defendant GRYMES HILL APARTMENTS DEL LLC, (“Grymes Hill LLC”) was a foreign entity.

375. Upon information and belief, at all times mentioned herein, Grymes Hill LLC was the owner in fee of the buildings the comprise Grymes Hill Apartments in Staten Island, New York.

376. Upon information and belief, Grymes Hill Apartments is an apartment building complex that consists of over 250 residential units.

377. Upon information and belief, at all times mentioned herein, Grymes Hill LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

378. Upon information and belief, at all times mentioned herein, Defendant KENDALL APARTMENTS DEL LLC (“Kendall LLC”) was a foreign entity.

379. Upon information and belief, at all times mentioned herein, Kendall LLC was the owner in fee of the buildings that comprise Kendall Hall in Queens, New York.

380. Upon information and belief, Kendall Hall is an apartment building complex that consists of over 150 residential units.

381. Upon information and belief, at all times mentioned herein, Kendall LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

382. Upon information and belief, at all times mentioned herein, Defendant LAWRENCE GARDENS APARTMENTS DEL LLC (“Lawrence Gardens LLC”) was a foreign entity.

383. Upon information and belief, at all times mentioned herein, Lawrence Gardens LLC was the owner in fee of the buildings that comprise Lawrence Gardens in Brooklyn, New York.

384. Upon information and belief, Lawrence Gardens is an apartment building complex that consists of over 214 residential units.

385. Upon information and belief, at all times mentioned herein, Lawrence Gardens LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

386. Upon information and belief, at all times mentioned herein, Defendant LAWRENCE TOWERS DEL LLC (“Lawrence Towers LLC”) was a foreign entity.

387. Upon information and belief, at all times mentioned herein, Lawrence Towers LLC was the owner in fee of the buildings that comprise Lawrence Towers in Brooklyn, New York.

388. Upon information and belief, Lawrence Towers is an apartment building complex that consists of over 181 residential units.

389. Upon information and belief, at all times mentioned herein, Lawrence Towers LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

390. Upon information and belief, at all times mentioned herein, Defendant NAUTILUS APARTMENTS DEL LLC (“Nautilus LLC”) was a domestic entity.

391. Upon information and belief, at all times mentioned herein, Nautilus LLC was the owner in fee of the buildings that comprise Nautilus Hall in Brooklyn, New York.

392. Upon information and belief, Nautilus Hall is an apartment building complex that consists of over 145 residential units.

393. Upon information and belief, at all times mentioned herein, Nautilus LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

394. Upon information and belief, at all times mentioned herein, Defendant SHORE HAVEN APARTMENTS DEL LLC (“Shore Haven LLC”) was a foreign entity.

395. Upon information and belief, at all times mentioned herein, Defendant Shore Haven LLC was the owner in fee of the buildings that comprise Shore Haven Apartments in Brooklyn, New York.

396. Upon information and belief, Shore Haven Apartments is an apartment building complex that consists of over 2,253 residential units.

397. Upon information and belief, at all times mentioned herein, Shore Haven LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

398. Upon information and belief, at all times mentioned herein, Defendant SOUTHHAPMTON APARTMENTS DEL LLC (“Southampton LLC”) was a foreign entity.

399. Upon information and belief, at all times mentioned herein, Defendant Southampton LLC was the owner in fee of the buildings that comprise Southampton Apartments in Brooklyn, New York.

400. Upon information and belief, Southampton Apartments is an apartment building complex that consists of over 263 residential units.

401. Upon information and belief, at all times mentioned herein, Southampton LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

402. Upon information and belief, at all times mentioned herein, Defendant SUSSEX APARTMENTS ASSOCIATES DEL LLC (“Sussex LLC”) was a foreign entity.

403. Upon information and belief, at all times mentioned herein, Sussex LLC was the owner in fee of the buildings that comprise Sussex Hall in Queens, New York.

404. Upon information and belief, Sussex Hall is an apartment building complex that consists of over 191 residential units.

405. Upon information and belief, at all times mentioned herein, Sussex LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

406. Upon information and belief, at all times mentioned herein, Defendant STATEN ISLAND 18 ACRES (“Staten Island 18”) was a foreign entity.

407. Upon information and belief, at all times mentioned herein, Staten Island 18 was the owner in fee of the buildings that comprise Tysens Park Apartments in Staten Island, New York.

408. Upon information and belief, Staten Island 18 is an apartment building complex that consists of over 1,019 residential units.

409. Upon information and belief, at all times mentioned herein, Staten Island 18 conducted business in the City and State of New York and derived substantial revenue in the State of New York.

410. Upon information and belief, at all times mentioned herein, Defendant TRUMP VILLAGE APARTMENTS ONE OWNER LLC (“Trump Village One”) was a foreign entity.

411. Upon information and belief, at all times mentioned herein, Trump Village One was the owner in fee of the buildings that comprise Trump Village Section 1 in Brooklyn, New York.

412. Upon information and belief, Trump Village Section 1 is an apartment building complex that consists of over 445 residential units.

413. Upon information and belief, at all times mentioned herein, Trump Village One conducted business in the City and State of New York and derived substantial revenue in the State of New York.

414. Upon information and belief, at all times mentioned herein, Defendant TRUMP VILLAGE APARTMENTS TWO OWNER LLC (“Trump Village Two”) was a foreign entity.

415. Upon information and belief, at all times mentioned herein, Trump Village Two was the owner in fee of the buildings that comprise Trump Village Section 2 in Brooklyn, New York.

416. Upon information and belief, Trump Village Section 1 is an apartment building complex that consists of over 441 residential units.

417. Upon information and belief, at all times mentioned herein, Trump Village Two conducted business in the City and State of New York and derived substantial revenue in the State of New York.

418. Upon information and belief, at all times mentioned herein, Defendant TYSENS APARTMENTS LLC (“Tysens Apartments”) was a foreign entity.

419. Upon information and belief, at all times mentioned herein, Tysens Apartments was the owner in fee of the buildings that comprise Tysens Park Apartments in Staten Island, New York.

420. Upon information and belief, Tysens Park Apartments is an apartment building complex that consists of over 1,019 residential units.

421. Upon information and belief, at all times mentioned herein, Tysens Apartments conducted business in the City and State of New York and derived substantial revenue in the State of New York.

422. Upon information and belief, at all times mentioned herein, Defendant WESTMINSTER APARTMENTS LLC (“Westminster LLC”) was a domestic entity.

423. Upon information and belief, at all times mentioned herein, Westminster LLC was the owner in fee of the buildings that comprise Westminster Hall in Brooklyn, New York.

424. Upon information and belief, Westminster Hall is an apartment building complex that consists of over 138 residential units.

425. Upon information and belief, at all times mentioned herein, Westminster LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

426. Upon information and belief, at all times mentioned herein, Defendant WEXFORD APARTMENTS DEL LLC (“Wexford LLC”) was a foreign entity.

427. Upon information and belief, at all times mentioned herein, Wexford LLC was the owner in fee of the buildings that comprise Wexford Hall in Queens, New York.

428. Upon information and belief, Wexford Hall is an apartment building complex that consists of over 123 residential units.

429. Upon information and belief, at all times mentioned herein, Wexford LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

430. Upon information and belief, at all times mentioned herein, Defendant WILSHIRE APARTMENTS DEL LLC (“Wilshire LLC”) was a foreign entity.

431. Upon information and belief, at all times mentioned herein, Wilshire LLC was the owner in fee of the buildings that comprise Wilshire Hall in Queens, New York

432. Upon information and belief, Wilshire Hall is an apartment building complex that consists of over 218 residential units.

433. Upon information and belief, at all times mentioned herein, Wilshire LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

434. Upon information and belief, at all times mentioned herein, Defendant WINSTON APARTMENTS DEL LLC (“Winston LLC”) was a foreign entity.

435. Upon information and belief, at all times mentioned herein, Winston LLC was the owner in fee of the buildings that comprise Winston Hall in Queens, New York.

436. Upon information and belief, Winston Hall is an apartment building complex that consists of over 63 residential units.

437. Upon information and belief, at all times mentioned herein, Winston LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

438. Upon information and belief, at all times mentioned herein, Defendant PARKOFF OPERATING CORP. (“Parkoff”) was a domestic entity.

439. Upon information and belief, at all times mentioned herein, Parkoff conducted business in the City and State of New York and derived substantial revenue in the State of New York.

440. Upon information and belief, at all times mentioned herein, Parkoff subsequently purchased Trump Portfolio properties from Cammeby’s, which include Belcrest House, Chelsea Hall, and Fiesta Hall.

441. Upon information and belief, at all times mentioned herein, Parkoff was the parent company of the entities that presently own the Trump Portfolio.

442. Upon information and belief, Parkoff is the present owner of Belcrest House, Chelsea Hall, and Fiesta Hall.

443. Upon information and belief, at all times mentioned herein, Defendant BELCREST PARK ASSETS LLC (“Belcrest LLC”) was a domestic entity.

444. Upon information and belief, at all times mentioned herein, Belcrest LLC was the owner in fee of the buildings that comprise Belcrest House in Queens, New York.

445. Upon information and belief, Belcrest House is an apartment building complex that consists of over 100 residential units.

446. Upon information and belief, at all times mentioned herein, Belcrest LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

447. Upon information and belief, at all times mentioned herein, Defendant CHELSEA PARK ASSETS LLC (“Chelsea LLC”) was a domestic entity.

448. Upon information and belief, at all times mentioned herein, Chelsea LLC was the owner in fee of the buildings that comprise Chelsea Hall in Brooklyn, New York.

449. Upon information and belief, Chelsea Hall is an apartment building complex that consists of over 125 residential units.

450. Upon information and belief, at all times mentioned herein, Chelsea LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

451. Upon information and belief, at all times mentioned herein, Defendant FIESTA PARK ASSETS LLC (“Fiesta LLC”) was a domestic entity.

452. Upon information and belief, at all times mentioned herein, Fiesta LLC was the owner in fee of the buildings that comprise Fiesta Apartments in Brooklyn, New York.

453. Upon information and belief, Fiesta Apartments is an apartment building complex that consists of over 120 residential units.

454. Upon information and belief, at all times mentioned herein, Fiesta LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

455. Upon information and belief, at all times mentioned herein, Defendant APARTMENT MANAGEMENT ASSOCIATES LLC, (“AMA LLC”) was a domestic entity.

456. Upon information and belief, at all times mentioned herein, AMA LLC also operated under the trade name “Revona Properties.”

457. Upon information and belief, at all times mentioned herein, AMA LLC operated and served as a managing agent of buildings that comprise the Trump Portfolio.

458. Upon information and belief, at all times mentioned herein. AMA LLC was an owner, shareholder, member, and/or partner of numerous buildings that comprise the Trump Portfolio.

459. Upon information and belief, at all times mentioned herein, AMA LLC calculated, collected, and reviewed the rent charged to tenants for rent-regulated apartments in buildings that comprise the Trump Portfolio.

460. Upon information and belief, at all times mentioned herein, AMA LLC was an agent, servant, representative, and/or employee of the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein.

461. Upon information and belief, at all times mentioned herein, AMA LLC was an agent, servant, representative, and/or employee of the Trump Defendants.

462. Upon information and belief, at all times mentioned herein, AMA LLC was the successor in interest of TMI and AMA Inc.

463. Upon information and belief, TMI was formed in 1970 by the Trump Defendants to operate and manage buildings that comprise the Trump Portfolio.

464. Upon information and belief, AMA Inc. was formed in 1994 by the Trump Defendants to operate and manage buildings that comprise the Trump Portfolio.

465. Upon information and belief, at all times herein mentioned, the Trump Defendants and their agents, employees, associates, and/or representatives exercised exclusive control and authority over AMA LLC.

466. Upon information and belief, at all times herein mentioned, the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein and their agents, employees, associates, and/or representatives exercised exclusive control and authority over AMA LLC.

467. Upon information and belief, at all times mentioned herein, AMA LLC falsely and misleadingly marketed, advertised, and otherwise promoted to consumers, including Plaintiffs and the putative Class, that apartments in the Trump Portfolio are rent-regulated units offered at legal regulated rent when they are not.

468. Upon information and belief, at all times mentioned herein, AMA LLC conducted business in the City and State of New York and derived substantial revenue in the State of New York.

469. Upon information and belief, at all times mentioned herein, Defendant D.S.J. REALTY, L.L.C. (“DSJ”) was a domestic entity.

470. Upon information and belief, DSJ was formed for the purpose of serving as the exclusive real estate broker for certain Trump Portfolio buildings.

471. Upon information and belief, DSJ has and continues to serve as the exclusive real estate broker for buildings that comprise the Trump Portfolio.

472. Upon information and belief, at all times mentioned herein, DSJ engaged in the marketing, advertising, and/or promotion of rent-regulated and deregulated apartments in the Trump Portfolio.

473. Upon information and belief, at all times mentioned herein, DSJ falsely and misleadingly marketed, advertised, and otherwise promoted to consumers, including Plaintiffs and the putative Class, that apartments in the Trump Portfolio are rent-regulated units offered at legal regulated rent when they are not.

474. Upon information and belief, at all times mentioned herein, the offices of DSJ are embedded in buildings comprising the Trump Portfolio, including, but not limited to, Beach Haven, Sussex Hall, Tysens Park, and Grymes Hill.

475. Upon information and belief, at all times mentioned herein, DSJ was an agent, servant, representative, and/or employee of the Trump Defendants.

476. Upon information and belief, at all times mentioned herein, DSJ was an agent, servant, representative, and/or employee of the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein.

477. Upon information and belief, at all times herein mentioned, the Trump Defendants and their agents, employees, associates, and/or representatives exercised exclusive control and authority over DSJ.

478. Upon information and belief, at all times herein mentioned, the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein

and their agents, employees, associates, and/or representatives exercised exclusive control and authority over DSJ.

479. Upon information and belief, at all times mentioned herein, DSJ had a financial relationship with the Trump Defendants.

480. Upon information and belief, at all times mentioned herein, DSJ had a financial relationship with the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein.

481. Upon information and belief, at all times mentioned herein, DSJ falsely and misleadingly demanded and/ or collected broker fees from tenants of rent-regulated apartments in the Trump Portfolio, including Plaintiffs and the putative Class.

482. Upon information and belief, at all times mentioned herein, DSJ conducted business in the City and State of New York and derived substantial revenue in the State of New York.

483. Upon information and belief, at all times mentioned herein, Defendant ATLANTIC MANAGEMENT CO. INC. (“Atlantic Management”) was a domestic entity.

484. Upon information and belief, at all times mentioned herein, Atlantic Management has served as an exclusive real estate broker for buildings that comprise the Trump Portfolio.

485. Upon information and belief, Atlantic Management has and continues to serve as an exclusive real estate broker for buildings the comprise the Trump Portfolio.

486. Upon information and belief, at all times mentioned herein, Atlantic Management engaged in the marketing, advertising, and/or promotion of rent-regulated and deregulated apartments in the Trump Portfolio.

487. Upon information and belief, at all times mentioned herein, Atlantic Management falsely and misleadingly marketed, advertised, and otherwise promoted to consumers that

apartments in the Trump Portfolio are rent-regulated units offered at legal regulated rent when they are not.

488. Upon information and belief, at all times mentioned herein, Atlantic Management was an agent, servant, representative, and/or employee of the Trump Defendants.

489. Upon information and belief, at all times mentioned herein, Atlantic Management was an agent, servant, representative, and/or employee of the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein.

490. Upon information and belief, at all times herein mentioned, the Trump Defendants and their agents, employees, associates, and/or representatives exercised exclusive control and authority over Atlantic Management.

491. Upon information and belief, at all times herein mentioned, the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein and their agents, employees, associates, and/or representatives exercised exclusive control and authority over Atlantic Management.

492. Upon information and belief, at all times mentioned herein, Atlantic Management had a financial interest with the Trump Defendants.

493. Upon information and belief, at all times mentioned herein, Atlantic Management has a financial interest with the business entities which owned buildings that comprise the Trump Portfolio who are named as Defendants herein at all times herein mentioned.

494. Upon information and belief, at all times mentioned herein, DSJ falsely and misleadingly demanded and/ or collected broker fees for rent-regulated apartments in the Trump Portfolio.

495. Upon information and belief, at all times mentioned herein, Atlantic Management conducted business in the City and State of New York and derived substantial revenue in the State of New York.

496. Upon information and belief, Defendants JOHN or JANE DOE 1-10, true names being unknown, are intended as owners in fee, co-owners, shareholders, members, partners and/or managing agents of rent-regulated apartments in the buildings comprising Clyde Hall, Coronet Hall, Highlander Hall, Saxony Hall, Sunnyside Towers in Queens, New York; and Lincoln Shore Apartments, Ocean Terrace, Sea Isle, Starrett City, and Wedgewood Hall in Brooklyn, New York.

497. Upon information and belief, Defendants JOHN or JANE DOE 11-100, true names being unknown, are intended as co-owners, shareholders, members, partners, managing agents and/or real estate brokers of Trump Portfolio building(s) presently unknown but subject to the allegations asserted against Defendants herein.

498. Upon information and belief, Defendants JOHN or JANE DOE 11-100, true names being unknown, are intended as co-owners, shareholders, members, partners, managing agents and/or real estate brokers of Trump Portfolio building(s) presently unknown but alleged to have conspired with the Trump Defendants in the commission of acts of fraud and illegality in violation of RICO.

499. Upon information and belief, Defendants XYZ CORPORATION 1 - 10, true names being unknown, are intended as foreign or domestic business entities and owners in fee, co-owners, shareholders, members, partners and/or managing agents of the buildings comprising Clyde Hall, Coronet Hall, Highlander Hall, Saxony Hall, Sunnyside Towers in Queens, New York; and Lincoln Shore Apartments, Ocean Terrace, Sea Isle, Starrett City, Trump Village, and Wedgewood Hall in Brooklyn, New York.

500. Upon information and belief, Defendants XYZ CORPORATION 1 - 10 conduct business and derive substantial revenue in the State of New York.

501. Upon information and belief, Defendants XYZ CORPORATION 11-100 true names being unknown, are intended as foreign or domestic business entities and owners in fee, managing agents, and/or real estate brokers of Trump Portfolio building(s) presently unknown but subject to the allegations asserted against Defendants herein.

502. Upon information and belief, Defendants XYZ CORPORATION 11-100 true names being unknown, are intended as foreign or domestic business entities and owners in fee, managing agents, and/or real estate brokers of Trump Portfolio building(s) presently unknown but alleged to have conspired with the Trump Defendants in the commission of acts of fraud and illegality in violation of RICO.

503. Upon information and belief, Defendants XYZ CORPORATION 11 - 100 conduct business and derive substantial revenue in the State of New York.

FACTUAL BACKGROUND

A. New York City Rent Stabilization Law.

504. In 1969, the New York City Council enacted the New York City Rent Stabilization Law ("RSL"), and thereafter gave New York State Division of Housing and Community Renewal (DHCR) authority to promulgate regulations in furtherance of the RSL which it did by establishing the Rent Stabilization Code (RSC), the codification of the laws and procedures of the RSL.

505. The RSL and RSC regulate the amount of rent that landlords can charge for regulated apartments in the City of New York and circumscribe when and the manner in which landlords are able to raise rents, cover the cost of improvements, and deregulate apartments.

506. The rent that a landlord can charge for a regulated apartment is based at least in part on the rent paid by the previous tenant.

507. The RSC regulates the amount of rent a landlord may charge for an apartment and restricts the right of an owner to evict tenants.

508. The RSC further prohibits a broker that is employed or maintains a financial interest with the owner from collecting a broker fee and/or rental commission, which the RSC defines as additional rent.

509. When a tenant moves out of a rent-controlled apartment, the apartment becomes decontrolled and subject to rent increases.

510. If the decontrolled apartment is in a building built before January 1, 1974, and is in a building containing six or more units, the apartment becomes rent-stabilized, unless the apartment is above the then exiting Deregulation Rent Threshold.

511. The owner must register the unit with DHCR by completing an Initial Apartment Registration, and must provide a copy by certified mail to the first rent-stabilized tenant.

512. Landlords of rent-stabilized apartments are entitled to increase rents when permitted by the Rent Guidelines Board (“RGB”).

513. The RGB sets the maximum rates for rent increases once a year that are effective for leases commencing on or after October 1st of each year through September 30th of the following year.

514. Landlords of rent-stabilized apartments are entitled to increase rents when an apartment becomes vacant subject to statutorily-defined adjustments.

515. Landlords of rent-stabilized and rent-controlled apartments are entitled to increase rents to adjust the rent of regulated apartments in a building based on the actual, verified, cost of

a Major Capital Improvement (“MCI”) approved by DHCR, and with notice to the tenant(s), which is work performed for the operation, preservation, and maintenance of the building that benefits all tenants.

516. Landlords who undertake an MCI however are only permitted to adjust the rent of rent-regulated apartments based on the verifiable cost of the improvements which the landlord must submit in an application to DHCR within two years of the improvement having been made.

517. Landlords who undertake an MCI are only permitted to adjust the rent of rent-regulated apartments based on the actual cost of the improvements.

518. Landlords who undertake an MCI are only permitted to adjust the rent of rent-regulated apartments based on the reasonable cost of the improvements.

519. Landlords who undertake an MCI however are not permitted to adjust the rent of rent-regulated apartments based on costs of improvements which have been fraudulently inflated and/or manipulated.

520. Landlords who undertake an MCI however are only permitted to adjust the rent of rent-regulated apartments based on costs of the improvements which have not been manipulated.

521. If DHCR approves the MCI application, it issues an order permitting the landlord to increase the base rent of the subject rent-regulated apartments in accordance with the MCI rent adjustment.

522. MCI increases are equal to $1/60$ of the cost (excluding finance charges), divided by the number of rooms in the building, and charged per-apartment based on the number of rooms.

523. Landlords of rent-stabilized apartments are further entitled to increase the rent if the landlord performs an Individual Apartment Improvement (“IAI”), which is an improvement, equipment installation, or increase in services, such as installation of new cabinets, fixtures,

alarms, carpeting and/or flooring where none previously existed, and excluding ordinary maintenance and repairs.

524. IAI rent increases equal 1/40 of the cost of the subject IAI, or 1/60 of the cost where the building contains 36 apartments or more.

525. The base rent which a rent-regulated tenant's rent is calculated can be increased by adding a percentage of the cost the landlord has spent on IAIs.

526. If a tenant challenges the validity of a rent increase resulting from performance of an IAI, the landlord is required to demonstrate that the cost of any improvement is supported by adequate documentation.

527. Although DHCR is charged with enforcing the RSL and RSC, prior to the passage of the Housing Stability and Tenant Protection Act of 2019 on June 14, 2019, the agency historically operated on an "honor system," whereby landlords merely reported IAI rent increases and DHCR took the landlord at its word that the increases were justified.

B. Trump's All County Scheme.

528. Upon information and belief, from 1992 to 2004, the Trump Defendants, their employees, agents, partners, and associated entities, officers and shareholders owned and/or co-owned the Trump Portfolio.

529. Upon information and belief, from 1992 to 2004, the Trump Defendants, their employees, agents, partners, and associated entities, officers and shareholders managed the Trump Portfolio.

530. Upon information and belief, from 1992 to 2004, the Trump Defendants, their employees, agents, partners, and associated entities, officers and shareholders operated the Trump Portfolio.

531. Upon information and belief, from 1992 to 2004, the Trump Defendants, their employees, agents, partners, and associated entities, officers and shareholders controlled the Trump Portfolio.

532. Upon information and belief, All County was created as a domestic corporation with the New York State, Department of State, Division of Corporations, on August 13, 1992, and designated New York State Department of State ID # as 1658756. Annexed as Exhibit C is a copy of the New York State Department of State, Division of Corporations, Entity Information pertaining to All County.

533. Upon information and belief, one of the purposes of All County was to fraudulently and illegally inflate the cost of IAIs and MCIs made to the Trump Portfolio to justify unlawful increases in rent resulting in increased profits to the Trump Defendants at the expense of their tenants.

534. Upon information and belief, All County permitted and was the vehicle for Donald Trump, Maryanne Trump, Robert Trump, and Elizabeth Trump Grau to fraudulently increase the value of the Trump Portfolio based on the aforesaid unlawful increases in regulated rents in anticipation of a subsequent sale.

535. Upon information and belief, a separate purpose of All County was to facilitate a transfer of wealth from Fred Trump to his children and John Walter by distributing All County's profits as earned income to Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter in such a manner as to evade federal estate and/or gift taxation.

536. Upon information and belief, the sole directors and/or shareholders of All County were Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John Walter.

537. Upon information and belief, Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John Walter received regular cash distributions from All County.

538. Upon information and belief, the regular cash distributions that Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John Walter received from All County should have been subject to federal estate and/or gift taxation.

539. Upon information and belief, the purchasing activities and/or services purportedly performed by All County could have been performed by the employees, servants, and/or agents of TMI and/or AMA.

540. Upon information and belief, the purchasing activities and/or services purportedly performed by All County were performed by the employees, servants, and/or agents of TMI and/or AMA.

541. Upon information and belief, All County served no legitimate business purpose, and rather served as a vehicle for Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John Walter to artificially inflate the cost of capital assets and justify unlawful increases to rent of rent-regulated apartments in the Trump Portfolio.

542. Upon information and belief, All County served no legitimate business purpose, but rather served as a vehicle for Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John Walter to transfer wealth from their father/uncle, Fred Trump, to themselves in such a manner to avoid federal estate and/or gift taxation.

543. Upon information and belief, the Trump Defendants conspired with employees, servants, and/or agents of TMI, AMA, Jack Mitnick, and SLS, amongst others, to devise Trump's All County Scheme as a means to facilitate a transfer of wealth from Fred Trump to Donald Trump,

Maryanne Trump, Robert Trump, and John Walter that would evade federal estate and/or gift taxation.

544. Upon information and belief, the Trump Defendants unlawfully and illegally conspired with employees, servants, and/or agents of TMI, AMA, Jack Mitnick, and SLS, amongst others, to devise the Trump's All County Scheme as a means to enrich Donald Trump, Maryanne Trump Barry, Robert Trump, and John Walter at the expense of the rent-regulated tenants of the Trump Portfolio.

545. Upon information and belief, TMI, AMA, Jack Mitnick, SLS, and their employees, servants, and/or agents knew that in so conspiring with the Trump Defendants and acting in furtherance of Trump's All County Scheme would result in further enriching the Trump Defendants at the expense of rent-regulated tenants of the Trump Portfolio.

546. Accordingly, upon information and belief, the Trump Defendants created and utilized All County as a fraudulent purchasing agent between the owners and managing entities of the Trump Portfolio and their third-party suppliers so as to appear that All County was a legitimate central purchasing agent of capital assets used for renovations, improvements, and maintenance of the Trump Portfolio.

547. Upon information and belief, the Trump Defendants knew from the inception of All County that the use of All County to execute the Trump's All County Scheme would unlawfully raise the rents of the rent-regulated apartments for the financial gain of Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John Walter.

548. Upon information and belief, All County would then issue fraudulently inflated invoices for the purchases back to the owners and managing entities of the Trump Portfolio, allowing Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau, and John

Walter to pocket All County's artificial profits from the fraudulently inflated invoices at the ultimate expense of the rent-regulated tenants

549. Annexed as Exhibit D is a copy of a purchase order for two boilers and hot water coils, dated February 4, 1994, sent from All County to boiler supplier, A.L Eastmond & Sons, Inc.; and an invoice for payment of the same purchase order, dated February 19, 1994, sent from All County to Grymes Hill Apartments, Inc., a Trump Portfolio owner entity, showing All County marked up the cost of each boiler by 20%.

550. Annexed as Exhibit E are copies of checks issued by sham owner and/or management entities set up by the Trump Defendants, "Beach Haven Management Corp.," "Briar Wyck Apartments," "Fontainebleau Apartments, L.L.C.," "Green Park Essex," "Lawrence Gardens," "Lawrence Towers Apts., L.L.C.," "Nautilus Hall," "Shore Haven Apts. 5 Inc.," and "Wexford Hall Inc." and made payable to All County totaling tens of thousands to several hundred thousand dollars.

551. Each check also displays the Trump Corporation insignia in the upper left corner as well as the signature of Robert Trump.

552. Upon information and belief, Robert Trump signed all checks payable to All County on behalf of the owner and managing entities of the Trump Portfolio.

553. Upon information and belief, Robert Trump signed the aforementioned checks with knowledge that the payment represented a fraudulently inflated purchase price of capital assets.

554. Upon information and belief, Robert Trump signed the aforementioned checks with knowledge and intent that the inflated purchase price reflected in the check would be included in fraudulently applications seeking approval for unlawful increases in regulated rent of apartments

in the Trump Portfolio based on the inflated purported value of the capital assets for the renovation, improvement, and/or maintenance alleged to have been performed.

555. Upon information and belief, Robert Trump signed the aforementioned checks with knowledge and intent to deceive governmental agencies responsible for the regulation of rent-regulated apartments in the New York City as well as the tenants including Plaintiffs and the putative Class, and did so under the supervision and direction of Fred Trump, Donald Trump, Maryanne Trump Barry, and/or Elizabeth Trump Grau.

556. Upon information and belief, Fred Trump, Donald Trump, Maryanne Trump Barry, Elizabeth Trump Grau, and John Walter conspired with Robert Trump to commit the aforementioned acts of fraud in the signing checks and submitting of payment to All County for the inflated cost of capital assets.

557. Upon information and belief, the fraudulent inflation of purchasing costs to increase regulated rents, permitted the Trump Defendants to substantially and unlawfully increase rents of rent-regulated apartments in the Trump Portfolio under the RSL and RSC.

558. Upon information and belief, the Trump Defendants profited directly from the unlawfully increased rents at the expense of the rent-regulated tenants.

559. Upon information and belief, the Trump Defendants also profited directly from All County's profits in the fraudulent sale of capital assets at inflated costs to the owners of the Trump Portfolio at the expense of the rent-regulated tenants.

560. Upon information and belief, in commission of these unlawful, illegal and fraudulent objectives, the Trump Defendants utilized an association-in-fact enterprise of individuals and entities responsible for the ownership, management, and operation of the Trump Portfolio apartments, which served as the vehicle for the Trump's All County Scheme.

561. Upon information and belief, from 1992 to 2004, the Trump Defendants used the association-in-fact enterprise to engage in an ongoing and intentional pattern and practice of systematic fraudulent business activities directed at illegally increasing rent regulated rents apartments in the Trump Portfolio above the legally permissible amounts under the RSL and RSC.

562. Upon information and belief, Fred Trump, as owner of the Trump Portfolio, had the means of acquiring materials and items for MCIs and IAIs without involving All County at a lower cost than what was ultimately charged or reported to justify the correlating increase in rent.

563. Upon information and belief, the individual owner and managing entities of the Trump Portfolio established and directed by Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau had the means of acquiring materials and items for MCIs and IAIs without involving All County at a lower cost than what was ultimately charged or reported to justify the correlating increase in rent.

564. Upon information and belief, Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau as co-owners of the Trump Portfolio had the means of acquiring materials and items for MCIs and IAIs without involving All County at a lower cost than what was ultimately charged or reported to justify the correlating increase in rent.

565. Upon information and belief, the Trump Defendants, through their employees, servants, and agents, knowingly used the U.S. mail to transmit fraudulent invoices generated by All County which reflected fraudulently inflated purchasing costs.

566. Upon information and belief, the Trump Defendants, through their employees, servants, and agents prepared and submitted deceptive, false and fraudulent applications for rent increases to DHCR that relied upon the representations contained in the false and fraudulent invoices generated by All County.

567. Upon information and belief, the Trump Defendants, through their employees, servants, and agents, specifically, TMI and AMA, knowingly used the U.S. mail to transmit to the tenants of the Trump Portfolio, including Plaintiffs, lease agreements, renewals, demands for rent, and notices relating to fraudulent, unlawful and illegal rent increases caused by the use of the Trump's All County Scheme which misrepresented the legal regulated rent.

568. Upon information and belief, the methods implemented by the Trump Defendants successfully permitted Donald Trump, Maryanne Trump, Robert Trump, Elizabeth Trump Grau and John Walter to profit from All County without limitation and profit again from the subsequent increasing of regulated rents of Plaintiffs' apartments and those of the putative Class in contrast to what the appropriate increases would have been, if any at all.

569. The tenants, including Plaintiffs and the Class were totally unaware of the unlawful and illegal means utilized by the Trump Defendants to unlawfully and illegally raise their regulated rents

C. The New York Times Investigation and Mary L. Trump Action.

570. On October 2, 2018, the *New York Times* published an article titled, "*Trump Engaged in Suspect Tax Schemes as he Reaped Riches from His Father,*" unveiling numerous fraudulent business transactions between All County and members of the Trump family and/or Trump Organization. Exhibit A. The subsequent article, "*As the Trumps Dodged Taxes, Their Tenants Paid the Price,*" was published by the *New York Times* on or about December 15, 2018, annexed as Exhibit F.³

³ Russ Buettner and Susanne Craig, "As the Trumps Dodged Taxes, Their Tenants Paid the Price." *The New York Times*. December 15, 2018. Accessed October 2, 2020. <https://www.nytimes.com/2018/12/15/us/politics/trump-tenants-taxes.html>.

571. Soon after the *New York Times* articles were published in October and December 2018, All County filed for dissolution with the Department of State, and officially dissolved as of December 31, 2018.

572. On September 24, 2020, Mary L. Trump, the niece of Donald Trump, Maryanne Trump, Elizabeth Trump Grau and Robert Trump, filed her own Complaint against her aunt and uncles in New York State Supreme Court, New York County, alleging fraudulent business transactions conducted by All County with numerous residential rental housing buildings owned and operated by the Trump Organization. Exhibit B.

573. On December 22, 2020, Donald Trump and Shawn Hughes moved to dismiss the Mary L. Trump Action. The affirmation, memorandum of law, and exhibits offered by counsel in support of the motion, annexed as Exhibit G (“Trump/Hughes Motion”), openly acknowledge the existence of All County and its role in artificially inflating the regulated rents of the Trump Portfolio.

574. In fact, the Trump/Hughes Motion provides specific details concerning All County and outlines both the opportunity and motivation of the Trump Defendants to commit the acts of fraud alleged herein. These details are judicial admissions, including specifically the excerpts of sworn SCPA §1404 testimony by Robert Trump and John Walter which were attached to the Trump/Hughes Motion.

575. The affirmation in support of the Trump/Hughes Motion avers that Fred Trump formed TMI in 1969 to manage his real estate portfolio [the Trump Portfolio herein] and was the corporation’s sole owner. Exhibit G, Trump/Hughes Motion, Affirmation at ¶ 7. Furthermore, in the 1960’s, each of Fred Trump’s children formed partnerships and other business entities, which

also acquired interests in properties owned by Fred Trump and managed and/or operated by TMI.
Id.

576. Robert Trump began working with his father in the fall of 1991, when his father was recuperating from hip replacement surgery, and began a campaign of major capital improvements to the Trump Portfolio, which included the installation of new roofs, new boilers, elevator equipment, windows and sidewalks. *Id.*, Memorandum of Law at p. 6.

577. Robert, his siblings, and John Walter formed All County in 1992 on the “advice and blessing” of their lawyers and accountants to serve as the central purchasing agent for *all* the residential properties of the Trump Portfolio which had been managed by Fred Trump. *Id.*, Memorandum of Law at p. 6 - 7; *Id.*, Exhibit N at p. 145.

578. John Walter explained the purpose of All County in plain terms and under oath during an SCPA §1404 examination held on March 7, 2000, which is attached to the Trump/Hughes motion:

Q. It was intended that this business [All County] was going to do some markups so that it could make a profit; right?

A. Well, what was intended was there were a lot of reasons why All County made sense. **First of all Mr. Trump [Fred Trump] was very concerned about the price of what we charged, what we could use to establish a capital -- major capital improvement for rent increase purposes.**

Because of the rent stabilization program, a landlord in New York City, New York State, is allowed to increase the rent by a specific percentage, which is set each year by the Rent Stabilization Board. The only way a landlord can increase the rent over and above that amount is to make some significant capital improvement to its property. The idea being, the State will acknowledge if you improve your property, will allow you to pass the cost of that on to the tenant in an increased rent that is one-fortieth the cost of the improvement.

So if Mr. Trump, in his expert negotiation ability, gets a refrigerator from P.C. Richard's for \$200, that a normal person could go and buy from \$350, he then delivers that refrigerator, has P.C. Richard deliver that refrigerator for \$200, or whatever, to the building has his staff, Mr. Trump's staff, carry it up to the building because there's no --- the delivery charge will only be made to the building, A, if a tenant did that, the cost would be 350 plus 25 delivery, he's only getting 250 plus no delivery.

He [Fred Trump] said, that makes no sense. I should be able to get the same benefit that it would cost the tenants. So he said, devise a method – you have to understand the thinking that went behind this.

- Q. I understand.
- A. So All County would then charge the \$25 and then, therefore he could get credit for it, and that was with a markup. You asked about a markup.
- Q. My question started, and so it was intended that the corporation make a profit; right?
- A. **It was intended that the family make a profit.**
- Q. The corporation make a profit and distribute it to its shareholders?
- A. Okay.
- Q. And, in fact, it did make a profit?
- A. **It did.**

Id., Exhibit N at 261-262 (emphasis added)

579. Robert Trump also discussed under oath the workings of All County during his own SCPA § 1404 examination held on February 24, 2000, also attached to the Trump/Hughes motion:

- Q. And so was one of the purposes of – All County Building Supply in addition to having the business purpose of centralized purchasing power, if you will, could mark up and generate a profit on its own.

- A. That's correct.
- Q. And that was one of the other purposes?
- A. It was a purpose also, yes.
- Q. So to the extent that that markup was created at a level outside of your father's entity, in effect it had the effect of decreasing his estate; right?
- A. Possibly to some extent offsetting that is the fact that **by buying through a third-party vendor items of supply, plumbing fixtures, things like kitchen cabinets, et cetera, my father's company was able to increase the rents that he charges for the apartment units under what they call MCI, major capital improvement. And if you do renovations through an outside third-party company, you can then increase the rent on a particular unit one-fortieth the cost of the improvement; and then over the first 40 months you could receive back the amount that was paid in the form of rent. After that 40-month period, the rent stays at the same level, it doesn't get rolled back,** so really the estate at that point is the beneficiary of having done that transaction.

Id., Exhibit O at 135-136 (emphasis added)

580. Robert Trump and John Walter admitted that All County had been formed to generate profits on its own by marking up the prices of building supplies and improvements. *Id.*, Memorandum of Law at 7-8; *Id.*, Exhibit N at 135 – 136; *Id.*, Exhibit O at p. 262.

581. Robert Trump also acknowledged that purchasing items at an inflated cost through All County decreased the value of Fred Trump's estate while increasing the profitability of the properties by using the marked-up improvements to justify higher rent increases. *Id.*, Memorandum of Law at 7; *Id.*, Exhibit N at 136 – 137.

582. John Walter similarly testified that profits from All County had the ancillary benefit of sending money "downstream" without being subject to estate taxes. *Id.*, Memorandum of Law at 8; *Id.*, Exhibit O at 262.

583. The articles by the *New York Times*, the allegations made in the Mary L. Trump Action, and the admissions in the Trump/Hughes motion establish that the illegal and unlawful overcharge of rent-regulated tenants through Trump's All County Scheme not only happened to directly enrich the Trump Defendants with unlawfully increased rents, but also to facilitate an overarching tax fraud scheme by the Trump Defendants whereby All County's transactions served to transfer Fred Trump's wealth to his children and nephew while evading estate and/or gift taxation.

D. Reckoning with Past Wrongs.

584. While the Trump Defendants have long since walked away from Trump's All County Scheme with millions in untaxed funds from Fred Trump and rent overcharges, it is the tenants of the Trump Portfolio who continue to suffer the compounding of illegal rent increases from the All County Scheme in their present base rent.

585. As stated by the *New York Times* regarding a tenant from Beach Haven Apartments in the article dated December 15, 2018, "[t]he effect of those costs was compounded through the years, as every approved rent increase built upon the starting point. And while some portion was certainly legitimate, even a \$10-a-month increase because of a padded All County invoice would mean that Mr. Leitner had given his landlords at least \$3,800 more than they were legally entitled to over the past 22 years." Exhibit F, *As the Trumps Dodged Taxes, Their Tenants Paid the Price* at 4.

586. Plaintiffs and the putative Class also have reason to believe the Trump Defendants, in collusion with All County, never performed MCIs and/or IAIs in the amount required to justify their current rent levels. The conditions of Plaintiffs' apartments and those of the putative Class,

together with the buildings and/or premises they live or lived in, further justify the conclusion that MCIs and/or IAIs in the aforementioned amounts were not performed.

587. Plaintiffs and the putative Class have reason to believe that the pattern and practice of fraudulent conduct by the Trump Defendants, their employees, agents, and successors since the incorporation of All County in 1992 resulted in the illegal deregulation of their apartments on a massive scale.

588. Plaintiffs and the putative Class furthermore have reason to believe that the present owners and managing agents of the Trump Portfolio have had knowledge of the illegal deregulation of their apartments but have continued to charge illegal rent at their current rent levels.

589. The Trump Defendants' extensive pattern of fraudulent conduct, as described in the *New York Times* articles and the Mary L. Trump Action renders the base rent and rent histories for each and every unit occupied by Plaintiffs and the putative Class, in each and every building of the Trump Portfolio, suspect and unreliable, and calls into question every MCI or IAI increase or lawful deregulation of rent-regulated apartments in the Trump Portfolio to justify the rent charged to Plaintiffs and the putative Class.

590. Accordingly, Defendants, including all past and subsequent owners of the Trump Portfolio, have failed to comply with the requirements of the RSL by, among other things, altering and misrepresenting the legal regulated rent to tenants; charging higher initial rents; inflating and/or misrepresenting the amount and cost of MCIs and IAIs that were completed; using such false information to increase rents; and deregulating apartments that should have remained rent-regulated.

E. Equitable Tolling of Statute of Limitations.

591. The doctrine of equitable estoppel applies to this action so as to prevent the inequitable use of a statute of limitations defense.

592. Upon information and belief, the actions, statements, representations, conduct, and deception by the Defendants in the commission of unlawfully and illegally increasing regulated rents, overcharging regulated rent, and/or concealing records, information, and knowledge concerning All County from past or present tenants and the general public were calculated to mislead Plaintiffs who relied upon them to their detriment.

593. As a result of the fraudulent, deceptive, negligent, careless, reckless, grossly negligent, willful, unlawful, and otherwise larcenous conduct of the Defendants and/or Defendants' agents, servants, and employees, the Defendants and their agents, servants and employees should be equitably estopped from raising affirmative defenses that the statute of limitations has expired to any and each respective foregoing cause of action.

594. The doctrine of equitable tolling applies to the statutes of limitations for each cause of action herein is invoked in that Defendants fraudulently misrepresented and concealed the lawful amount of regulated base rent of apartments in the Trump Portfolio in the ways and manners set forth herein, so that Plaintiffs acting as reasonable persons did not actually or constructively discover or know of the existence of Defendants' acts of fraud and causes of action within the applicable limitations period for each such cause of action.

595. The doctrine of equitable tolling applies to the statutes of limitations for each foregoing cause of action stated in the complaint is invoked in that Defendants, through their affirmative acts, induced Plaintiffs to believe that the regulated base rent of apartments in the Trump Portfolio represented a lawful amount.

596. The doctrine that equitable tolling applies to the statutes of limitations of each foregoing cause of action is further invoked in that Plaintiffs were unaware of the identities of Defendants due to acts of fraudulent concealment by Defendants.

F. Tolling of Statute of Limitations by Executive Order.

597. On March 7, 2020, New York State Governor Andrew M. Cuomo issued Executive Order 202.8 in response to the COVID-19 public health emergency pursuant to the authority vested in the Governor by Executive Law § 29-a.

598. Executive Order 202.8 provides for tolling of the statute of limitations in any legal action, stating in pertinent part:

[A]ny specific time limit for the commencement, filing, or service of any legal action, notice, motion, or other process or proceeding, as prescribed by the procedural laws of the state, including but not limited to the criminal procedure law, the family court act, the civil practice law and rules, the court of claims act, the surrogate's court procedure act, and the uniform court acts, or by any other statute, local law, ordinance, order, rule, or regulation, or part thereof, is hereby tolled from the date of this executive order[.]

599. Executive Order 202.8 was extended seven times and, to the extent it applies to the action herein, expired on November 4, 2020.

600. Accordingly, any statute of limitations applicable to the commencement of this action has been tolled two hundred forty-two days pursuant to Executive Order 202.8.

CLASS ALLEGATIONS

601. Plaintiffs bring this action as a statewide class action pursuant to the provisions of Article 9 of the CPLR on behalf of themselves and a class of persons similarly situated. This action satisfies the numerosity, commonality, typicality, adequacy, predominance and superiority requirements of those provisions.

602. The Plaintiff Class is defined as follows:

All current and former tenants of the Trump Portfolio who resided in rent-regulated apartments at any time between 1992 and the present date and paid rent in excess of the legal limit based on misrepresentations, by unlawful and/or fraudulent conduct of Defendants, by Defendants or any predecessor in interest, concerning the amount of the legal regulated rent (the “Class”) and presently reside in the State of New York;

Collectively, these persons shall be referred to as “Plaintiffs” or the “Plaintiff Class” or “Plaintiff Class Members.”

603. Excluded from the Plaintiff Class are the Defendants herein; any entity in which the Defendants have a controlling interest; officers, directors and/or employees of the Defendants; and the legal representatives, heirs, successors, and assignees of the Defendants, and/or its officers, directors, and/or employees.

604. Plaintiffs and the putative Class bring this action for damages pursuant to Article 9 of the CPLR seeking damages and recovery of economic losses and such other relief as Plaintiffs and the putative Class are entitled to, including treble damages and reasonable attorneys’ fees and costs, together with such interest that the law allows.

605. Plaintiffs are members of the putative Class they seek to represent. The putative Class is so numerous that the individual joinder of all its members, in this or any action, is impractical. The exact number and identification of putative Class members are presently unknown to Plaintiffs, but upon information and belief the putative Class is believed to number in the

thousands. There are over 14,000 units that make up the Trump Portfolio. Given that tenants move into and out of the Trump Portfolio, it is reasonable to conclude that the number of claims far exceeds 14,000 individuals.

606. Common questions of fact and law exist as to all members of the putative Class, which predominate over any questions affecting only individual members of the putative Class, including:

- a) Whether the Trump Defendants conducted or participated in the affairs of an enterprise through a pattern of racketeering activity in violation of 18 USC § 1962(c);
- b) Whether the enterprise identified herein is an enterprise within the meaning of 18 USC § 1961(4);
- c) Whether the enterprise engaged in racketeering activity, specifically, mail fraud in violation of 18 USC § 1341;
- d) Whether the enterprise engaged in a continued pattern of racketeering activity;
- e) Whether the Defendants' overt or predicate acts in violation of 18 USC § 1962(c) proximately caused injury to the Plaintiffs and members of the Class;
- f) Whether the Defendants have engaged in a fraudulent pattern, practice, or policy of misrepresenting legal regulated rents;
- g) Whether the Defendants have engaged in a fraudulent pattern, practice, or policy of misrepresenting tenants' rent regulation status;
- h) Whether Defendants have engaged in a fraudulent pattern, practice, or policy of misrepresenting the amounts of MCIs and/or IAs performed on regulated individual apartments;
- i) Whether Defendants have engaged in a fraudulent pattern, practice, or policy of misrepresenting the amounts of MCIs and/or IAs performed on regulated apartment buildings;

- j) Whether Defendants have engaged in a fraudulent pattern, practice, or policy of overcharging rent to tenants of regulated apartments;
- k) Whether Defendants' practices, acts, communications, and representations constitute deceptive acts or practices, and/or constituted unlawful acts, practices or conduct in the course of business, trade, commerce, and/or the furnishing of services in violation of New York General Business Law ("GBL") §349, and if so, did Defendants knowingly and/or willingly violate GBL §349;
- l) Whether Defendants' practices, acts, and conduct violate the RSL and RSC;
- m) Whether All County was created for the purposes of engaging in fraudulent transactions that caused damages to the Plaintiff;
- n) Whether All County engaged in fraudulent transactions that caused damages to the Plaintiff; and
- o) To what extent Plaintiff and members of the Class are entitled to damages, treble damages, attorneys fees, costs and interest.

607. Plaintiffs' claims are typical of the claims of the members of the Plaintiff Class in that they, like all other members of the putative Class, sustained damages arising from Defendants' scheme to unlawfully, illegally and fraudulently increase regulated rent and deregulate rent-regulated apartments.

608. Plaintiffs are adequate representatives of the Plaintiff Class because they are members of the Plaintiff Class and their interests do not conflict with the interests of the members of the Plaintiff Class they seek to represent. Further, Plaintiffs are represented by experienced and able counsel who have litigated numerous other fraud, negligence, complex litigations, and mass tort class actions, and they intend to prosecute this action vigorously for the benefit of the entire

Plaintiff Class. Plaintiffs and their counsel will fairly and adequately protect the interests of the members of the Plaintiff Class.

609. A class action is superior to other available methods for the efficient adjudication of this litigation since individual litigation of Plaintiff Class members' claim is impractical. It would be unduly burdensome to the courts in which individual litigation on the facts of many thousands of cases would proceed. Further, individual litigation presents a potential for inconsistent or contradictory judgments. Individual litigation increases the delay and expense to all parties and the courts in resolving the complex legal and factual issues of these cases, and has the potential for inconsistent or contradictory judgments. By contrast, the class action device presents far fewer management difficulties and provides the benefits of single adjudication, economies of scale, and comprehensive supervision by a single court.

**AS AND FOR A
FIRST CAUSE OF ACTION
AGAINST THE TRUMP DEFENDANTS
(VIOLATION OF RACKETEER INFLUENCED AND
CORRUPT ORGANIZATIONS ACT ("RICO"))
18 U.S.C. § 1962(c) et seq**

610. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

611. RICO provides a private right of action for treble damages to victims injured in their business or property by reason of the unlawful activities of any person employed by or associated with an enterprise and that conducts or participates in the affairs of such an enterprise through a pattern of racketeering activity predicated on the commission of two racketeering acts, which include mail fraud.

612. Mail fraud occurs whenever a person, having devised or intending to devise any scheme or artifice to defraud, uses the mail for the purpose of executing such scheme or artifice to defraud and such mailing contains false and/or fraudulent misrepresentations.

613. Using the mail to execute or attempt to execute a scheme to defraud is indictable as mail fraud, and hence a predicate racketeering act under RICO, even if no one relied on any misrepresentations asserted in the false and/or fraudulent mailing.

614. The Trump Defendants, including Fred Trump, by the Co-Executors of his estate, Donald Trump and Maryanne Trump in their capacity as Co-Executors, Donald Trump, individually, Maryanne Trump, individually, Robert Trump, by the Executor of his estate, Shawn Hughes, in his capacity as Executor, Elizabeth Trump Grau, and John Walter, by the Executrix of his estate, Joan Walter, in her capacity as Executrix, are “persons” as defined under 18 USC §1961(3) and alleged herein to have violated RICO.

615. Upon information and belief, as set forth above, the Trump Defendants conducted and participated in the affairs of an enterprise, which consisted of an association-in-fact of business entities and individuals serving the legitimate business purpose of owning, managing, and operating residential real estate in Brooklyn, Queens and Staten Island, New York (“Trump Enterprise”).

616. Upon information and belief, the Trump Defendants conspired to and did damage Plaintiffs and the putative Class by conducting and participating in the affairs of the Trump Enterprise through fraudulent and unlawful racketeering activities for the shared purpose of avoiding the rent stabilization regime applicable to the rent-regulated apartments of the Trump Portfolio and unlawfully increasing the rents of rent-regulated apartments for personal gain.

617. Upon information and belief, the Trump Defendants were partners, owners, and equal shareholders holders in All County, exercised managerial roles in the affairs of All County and the Trump Enterprise, and conspired in furtherance of, aided and abetted, and participated in Trump's All County Scheme.

618. Upon information and belief, Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau were partners, owners, and/or shareholders in ownership of the Trump Portfolio, received income from the illegal and unlawful rent increases for rent-regulated apartments in the Trump Portfolio, and exercised managerial roles in the affairs of the Trump Portfolio and the Trump Enterprise, conspired in furtherance of, aided and abetted, and participated in Trump's All County Scheme.

619. Upon information and belief, the Trump Defendants continuously engaged in racketeering conduct, specifically fraud, themselves and/or by their employees, servants, and/or agents, including, but not limited to:

- (a) mailing of false, fraudulent, and/or inflated invoices from All County to the owners and managing agents of the Trump Portfolio for the sale of capital assets, including appliances, fixtures, building materials, supplies, and other items used for renovation, improvements and maintenance of the Trump Portfolio;
- (b) mailing false, fraudulent, and/or inflated checks and/or completed purchase orders from the owners and managing agents of the Trump Portfolio to All County for the purchase of capital assets;
- (c) mailing records of the aforementioned false, fraudulent, and inflated invoices and

- checks made payable to All County for said false, fraudulent, and inflated purchases to employees, servants, and/or agents for the preparation and submission of applications seeking DHCR approval for illegal and unlawful rent increases;
- (d) mailing false and fraudulent rent-regulated apartment lease offers misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class;
 - (e) mailing false and fraudulent rent-regulated apartment lease bills misrepresenting legal rent obligations to tenants, including the Plaintiffs and the putative Class;
 - (f) mailing false and fraudulent rent-regulated apartment lease renewals misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class;
 - (g) mailing false and fraudulent rent-regulated apartment rent bills misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class; and,
 - (h) mailing false and fraudulent initial rent registration statements; and mailing false and fraudulent amended rent registration statements.

620. Accordingly, Plaintiffs and the putative Class, the tenants of the rent-regulated apartments in the Trump Portfolio, who were targeted by mailings containing false and/or fraudulent misrepresentations transmitted by the Trump Defendants, their employees, servants, and or agents in furtherance of Trump's All County Scheme through the ordinary conduct and affairs of the Trump Enterprise were injured in their property by reason of the illegal and unlawful increases in rent imposed by the Trump Defendants.

A. The Trump Enterprise.

621. The Trump Enterprise was an association-in-fact enterprise within the meaning of 18 USC §1961 consisting of individuals and separate legal entities, including the business entities which owned and/or managed buildings which comprised the Trump Portfolio, including, but not limited to, the predecessors and successors in interest of these entities, their employees, servants, and/or agents; All County; TMI; AMA; Jack Mitnick; SLS; DSJ; and Atlantic Management.

622. Upon information and belief, the business entities which owned and/or managed buildings which comprised the Trump Portfolio which are named as Defendants herein were formed by the Trump Defendants for the purpose of holding ownership interests in the individual buildings and complexes comprising the Trump Portfolio.

623. Upon information and belief, All County was formed by the Trump Defendants to serve as the purchasing agent for capital assets, including appliances, fixtures, building materials, supplies and other items used for renovation, improvement, maintenance, and the general operation of the Trump Portfolio.

624. Upon information and belief, Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter were partners in All County, each held a twenty percent interest in the entity, and received cash distributions from All County's profits.

625. Upon information and belief, TMI is an entity incorporated by Fred Trump to serve as the managing agent of building that comprise the Trump Portfolio.

626. Upon information and belief, TMI by its employees, servants, and/or agents was responsible for all aspects of the management of the Trump Portfolio, including, but not limited to entering into contracts with third-party suppliers for capital assets and other items for the maintenance and operation of the Trump Portfolio; hiring of staff for the operation and

maintenance of the Trump Portfolio, including, but not limited to, property managers, superintendents, contractors, accountants, and administrators of leases, purchasing, and accounts payable.

627. Upon information and belief, AMA was an entity formed by Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Grau to succeed for TMI as the managing agent of the Trump Portfolio and serve the same functions as that entity with the same staff.

628. The employees, servants, and/or agents of TMI, and later AMA, coordinated both the management of tenant leases as well as the purchasing needs of the Trump Portfolio with the input of property managers and superintendents responsible for the day-to-day operation of the individual buildings.

629. Upon information and belief, Jack Mitnick and SLS served as the accountants and business consultants for the Trump Enterprise as well as the Trump Defendants in their personal capacity and provided tax planning and business structuring services throughout the existence of the Trump Enterprise.

630. Upon information and belief, Jack Mitnick served as lead accountant and consultant for the Trump Enterprise as a partner of SLS, and, alongside staff, employees, servants, and/or agents of SLS, substantially assisted in designing and implementing the structure of the Trump Enterprise and commission of the acts of fraud alleged herein.

631. DSJ is an entity incorporated by an employee of TMI, and later AMA, and served as the exclusive brokering agent for certain buildings of the Trump Portfolio and promoted and advertised apartments to consumers.

632. Upon information and belief, Atlantic Management is another broker entity that worked in conjunction with DSJ to promote and advertise the Trump Portfolio apartments to consumers.

633. Upon information and belief, the Trump Enterprise conducted its affairs with a distinct hierarchical structure exclusively controlled by the Trump Defendants.

634. Upon information and belief, Fred Trump held executive authority at the top of the hierarchical structure, having initially built and operated the Trump Portfolio; incorporated and owned the entities with ownership interests in the Trump Portfolio; incorporating and solely owning the exclusive managing agent of the Trump Portfolio; and establishing the initial relationship with accountants Jack Mitnick and the firm SLS. and his children.

635. Upon information and belief, Donald Trump was next in line after Fred Trump in the Trump Enterprise hierarchy as the heir apparent of the Fred Trump's legacy.

636. Upon information and belief, Donald Trump held de facto executive authority over the Trump Enterprise and Fred Trump's business interests, but legally only held an equal interest as a partner of his siblings, Robert Trump, Maryanne Trump Barry, and Elizabeth Trump Grau, in the affairs of the Trump Enterprise.

637. Upon information and belief, Robert Trump held an equal partner interest in the Trump Enterprise with their siblings, but also participated in managerial decision-making, and supervised the day-to-day activities of the Trump Enterprise in concert with his father, Fred Trump.

638. Upon information and belief, Maryanne Trump Barry and Elizabeth Trump Grau held equal partner interests in the Trump Enterprise with their siblings and cousin, and participated in managerial decision-making regarding the day-to-day affairs of the Trump Enterprise.

639. Upon information and belief, John Walter acted as the principal agent, servant, and/or fixer of Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau in the day-to-day operation of the Trump Enterprise, and participated in managerial decision-making of enterprise affairs.

640. Upon information and belief, the Trump Defendants also coordinated the common purpose of the Trump Enterprise; conspired with each other to use the Trump Enterprise as a vehicle for Trump's All County Scheme; and distributed Trump Enterprise profits at regular biannual "family meetings."

641. Accordingly, the Trump Enterprise was a racketeering enterprise within the meaning of 18 USC §1961.

B. Clear Opportunity and Motive to Commit Fraud.

642. Upon information and belief, the Trump Defendants, including Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter were well-positioned to carry out the fraudulent transactions of Trump's All County Scam and exhibited both motive and opportunity to utilize the Trump Enterprise as a vehicle for illicit personal gain in violation of RICO.

643. Upon information and belief, Fred Trump built and operated the Trump Portfolio as the bedrock of the Trump family's fortune.

644. Upon information and belief, Fred Trump accumulated substantial cash reserves in the various entities he incorporated and used to own the Trump Portfolio, as well as the entity he incorporated and used to exclusively manage the Trump Portfolio, TMI

645. Upon information and belief, Fred Trump, as well as his children, were known to engage in sophisticated tax planning strategies to minimize income tax liabilities for themselves and their business enterprises.

646. As demonstrated in the *New York Times* investigation “*Trump Engaged in Suspect Tax Schemes as He Reaped Riches From His Father*,” Fred Trump and his children engaged in numerous sophisticated schemes to avoid and/or minimize tax liabilities. Exhibit A.

647. Upon information and belief, when Fred Trump’s health began to decline in the early 1990’s, the possibility that after Fred Trump’s death the cash reserves stockpiled in the Trump Portfolio would transfer to his distributees (his children) through his estate and be subjected to substantial federal estate and/or gift taxes created a clear motive for Fred Trump and his children, Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau to devise a scheme to transfer the cash in such a way as to evade tax liabilities.

648. Upon information and belief, Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau used their legitimate residential real estate business, the Trump Enterprise, to siphon Fred Trump’s wealth and avoid estate and/or gift taxation.

649. Upon information and belief, at that time, the Trump Enterprise lacked a coordinated purchasing operation – an area of opportunity which could be harnessed by conducting a campaign of performing improvements and renovations in the Trump Portfolio to redistribute Fred Trump’s cash to his children through inflated capital asset purchasing, while also increasing the Trump Portfolio’s income by using the inflated purchasing as justification for increased rents.

650. Upon information and belief, in addition to the allegations asserted above, the sworn testimony of John Walter and Robert Trump attached to the Trump/Hughes Motion and

cited here further support the clear opportunity and motive to commit fraud to directly profit and evade federal income taxes. ¶¶ 493 – 494 above.

C. The Racketeering Activities.

651. In furtherance of the Trump's All County Scheme, the Trump Defendants, individually, and through their employees, servants, and/or agents engaged in numerous and repeated acts of mail fraud in violation of 18 USC §1341, which prohibits use of the U.S. mails in furtherance of a scheme to defraud in order to obtain money.

652. The Trump Defendants used the U.S. mails to perpetrate Trump's All County Scheme, and acted with the knowledge that the use of the U.S. mails would follow in the ordinary course of business of the Trump Enterprise and result in defrauding rent-regulated tenants, including Plaintiffs and the putative Class.

653. The Trump Defendants could reasonably foresee that such use of the U.S. mails in the furtherance of Trump's All County Scheme would result in defrauding rent-regulated tenants, including Plaintiffs and the putative Class.

654. Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter, as owners, directors, and/or shareholders of All County, did so, conspired to, directed, aided and abetted, and oversaw All County's mailing of false, fraudulent, and/or inflated invoices for the sale of capital assets, including appliances, fixtures, building materials, supplies, and other items used for renovation, improvement, and maintenance of the Trump Portfolio.

655. John Walter, in the day-to-day management and operation of All County, used the U.S. mail to transmit the aforesaid false, fraudulent, and/or inflated invoices for the sale of capital assets.

656. Robert Trump, in the day-to-day supervision and management of the operation of All County, including the direct supervision and management of John Walter's activities in furtherance of Trump's All County Scheme, did so and directed the use of the U.S. mail by employees, servants, and/or agents of All County, including, but not limited to John Walter, to transmit false, fraudulent, and/or inflated invoices for the sale of capital assets.

657. Fred Trump, as owner, director and/or sole shareholder of TMI did so, conspired to, directed, aided and abetted, and oversaw the mailing of false, fraudulent, and/or inflated checks and/or completed purchase orders from TMI on behalf of the business entities which owned buildings that comprised the Trump Portfolio to All County for the purchase of capital assets.

658. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false, fraudulent, and/or inflated checks and/or completed purchase orders from TMI on behalf of the business entities which owned buildings that comprised the Trump Portfolio to All County for the purchase of capital assets.

659. Fred Trump, as owner, director and/or sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of records of the aforementioned false, fraudulent, and inflated invoices and checks payable to All County to the employees, servants, and/or agents of TMI who prepared and submitted applications seeking DHCR approval for illegal and unlawful rent increases.

660. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of records of the aforementioned false, fraudulent, and inflated invoices and checks payable to All County to

the employees, servants, and/or agents of AMA who prepared and submitted applications seeking DHCR approval for illegal and unlawful rent increases.

661. Fred Trump, as owner, director, and sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent rent-regulated apartment lease bills misrepresenting legal rent obligations to tenants, including the Plaintiffs and the putative Class.

662. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent rent-regulated apartment lease bills misrepresenting legal rent obligations to tenants, including the Plaintiffs and the putative Class

663. Fred Trump, as owner, director, and sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent rent-regulated apartment lease renewals misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class.

664. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent rent-regulated apartment lease renewals misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class.

665. Fred Trump, as owner, director, and sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw

the mailing of false and fraudulent rent-regulated apartment rent bills misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class.

666. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent rent-regulated apartment rent bills misrepresenting legal rent obligations to tenants, including Plaintiffs and the putative Class.

667. Fred Trump, as owner, director, and sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of communications misrepresenting the lawful rent obligations of tenants, including Plaintiffs and the putative Class.

668. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of communications misrepresenting the lawful rent obligations of tenants, including Plaintiffs and the putative Class.

669. Fred Trump, as owner, director, and sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent initial rent registration statements.

670. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent initial rent registration statements.

671. Fred Trump, as owner, director, and sole shareholder of TMI, himself and by his employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent amended rent registration statements.

672. Donald Trump, Maryanne Trump Barry, Robert Trump, and Elizabeth Trump Grau, as owners, directors, and/or shareholders of AMA, themselves and by their employees, servants, and/or agents, did so, conspired to, directed, aided and abetted, and oversaw the mailing of false and fraudulent amended rent registration statements.

673. The Trump Defendants engaged in repeated and continued acts of racketeering activity, namely, mail fraud, far in excess of the two predicate acts of racketeering activity required to demonstrate a violation of RICO.

674. The Trump Defendants engaged in repeated and continued acts of racketeering activity, namely, mail fraud, in far excess of the two predicate acts of racketeering activity and committing the aforesaid acts within a period of ten years as required to demonstrate a violation of RICO.

D. Continuity of the Racketeering Activity and Long-Term Harm.

675. Upon information and belief, Trump's All County Scheme was conducted through the Trump Enterprise continuously from the time of All County's incorporation in 1992 to 2004 when the Trump Portfolio was sold to Cammeby's.

676. Upon information and belief, the Trump Enterprise purchased items through All County and resold them at a fraudulently inflated price for profit on a continuous basis from All County's formation in 1992 through 2004.

677. Upon information and belief, the Trump Defendants profited from the resale of materials to the properties owned by TMI on a continuous basis from 1992 through 1994.

678. Upon information and belief, the aforementioned activities continued unabated from 1994 through 2004, through the substitution of TMI with AMA as the operating and managing agent of the Trump Portfolio, continuing unabated through the death of Fred Trump in 1999, until the sale of the Trump Portfolio in 2004.

679. Upon information and belief, the aforementioned activities, including the mailings of many thousands of fraudulent leases, lease renewals, demands for rent, rent registrations, and invoices and purchase orders reflecting the fraudulently inflated costs of capital assets continued unabated for over two decades from 1992 through 2004.

680. Upon information and belief, the long-term and continuous activities of the Trump Defendants, through the operation of the Trump Enterprise, conducted in furtherance of Trump's All County Scheme resulted in unremitting criminal and racketeering activity. This activity threatened both immediate harm to the tenants paying illegal and unlawful rent increases, as well as future harm to the tenants paying the rent increases each subsequent month and the harm to the future tenants who have paid and continue to pay illegal and unlawfully increased base rents.

681. Upon information and belief, the Trump Defendants benefitted financially not only from payment of the initial fraudulent mark-up of purported improvements at the time of sale by All County, but also on a continuing monthly basis from rental income derived from unlawful increases in regulated base rents of the subject apartments in the Trump Portfolio.

682. Upon information and belief, the damages directly caused by the conspiracy perpetrated by the Trump Defendants, have continued in perpetuity as rent increases based on the fraudulent value of purported improvements are forever reflected in the base rent of the subject apartments of the Trump Portfolio.

683. As a result of the foregoing acts and omissions, Plaintiffs and the putative Class were caused to suffer damages as a result of the Trump Defendants unlawfully and illegally increasing the rents of their apartments.

684. Plaintiffs and the putative Class reasonably relied upon the representations concerning their legal rent obligations made to them by the Trump Defendants, their employees, agents, and associated business entities.

685. Plaintiffs and the putative Class reasonably relied upon the administrative process of DHCR to oversee and enforce the RSL and determine lawful rent obligations based on submissions of truthful and verifiable evidence in applications seeking approval for rent increases.

686. The applications to the DHCR by the Trump Defendants, their employees, agents, and associated business entities seeking approval for rent increases were not truthful or verified and, in fact, were fraudulent.

687. The evidence upon which the aforesaid applications were based, namely invoices for the cost of purported renovations, improvements, and/or maintenance, was not truthful or verified and, in fact, was fraudulent.

688. Plaintiffs and the putative Class did not know, nor could they have known, that the applications for rent increases made by the Trump Defendants, their employees, agents, and associated business entities were not truthful or verified.

689. Plaintiffs and the putative Class did not know, nor could they have known, that the applications for rent increases made by the Trump Defendants, their employees, agents, and associated business entities were fraudulent.

690. Plaintiffs and the putative Class did not know, nor could they have known, that the representations made by the Trump Defendants, their employees, agents, and associated business

entities as to the true cost of the purported renovations, improvements, and/or maintenance of the Trump Portfolio that served as the base for the increases of their regulated rent were not truthful or verified.

691. Plaintiffs and the putative Class did not know, nor could they have known, that the representations made by the Trump Defendants, their employees, agents, and associated business entities as to the true cost of the purported renovations, improvements, and/or maintenance of the Trump Portfolio that served as the base for the increases of their regulated rent were fraudulent.

692. As a result of the foregoing acts and omissions, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

693. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
SECOND CAUSE OF ACTION
AGAINST THE TRUMP DEFENDANTS
(CONSPIRACY TO VIOLATE RACKETEER INFLUENCED AND
CORRUPT ORGANIZATIONS ACT ("RICO"))
18 U.S.C. § 1962(d) et seq**

694. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

695. Upon information and belief, the Trump Defendants, Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter, knowingly

agreed to participate in and facilitate the operation of the Trump Enterprise through a pattern of racketeering activity.

696. Upon information and belief, the Trump Defendants, Fred Trump, Donald Trump, Maryanne Trump Barry, Robert Trump, Elizabeth Trump Grau, and John Walter, knowingly agreed to engage in at least two (2) predicate acts, namely the many thousands of acts of mail fraud committed by the Trump Enterprise in the operation of Trump's All County Scheme, in order to further the interests of the racketeering enterprise.

697. In so agreeing, the Trump Defendants participated in the conspiracy with knowledge of the essential nature of the plan: to inflate the costs of capital assets and thereby illegally and unlawfully increase rents of rent-regulated units of the Trump Portfolio and deprive tenants, including Plaintiffs and the putative Class, of the protections of the New York rent stabilization regime.

698. Accordingly, upon information and belief, the Trump Defendants actually benefited from an infusion of racketeering income and profits from the illegal and unlawful increase of regulated rents as a result of their participation in the racketeering enterprise.

699. As a result of the foregoing acts and omissions, the Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

700. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
THIRD CAUSE OF ACTION
AGAINST DEFENDANTS
(COMMON-LAW FRAUD)**

701. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

702. Defendants misrepresented and/or omitted material information regarding the lawful amount of regulated rent for each of the aforesaid apartments by means of altering and/or misrepresenting the legal regulated rent records provided to DHCR and/or to the tenants themselves.

703. Defendants knew of the falsity of the aforementioned misrepresentations.

704. Defendants knew of the falsity of the aforementioned misrepresentations as Defendants were actively engaged in an overarching scheme of tax evasion facilitated by those misrepresentations.

705. Defendants' misrepresentations and concealment of material facts constitute unconscionable acts of deception, fraud, false pretenses, misrepresentation, and/or the knowing concealment, suppression, or omission of material facts with the intent that others rely on such concealment, suppression, or omission in connection with undue increases in regulated apartment rent.

706. Defendants did the aforesaid unlawful acts knowingly and/or willingly.

707. Defendants did the aforesaid unlawful acts knowingly and/or willingly with the intent of inducing the Plaintiffs and the putative Class to pay rent to them in excess of the lawful regulated amount to further a scheme of tax evasion and continue to profit financially through rent

overcharges, all of which evinced a callous, reckless, willful, depraved indifference to the welfare of the Plaintiffs and the putative Class.

708. Defendants' misrepresentations and concealments in overcharging the Plaintiffs and the putative Class were the means by which Defendants, specifically the Trump Defendants, facilitated an overarching fraud of tax evasion and as a result has victimized the Plaintiffs and the putative Class as products of that greater fraud.

709. At the time the aforesaid representations were made by Defendants, Plaintiffs and the putative Class were unaware of the falsity of said representations and reasonably believed them to be true.

710. As a direct and proximate result of Defendants' deceptive and unlawful acts, Plaintiffs and the putative Class suffered damages, for which they are entitled to compensatory damages, equitable and declaratory relief, punitive damages, treble damages, costs, reasonable attorneys' fees and statutory interest.

711. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
FOURTH CAUSE OF ACTION
AGAINST DEFENDANTS
(NEGLIGENCE & NEGLIGENCE *PER SE*)**

712. Plaintiffs repeat, reiterate and reallege each and every allegation in each of the foregoing paragraphs inclusive and with the same force and effect as if more fully set forth herein.

713. Defendants had a duty to exercise reasonable care in the ownership, operation, maintenance, control and management of the Trump Portfolio.

714. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they altered and misrepresented the legal regulated rent and/or improvement records provided to tenants to justify charging higher rents.

715. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they unlawfully, illegally and fraudulently inflated and/or misrepresented the cost of MCIs and/or IAIs that were completed.

716. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they unlawfully, illegally and fraudulently inflated and/or misrepresented the verifiable cost of MCIs and/or IAIs that were completed.

717. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they unlawfully, illegally and fraudulently inflated and/or misrepresented the reasonable cost of MCIs and/or IAIs that were completed.

718. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they unlawfully, illegally and fraudulently inflated and/or misrepresented the number of MCIs and/or IAIs that were completed.

719. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they used false information to increase rents in excess of the lawfully regulated amount.

720. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they directly or indirectly overcharged Plaintiffs and the putative Class an amount equal to the difference between their monthly rents and the appropriate legal regulated rent.

721. Defendants failed to exercise ordinary care and/or were otherwise negligent in their ownership, operation, maintenance, control and management of the Trump Portfolio in that they were otherwise negligent, careless, reckless, unlawful and/or fraudulent.

722. Because Defendants failed to exercise ordinary care in the ownership, operation, maintenance and control of the Trump Portfolio, Defendants knew or should have known that their customers, such as the Plaintiffs and the putative Class, would suffer unlawfully and illegally increased rent.

723. Because Defendants carelessly, recklessly, unlawfully, illegally and fraudulently inflated and/or misrepresented the cost of MCIs and/or IAs that were completed, Defendants knew or should have known that their customers, such as the Plaintiffs and the putative Class, would suffer unlawfully and illegally increased rent.

724. Because Defendants carelessly, recklessly, unlawfully, illegally and fraudulently inflated and/or misrepresented the number of MCIs and/or IAs that were completed, Defendants knew or should have known that their customers, such as the Plaintiffs and the putative Class, would suffer unlawfully and illegally increased rent.

725. Defendants violated statutes, ordinances, and rules and/or regulations concerning the regulation of apartment rent, including, but not limited to, RSL §26-512, Stabilization Provisions.

726. Defendants violated statutes, ordinances, and rules and/or regulations concerning the regulation of apartment rent, including, but not limited to, RSC §2525.1, General Prohibitions.

727. Defendants' actions, by violating statutes, ordinances and/or rules and regulations constituted negligence per se.

728. Defendants fraudulently inflated the cost of MCIs and/or IAIs to unduly increase the regulated rent of Plaintiffs and the putative Class.

729. Defendants illegally and willfully charged the plaintiffs a rent in excess of the legal regulated rent.

730. Defendants illegally and willfully charged the plaintiffs unlawful broker fees.

731. Defendants knew or should have known that tenants, such as the Plaintiffs and the putative Class, would foreseeably suffer damages and/or injury as a result of their failure to exercise ordinary care, as set forth herein.

732. Defendants' negligence was the proximate cause of the injuries, harm and economic loss suffered by Plaintiffs and the putative Class.

733. As a result of the foregoing acts and omissions, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

734. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
FIFTH CAUSE OF ACTION
AGAINST DEFENDANTS
(BREACH OF CONTRACT)**

735. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

736. Plaintiffs and the Class entered into rent-regulated lease agreements with Defendants as tenants of the Trump Portfolio.

737. Plaintiffs and the putative Class substantially performed all conditions, covenants, and promises required by them on their part to be performed in accordance with the terms and conditions of the lease agreements.

738. Defendants expressly and/or impliedly promised to Plaintiffs and the putative Class that they would provide rent-regulated housing and increase rent pursuant to law, including the RSL and RSC.

739. In return for this promise, Plaintiffs and the putative Class paid Defendants reasonably expecting that Defendants would provide rent-regulated housing in accordance with the dictates of the law, including the RSL and RSC.

740. Defendants breached their contracts with Plaintiffs and the putative Class by unlawfully and illegally and/or fraudulently increasing the regulated rent.

741. As a result of Defendants' breach of contract, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

742. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR THE
SIXTH CAUSE OF ACTION
AGAINST DEFENDANTS
(ILLEGALITY AND MISTAKE OF CONTRACT)**

743. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

744. Defendants controlled and entered into rent-regulated lease agreements with Plaintiffs and the putative Class which incorrectly, falsely, and illegally misrepresented the amount of rent that Defendants were legally entitled to collect.

745. As a result of the illegal, false and/or mistaken provisions in the aforesaid leases, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

746. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR THE
SEVENTH CAUSE OF ACTION
AGAINST DEFENDANTS
(BREACH OF EXPRESS WARRANTY)**

747. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

748. Defendants expressly warranted to Plaintiffs and the putative Class that they would provide rent-regulated housing and only increase rent in accordance with the law, including the RSL and RSC.

749. Plaintiffs and the putative Class did rely on said express warranties of Defendants herein.

750. Defendants knew or should have known that, in fact, said representations and warranties were false, misleading and untrue in that they were overcharging Plaintiffs and the putative Class beyond rent increases permissible under the law, including the RSL and RSC.

751. Defendants breached the aforesaid express warranties by charging rent in excess of the regulated amount.

752. As a result of Defendants' breach of said express warranty, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

753. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR THE
EIGHTH CAUSE OF ACTION
AGAINST DEFENDANTS
(BREACH OF IMPLIED WARRANTIES)**

754. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

755. At all times herein mentioned, Defendants held themselves out to be providers rent-regulated housing in the Trump Portfolio.

756. At all times herein mentioned, Defendants held themselves out as responsible for the ownership, operation, maintenance, control and management of the Trump Portfolio.

757. Defendants impliedly represented and warranted to Plaintiffs and the putative Class that they would provide rent-regulated housing in the Trump Portfolio according to law and only increase regulated rent in accordance with the law, including the RSL and RSC.

758. That said representations and warranties aforementioned were false, misleading, and inaccurate in that Defendants were actually charging rent in excess of the regulated amount.

759. Plaintiffs and the putative Class relied on said implied representations and/or warranties.

760. Plaintiffs and the putative Class relied upon the skill and judgment of Defendants as to whether they would charge regulated rent pursuant to the law, including the RSL and RSC.

761. Defendants herein breached the aforesaid implied warranties by charging rent in excess of the permissible amount under the law, including the RSL and RSC.

762. As a result of Defendants' breach of said express warranty, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

763. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
NINTH CAUSE OF ACTION
AGAINST DEFENDANTS
(NEW YORK GENERAL BUSINESS LAW §349 and §350)**

764. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

765. Defendants, their employees, agents, associates, and/or representatives misrepresented and/or omitted material information regarding the rent-regulated status of the Trump Portfolio apartments and the lawful amount of rent to be collected.

766. Defendants their employees, agents, associates, and/or representatives engaged in consumer-oriented, commercial conduct by marketing, advertising, promoting, and leasing rent-regulated apartments to Plaintiffs and the putative Class when Defendants knew the subject were not rent-regulated and/or would be subject to illegal rent increases.

767. Defendants, their employees, agents, associates, and/or representatives subjected Plaintiffs and the putative Class to illegal rent increases and deregulated otherwise regulated apartments by knowingly and falsely representing inflated costs of purported MCIs and/or IAIs and improper deregulation of rent-regulated apartments to fraudulently justify regulated rent increases.

768. Defendants' misrepresentations and concealment of material facts constitute unconscionable commercial practices, deception, fraud, false pretenses, misrepresentation, and/or the knowing concealment, suppression, or omission of material facts in connection with the inducement to contract for a rent-regulated housing and payment of illegal rent overcharges in violation of in violation of GBL § 349.

769. Defendants' misrepresentations and concealment of material facts by means of advertisements promoting the aforementioned rent-regulated apartments by means of advertisements, including, but not limited to, written, digital, and oral means of communication, constitute unconscionable commercial practices, deception, fraud, false pretenses, misrepresentation, and/or the knowing concealment, suppression, or omission of material facts in connection with the inducement to contract for a rent-regulated housing and payment of illegal rent overcharges in violation of GBL § 350.

770. Defendants committed the aforesaid unlawful acts knowingly and/or willingly.

771. Defendants committed the aforesaid unlawful acts on a sweeping and far-reaching scale, defrauded many thousands of consumers from 1992 to the present, and deregulating upwards of 14,000 apartment units.

772. Defendants' unlawful acts not only deceived former, prospective, and present tenants, but tampered with the base rent of a significant portion of the affordable housing stock of the City of New York, and has broadly impacted consumers at large.

773. New York has enacted statutes such as GBL § 349 and § 350 to protect consumers from deceptive, fraudulent, and unconscionable trade and business practices.

774. As a direct and proximate result of Defendants' violations of GBL § 349 and § 350, Plaintiffs and the putative Class suffered damages, for which they are entitled to compensatory damages, equitable and declaratory relief, punitive damages, treble damages, costs, reasonable attorneys' fees and statutory interest.

775. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
TENTH CAUSE OF ACTION
AGAINST THE DEFENDANTS
(FRAUDULENT MISREPRESENTATION)**

776. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

777. Defendants falsely and fraudulently represented to Plaintiffs and the putative Class they were providing and/or leasing rent-regulated housing and charging regulated rent in accordance with the law, including the RSL and RSC.

778. The representations made by Defendants were, in fact, false.

779. When said representations were made by Defendants, they knew, or should have known, those representations to be false and willfully, wantonly and recklessly disregarded whether the representations were true.

780. These representations were made by Defendants with the intent of defrauding and deceiving Plaintiffs and the putative Class, and were made with the intent of inducing Plaintiffs and the putative Class to pay rent to them in excess of the lawful regulated amount, all of which evinced a callous, reckless, willful, depraved indifference to the welfare of Plaintiffs and the putative Class.

781. At the time the aforesaid representations were made by Defendants, Plaintiffs and the putative Class were unaware of the falsity of said representations and reasonably believed them to be true.

782. In reliance upon said representations, Plaintiffs and the putative Class were induced to and did enter into contracts with and/or paid Defendants rent in excess of the lawful regulated amount for rent-regulated housing.

783. In reliance upon said representations, Plaintiffs and the putative Class were fraudulently induced to and did enter into contracts with and/or paid Defendants rent in excess of the lawful regulated amount for rent-regulated housing.

784. Defendants knew and were aware or should have been aware that the amount of rent charged was in excess of the permissible amount under the law, including RSL and RSC, and that they could not charge rent in excess of those statutory guidelines.

785. Defendants knew or should have known that because of their charging rent in excess of the regulated amount, Plaintiffs and the putative Class could be caused to suffer damages.

786. Defendants acted fraudulently, willingly, wantonly and maliciously to the detriment of Plaintiffs and the putative Class.

787. As a result of the foregoing acts and/or omissions, Plaintiffs and the Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest as well as punitive, exemplary and treble damages as a result of Defendants' actions.

788. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
ELEVENTH CAUSE OF ACTION
AGAINST DEFENDANTS
(FRAUDULENT CONCEALMENT)**

789. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

790. At all times during the course of dealing between Defendants and Plaintiffs and the putative Class, Defendants misrepresented that they were charging rent according to the statutory guidelines of the law, including the RSL and RSC.

791. Defendants knew or were reckless in not knowing that its representations were false.

792. In representations to Plaintiffs, the putative Class and/or the public at large, Defendants fraudulently concealed and intentionally omitted they were fraudulently and willingly inflating the cost of MCIs and/or IAIs.

793. In representations to Plaintiffs, the putative Class and/or the public at large, Defendants fraudulently concealed and intentionally omitted they were fraudulently and willingly reporting the inflated costs of MCIs and/or IAIs to DHCR.

794. In representations to Plaintiffs, the putative Class and/or the public at large, Defendants fraudulently concealed and intentionally omitted they were fraudulently and willingly reporting unperformed MCIs and/or IAIs to DHCR.

795. In representations to Plaintiffs, the putative Class and/or the public at large, Defendants fraudulently concealed and intentionally omitted they were unlawfully and illegally demanding and/ or collecting broker fees and/or rental commissions.

796. In representations to Plaintiffs, the putative Class and/or the public at large, Defendants fraudulently concealed and intentionally omitted they were charging rent in excess of statutory amounts based on the fraudulently and willfully reported inflated costs of MCIs and/or IAIs to DHCR.

797. Defendants were under a duty to disclose to Plaintiffs and the putative Class, the regulatory authorities, and/or the public at large the lawful amount of regulated rent.

798. Defendants had sole access to material facts concerning the actual cost of MCIs and/or IAs and the true correlating amount of regulated rent increases permissible under the RSL and RSC.

799. Defendants' concealment and omissions of material facts was made purposefully, intentionally, willfully, wantonly, and/or recklessly, to mislead Plaintiffs and the putative Class into reliance and continued payment of unlawful amounts of regulated rent.

800. Defendants knew that Plaintiffs and the putative Class had no way to determine the truth behind Defendants' concealment and omissions as set forth herein.

801. Plaintiffs and the putative Class relied on facts revealed which negligently, fraudulently and/or purposefully did not include facts that were concealed and/or omitted by Defendants.

802. Had the true cost of associated MCIs and/or IAs and correlating rent increases been adequately disclosed, Plaintiffs and the putative Class would not have paid the unlawfully and illegally inflated rent increases charged by Defendants.

803. As a result of the foregoing acts and/or omissions, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest, as well as punitive, exemplary, and treble damages as a result of Defendants' actions.

804. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
TWELVTH CAUSE OF ACTION
AGAINST DEFENDANTS
(NEGLIGENT MISREPRESENTATION)**

805. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

806. Defendants had a duty to represent to Plaintiffs and the putative Class that they were not charging regulated rent in accordance with the statutory guidelines of the law, including the RSL and RSC.

807. Defendants failed to exercise ordinary care and were grossly negligent in representations they made to Plaintiffs and the putative Class regarding the amount of regulated rent.

808. Defendants breached their duty in representing to Plaintiffs and the putative Class that they were charging regulated rent in accordance with the law, including the RSL and RSC.

809. Defendants knew, were aware, or reasonably should have known they were not charging the lawful amount of regulated rent.

810. Defendants knew, were aware, or reasonably should have known that Plaintiffs and the putative Class would rely on Defendants' representations concerning the lawful amount of regulated rent in paying making their rent payments.

811. Plaintiffs and the putative Class reasonably relied on Defendants' misrepresentations concerning the amount of regulated rent.

812. As a result of the foregoing acts and/or omissions, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

813. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
THIRTEENTH CAUSE OF ACTION
AGAINST DEFENDANTS
(GROSS NEGLIGENCE)**

814. Plaintiffs repeat, reiterate and reallege each and every allegation of this Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

815. Defendants were grossly negligent and engaged in wrongful and willful misconduct, in fraudulently increasing the regulated rent of rent-stabilized apartments.

816. Defendants committed the aforesaid unlawful acts on a sweeping and far-reaching scale, defrauded many thousands of consumers from 1992 to the present, and deregulating upwards of 14,000 apartment units.

817. Defendants' unlawful acts not only deceived former, prospective, and present tenants, but also tampered with the base rent of a significant portion the affordable housing stock of the City of New York broadly impacting consumers at large.

818. Defendants failed to use even slight care, and/or engaged in conduct that was so careless as to show a complete disregard for the rights and welfare of others, including Plaintiffs and the putative Class.

819. Defendants intentionally acted and/or failed to act knowing that their conduct would probably result in damages.

820. Defendants acted in so reckless a manner and/or failed to act in circumstances where an act was clearly required, so as to indicate disregard of the consequences of their action or inaction.

821. As a result of Defendants' gross negligence, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

822. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
FOURTEENTH CAUSE OF ACTION
AGAINST DEFENDANTS
(UNJUST ENRICHMENT)**

823. Plaintiffs repeat, reiterate and reallege each and every allegation of the Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

824. As an intended and expected result of their conscious wrongdoing as set forth in this Complaint, Defendants profited and benefited from rent payments that Plaintiffs and the putative Class made for rent-regulated housing.

825. In exchange for the rent payments they made for rent-regulated housing, Plaintiffs and the putative Class expected that the amount of rent charged was pursuant to statutory guidelines.

826. Defendants voluntarily accepted and retained these rent payments with full knowledge and awareness that, as a result of their wrongdoing, Plaintiffs and the putative Class were paying rent in excess of the lawful regulated amount.

827. Plaintiffs and the putative Class are entitled in equity to seek restitution of Defendants' wrongful profits, revenues and benefits to the extent and in the amount, deemed appropriate by the Court and such other relief as the Court deems just and proper to remedy Defendants' unjust enrichment.

828. As a result of the foregoing acts and/or omissions, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

829. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

**AS AND FOR A
FIFTEENTH CAUSE OF ACTION
AGAINST DEFENDANTS
(CONVERSION)**

830. Plaintiffs repeat, reiterate and reallege each and every allegation of the Complaint contained in each of the foregoing paragraphs inclusive, with the same force and effect as if more fully set forth herein.

831. The aforesaid rent payments made by Plaintiffs and the putative Class for rent-regulated housing represent specific, documented, and identifiable funds.

832. Defendants voluntarily accepted and retained these rent payments with full knowledge and awareness that, as a result of their wrongdoing, Plaintiffs and the putative Class were paying rent in excess of the lawful regulated amount.

833. At all times herein mentioned, Defendants had an obligation to return or otherwise refund to Plaintiffs and the putative Class any rent payments made in excess of the lawful regulated amount.

834. Plaintiffs and the putative Class have a superior right of possession to their rent payments made in excess of the legal regulated amount as a result of the unlawful acts of Defendants.

835. Defendants have exercised unauthorized dominion over the subject funds to the exclusion of the rights of Plaintiffs and the putative Class.

836. Defendants have committed a civil theft of rent payments made by Plaintiffs and the putative Class, and accordingly, Plaintiffs and the putative Class are entitled in equity to seek restitution of Defendants' wrongful taking to the extent and in the amount, deemed appropriate by the Court and such other relief as the Court deems just and proper.

837. As a result of the foregoing acts and/or omissions, Plaintiffs and the putative Class were caused to suffer damages, including economic damages, and are therefore entitled to recover such damages, with interest.

838. By reason of the above, Plaintiffs bring this action on behalf of themselves and the putative Class for damages, both general and special, and attorney's fees and costs in an amount that exceeds the jurisdictional limits of all lower courts which would otherwise have jurisdiction.

DEMAND FOR RELIEF

WHEREFORE, Plaintiffs, on behalf of themselves and all others similarly situated, pray for judgment as requested above against Defendants and further pray for:

- a. An order certifying this matter as a class action as requested herein and a declaration that this action is a proper class action pursuant to CPLR 901, establishing an appropriate class or classes and finding that Plaintiff and his counsel are proper representatives of the Class;
- b. An Order appointing the undersigned counsel as Class counsel;
- c. Compensatory damages, and enhancement of damages Plaintiffs sustained as a result of Defendants' conduct as may be permitted

under the relevant statutes, such amount to be determined at trial, plus Plaintiffs' costs in this suit, including reasonable attorneys' fees;

- d. Granting such injunctive relief appointing an independent individual or entity to audit and undertake an accounting of every rent-regulated apartment in the Trump Portfolio and reforming leases to comply with the RSL and RSC where necessary;
- e. Awarding Plaintiffs and the Class prejudgment interest on all damages;
- f. Awarding Plaintiffs and the Class costs and attorney's fees pursuant to 18 U.S.C. § 1964(c);
- g. Awarding Plaintiffs and the Class attorney's fees pursuant to CPLR 909;
- h. Awarding Plaintiffs and the Class attorney's fees pursuant to RPL § 234;
- i. Awarding Plaintiffs and the Class their costs and expenses in this litigation, including reasonable attorneys' fees and expert fees pursuant to RSL § 26-516(a)(4) and RSC § 2526.1(d);
- j. Awarding Plaintiffs and the Class exemplary, treble, and/or punitive damages as provided by law;
- k. Awarding Plaintiffs and the Class treble damages as provided by law including 18 USC § 1964(c);
- l. Awarding Plaintiffs and the Class treble damages as provided by law including GBL § 349; and
- m. Awarding Plaintiffs and the Class all such other and further relief as may be just and proper under the circumstances.

Dated: Port Washington, New York
March 11, 2022

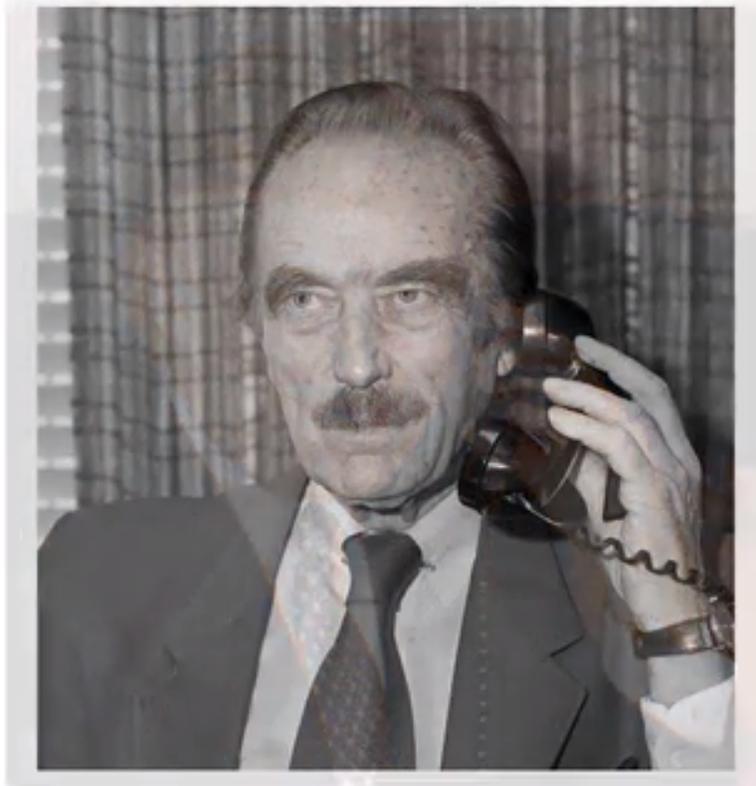
Respectfully submitted,

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EXHIBIT A

The New York Times**SPECIAL INVESTIGATION*****Trump Engaged in Suspect Tax Schemes
as He Reaped Riches From His Father***

Donald J. Trump, 1999; Fred C. Trump, 1983.

The president has long sold himself as a self-made billionaire, but a Times investigation found that he received at least \$413 million in today's dollars from his father's real estate empire, much of it through tax dodges in the 1990s.

**By DAVID BARSTOW, SUSANNE CRAIG
and RUSS BUETTNER**

Oct. 2, 2018

阅读简体中文版

閱讀繁體中文版

President Trump participated in dubious tax schemes during the 1990s, including instances of outright fraud, that greatly increased the fortune he received from his parents, an investigation by The New York Times has found.

Mr. Trump won the presidency proclaiming himself a self-made billionaire, and he has long insisted that his father, the legendary New York City builder Fred C. Trump, provided almost no financial help.

But The Times's investigation, based on a vast trove of confidential tax returns and financial records, reveals that Mr. Trump received the equivalent today of at least \$413 million from his father's real estate empire, starting when he was a toddler and continuing to this day.

Much of this money came to Mr. Trump because he helped his parents dodge taxes. He and his siblings set up a sham corporation to disguise millions of dollars in gifts from their parents, records and interviews show. Records indicate that Mr. Trump helped his father take improper tax deductions worth millions more. He also helped formulate a strategy to undervalue his parents' real estate holdings by hundreds of millions of dollars on tax returns, sharply reducing the tax bill when those properties were transferred to him and his siblings.

These maneuvers met with little resistance from the Internal Revenue Service, The Times found. The president's parents, Fred and Mary Trump, transferred well over \$1 billion in wealth to their children, which could have produced a tax bill of at least \$550 million under the 55 percent tax rate then imposed on gifts and inheritances.

The Trumps paid a total of \$52.2 million, or about 5 percent, tax records show.

The president declined repeated requests over several weeks to comment for this article. But a lawyer for Mr. Trump, Charles J. Harder, provided a written statement on Monday, one day after The Times sent a detailed description of its findings. “The New York Times’s allegations of fraud and tax evasion are 100 percent false, and highly defamatory,” Mr. Harder said. “There was no fraud or tax evasion by anyone. The facts upon which The Times bases its false allegations are extremely inaccurate.”

Mr. Harder sought to distance Mr. Trump from the tax strategies used by his family, saying the president had delegated those tasks to relatives and tax professionals. “President Trump had virtually no involvement whatsoever with these matters,” he said. “The affairs were handled by other Trump family members who were not experts themselves and therefore relied entirely upon the aforementioned licensed professionals to ensure full compliance with the law.”

[Read the full statement]

The president’s brother, Robert Trump, issued a statement on behalf of the Trump family:

“Our dear father, Fred C. Trump, passed away in June 1999. Our beloved mother, Mary Anne Trump, passed away in August 2000. All appropriate gift and estate tax returns were filed, and the required taxes were paid. Our father’s estate was closed in 2001 by both the Internal Revenue Service and the New York State tax authorities, and our mother’s estate was closed in 2004. Our family has no other comment on these matters that happened some 20 years ago, and would appreciate your respecting the privacy of our deceased parents, may God rest their souls.”

The Times’s findings raise new questions about Mr. Trump’s refusal to release his income tax returns, breaking with decades of practice by past presidents. According to tax experts, it is unlikely that Mr. Trump would be vulnerable to criminal prosecution for helping his parents evade taxes, because the acts happened too long ago and are past the statute of limitations. There is no time limit, however, on civil fines for tax fraud.

The findings are based on interviews with Fred Trump’s former employees and advisers and more than 100,000 pages of documents describing the

inner workings and immense profitability of his empire. They include documents culled from public sources — mortgages and deeds, probate records, financial disclosure reports, regulatory records and civil court files.

The investigation also draws on tens of thousands of pages of confidential records — bank statements, financial audits, accounting ledgers, cash disbursement reports, invoices and canceled checks. Most notably, the documents include more than 200 tax returns from Fred Trump, his companies and various Trump partnerships and trusts. While the records do not include the president’s personal tax returns and reveal little about his recent business dealings at home and abroad, dozens of corporate, partnership and trust tax returns offer the first public accounting of the income he received for decades from various family enterprises.

[11 takeaways from The Times’s investigation]

What emerges from this body of evidence is a financial biography of the 45th president fundamentally at odds with the story Mr. Trump has sold in his books, his TV shows and his political life. In Mr. Trump’s version of how he got rich, he was the master dealmaker who broke free of his father’s “tiny” outer-borough operation and parlayed a single \$1 million loan from his father (“I had to pay him back with interest!”) into a \$10 billion empire that would slap the Trump name on hotels, high-rises, casinos, airlines and golf courses the world over. In Mr. Trump’s version, it was always his guts and gumption that overcame setbacks. Fred Trump was simply a cheerleader.

“I built what I built myself,” Mr. Trump has said, a narrative that was long amplified by often-credulous coverage from news organizations, including The Times.

Certainly a handful of journalists and biographers, notably Wayne Barrett, Gwenda Blair, David Cay Johnston and Timothy L. O’Brien, have challenged this story, especially the claim of being worth \$10 billion. They described how Mr. Trump piggybacked off his father’s banking connections to gain a foothold in Manhattan real estate. They poked holes in his go-to talking point about the \$1 million loan, citing evidence that he actually got \$14 million. They told how Fred Trump once helped his son make a bond payment on an Atlantic City casino by buying \$3.5 million in casino chips.

But The Times’s investigation of the Trump family’s finances is unprecedented in scope and precision, offering the first comprehensive

look at the inherited fortune and tax dodges that guaranteed Donald J. Trump a gilded life. The reporting makes clear that in every era of Mr. Trump's life, his finances were deeply intertwined with, and dependent on, his father's wealth.

By age 3, Mr. Trump was earning \$200,000 a year in today's dollars from his father's empire. He was a millionaire by age 8. By the time he was 17, his father had given him part ownership of a 52-unit apartment building. Soon after Mr. Trump graduated from college, he was receiving the equivalent of \$1 million a year from his father. The money increased with the years, to more than \$5 million annually in his 40s and 50s.

Fred Trump's real estate empire was not just scores of apartment buildings. It was also a mountain of cash, tens of millions of dollars in profits building up inside his businesses, banking records show. In one six-year span, from 1988 through 1993, Fred Trump reported \$109.7 million in total income, now equivalent to \$210.7 million. It was not unusual for tens of millions in Treasury bills and certificates of deposit to flow through his personal bank accounts each month.

Fred Trump was relentless and creative in finding ways to channel this wealth to his children. He made Donald not just his salaried employee but also his property manager, landlord, banker and consultant. He gave him loan after loan, many never repaid. He provided money for his car, money for his employees, money to buy stocks, money for his first Manhattan offices and money to renovate those offices. He gave him three trust funds. He gave him shares in multiple partnerships. He gave him \$10,000 Christmas checks. He gave him laundry revenue from his buildings.

Much of his giving was structured to sidestep gift and inheritance taxes using methods tax experts described to The Times as improper or possibly illegal. Although Fred Trump became wealthy with help from federal housing subsidies, he insisted that it was manifestly unfair for the government to tax his fortune as it passed to his children. When he was in his 80s and beginning to slide into dementia, evading gift and estate taxes became a family affair, with Donald Trump playing a crucial role, interviews and newly obtained documents show.

The line between legal tax avoidance and illegal tax evasion is often murky, and it is constantly being stretched by inventive tax lawyers. There is no shortage of clever tax avoidance tricks that have been blessed by either the courts or the I.R.S. itself. The richest Americans almost never pay anything

close to full freight. But tax experts briefed on The Times's findings said the Trumps appeared to have done more than exploit legal loopholes. They said the conduct described here represented a pattern of deception and obfuscation, particularly about the value of Fred Trump's real estate, that repeatedly prevented the I.R.S. from taxing large transfers of wealth to his children.

"The theme I see here through all of this is valuations: They play around with valuations in extreme ways," said Lee-Ford Tritt, a University of Florida law professor and a leading expert in gift and estate tax law. "There are dramatic fluctuations depending on their purpose."

The manipulation of values to evade taxes was central to one of the most important financial events in Donald Trump's life. In an episode never before revealed, Mr. Trump and his siblings gained ownership of most of their father's empire on Nov. 22, 1997, a year and a half before Fred Trump's death. Critical to the complex transaction was the value put on the real estate. The lower its value, the lower the gift taxes. The Trumps dodged hundreds of millions in gift taxes by submitting tax returns that grossly undervalued the properties, claiming they were worth just \$41.4 million.

The same set of buildings would be sold off over the next decade for more than 16 times that amount.

The most overt fraud was All County Building Supply & Maintenance, a company formed by the Trump family in 1992. All County's ostensible purpose was to be the purchasing agent for Fred Trump's buildings, buying everything from boilers to cleaning supplies. It did no such thing, records and interviews show. Instead All County siphoned millions of dollars from Fred Trump's empire by simply marking up purchases already made by his employees. Those millions, effectively untaxed gifts, then flowed to All County's owners — Donald Trump, his siblings and a cousin. Fred Trump then used the padded All County receipts to justify bigger rent increases for thousands of tenants.

After this article was published on Tuesday, a spokesman for the New York State Department of Taxation and Finance said the agency was "reviewing the allegations" and "vigorously pursuing all appropriate areas of investigation."

All told, The Times documented 295 streams of revenue that Fred Trump created over five decades to enrich his son. In most cases his four other

children benefited equally. But over time, as Donald Trump careened from one financial disaster to the next, his father found ways to give him substantially more money, records show. Even so, in 1990, according to previously secret depositions, Mr. Trump tried to have his father's will rewritten in a way that Fred Trump, alarmed and angered, feared could result in his empire's being used to bail out his son's failing businesses.

Of course, the story of how Donald Trump got rich cannot be reduced to handouts from his father. Before he became president, his singular achievement was building the brand of Donald J. Trump, Self-Made Billionaire, a brand so potent it generated hundreds of millions of dollars in revenue through TV shows, books and licensing deals.

Constructing that image required more than Fred Trump's money. Just as important were his son's preternatural marketing skills and always-be-closing competitive hustle. While Fred Trump helped finance the accouterments of wealth, Donald Trump, master self-promoter, spun them into a seductive narrative. Fred Trump's money, for example, helped build Trump Tower, the talisman of privilege that established his son as a major player in New York. But Donald Trump recognized and exploited the iconic power of Trump Tower as a primary stage for both "The Apprentice" and his presidential campaign.

The biggest payday he ever got from his father came long after Fred Trump's death. It happened quietly, without the usual Trumpian news conference, on May 4, 2004, when Mr. Trump and his siblings sold off the empire their father had spent 70 years assembling with the dream that it would never leave his family.

Donald Trump's cut: \$177.3 million, or \$236.2 million in today's dollars.

'ONE-MAN BUILDING SHOW'

Early experience, cultivated connections and a wave of federal housing subsidies helped Fred Trump lay the foundation of his son's wealth.

Before he turned 20, Fred Trump had already built and sold his first home. At age 35, he was building hundreds of houses a year in Brooklyn and Queens. By 45, he was building some of the biggest apartment complexes in the country.

Aside from an astonishing work ethic — “Sleeping is a waste of time,” he liked to say — the growth reflected his shrewd application of mass-production techniques. The Brooklyn Daily Eagle called him “the Henry Ford of the home-building industry.” He would erect scaffolding a city block long so his masons, sometimes working a second shift under floodlights, could throw up a dozen rowhouses in a week. They sold for about \$115,000 in today’s dollars.

By 1940, American Builder magazine was taking notice, devoting a spread to Fred Trump under the headline “Biggest One-Man Building Show.” The article described a swaggering lone-wolf character who paid for everything — wages, supplies, land — from a thick wad of cash he carried at all times, and whose only help was a secretary answering the phone in an office barely bigger than a parking space. “He is his own purchasing agent, cashier, paymaster, building superintendent, construction engineer and sales director,” the article said.

It wasn’t that simple. Fred Trump had also spent years ingratiating himself with Brooklyn’s Democratic machine, giving money, doing favors and making the sort of friends (like Abraham D. Beame, a future mayor) who could make life easier for a developer. He had also assembled a phalanx of plugged-in real estate lawyers, property appraisers and tax accountants who protected his interests.

All these traits — deep experience, nimbleness, connections, a relentless focus on the efficient construction of homes for the middle class — positioned him perfectly to ride a growing wave of federal spending on housing. The wave took shape with the New Deal, grew during the World War II rush to build military housing and crested with the postwar imperative to provide homes for returning G.I.s. Fred Trump would become a millionaire many times over by making himself one of the nation’s largest recipients of cheap government-backed building loans, according to Gwenda Blair’s book “The Trumps: Three Generations of Builders and a President.”

Those same loans became the wellspring of Donald Trump’s wealth. In the late 1940s, Fred Trump obtained roughly \$26 million in federal loans to build two of his largest developments, Beach Haven Apartments, near Coney Island, Brooklyn, and Shore Haven Apartments, a few miles away. Then he set about making his children his landlords.

As ground lease payments fattened his children's trusts, Fred Trump embarked on a far bigger transfer of wealth. Records obtained by The Times reveal how he began to build or buy apartment buildings in Brooklyn and Queens and then gradually, without public trace, transfer ownership to his children through a web of partnerships and corporations. In all, Fred Trump put up nearly \$13 million in cash and mortgage debt to create a mini-empire within his empire — eight buildings with 1,032 apartments — that he would transfer to his children.

The handover began just before Donald Trump's 16th birthday. On June 1, 1962, Fred Trump transferred a plot of land in Queens to a newly created corporation. While he would be its president, his children would be its owners, records show. Then he constructed a 52-unit building called Clyde Hall.

It was easy money for the Trump children. Their father took care of everything. He bought the land, built the apartments and obtained the mortgages. His employees managed the building. The profits, meanwhile, went to his children. By the early 1970s, Fred Trump would execute similar transfers of the other seven buildings.

For Donald Trump, this meant a rapidly growing new source of income. When he was in high school, his cut of the profits was about \$17,000 a year in today's dollars. His share exceeded \$300,000 a year soon after he graduated from college.

How Fred Trump transferred 1,032 apartments to his children without incurring hundreds of thousands of dollars in gift taxes is unclear. A review of property records for the eight buildings turned up no evidence that his children bought them outright. Financial records obtained by The Times reveal only that all of the shares in the partnerships and corporations set up to create the mini-empire shifted at some point from Fred Trump to his children. Yet his tax returns show he paid no gift taxes on seven of the buildings, and only a few thousand dollars on the eighth.

That building, Sunnyside Towers, a 158-unit property in Queens, illustrates Fred Trump's catch-me-if-you-can approach with the I.R.S., which had repeatedly cited him for underpaying taxes in the 1950s and 1960s.

Sunnyside was bought for \$2.5 million in 1968 by Midland Associates, a partnership Fred Trump formed with his children for the transaction. In his 1969 tax return, he reported giving each child 15 percent of Midland

Associates. Based on the amount of cash put up to buy Sunnyside, the value of this gift should have been \$93,750. Instead, he declared a gift of only \$6,516.

Donald Trump went to work for his father after graduating from the University of Pennsylvania in 1968. His father made him vice president of dozens of companies. This was also the moment Fred Trump telegraphed what had become painfully obvious to his family and employees: He did not consider his eldest son, Fred Trump Jr., a viable heir apparent.

Fred Jr., seven and a half years older than Donald, had also worked for his father after college. It did not go well, relatives and former employees said in interviews. Fred Trump openly ridiculed him for being too nice, too soft, too lazy, too fond of drink. He frowned on his interests in flying and music, could not fathom why he cared so little for the family business. Donald, witness to his father's deepening disappointment, fashioned himself Fred Jr.'s opposite — the brash tough guy with a killer instinct. His reward was to inherit his father's dynastic dreams.

Fred Trump began taking steps that enriched Donald alone, introducing him to the charms of building with cheap government loans. In 1972, father and son formed a partnership to build a high-rise for the elderly in East Orange, N.J. Thanks to government subsidies, the partnership got a nearly interest-free \$7.8 million loan that covered 90 percent of construction costs. Fred Trump paid the rest.

But his son received most of the financial benefits, records show. On top of profit distributions and consulting fees, Donald Trump was paid to manage the building, though Fred Trump's employees handled day-to-day management. He also pocketed what tenants paid to rent air-conditioners. By 1975, Donald Trump's take from the building was today's equivalent of nearly \$305,000 a year.

Fred Trump also gave his son an extra boost through his investment, in the early 1970s, in the sprawling Starrett City development in Brooklyn, the largest federally subsidized housing project in the nation. The investment, which promised to generate huge tax write-offs, was tailor-made for Fred Trump; he would use Starrett City's losses to avoid taxes on profits from his empire.

Fred Trump invested \$5 million. A separate partnership established for his children invested \$1 million more, showering tax breaks on the Trump children for decades to come. They helped Donald Trump avoid paying any federal income taxes at all in 1978 and 1979. But Fred Trump also deputized him to sell a sliver of his Starrett City shares, a sweetheart deal that generated today's equivalent of more than \$1 million in "consulting fees."

The money from consulting and management fees, ground leases, the mini-empire and his salary all combined to make Donald Trump indisputably wealthy years before he sold his first Manhattan apartment. By 1975, when he was 29, he had collected nearly \$9 million in today's dollars from his father, The Times found.

Wealthy, yes. But a far cry from the image father and son craved for Donald Trump.

THE SILENT PARTNER

Fred Trump would play a crucial role in building and carefully maintaining the myth of Donald J. Trump, Self-Made Billionaire.

"He is tall, lean and blond, with dazzling white teeth, and he looks ever so much like Robert Redford. He rides around town in a chauffeured silver Cadillac with his initials, DJT, on the plates. He dates slinky fashion models, belongs to the most elegant clubs and, at only 30 years of age, estimates that he is worth 'more than \$200 million.'"

So began a Nov. 1, 1976, article in The Times, one of the first major profiles of Donald Trump and a cornerstone of decades of mythmaking about his wealth. How could he claim to be worth more than \$200 million when, as he divulged years later to casino regulators, his 1976 taxable income was \$24,594? Donald Trump simply appropriated his father's entire empire as his own.

In the chauffeured Cadillac, Donald Trump took The Times's reporter on a tour of what he called his "jobs." He told her about the Manhattan hotel he planned to convert into a Grand Hyatt (his father guaranteed the construction loan), and the Hudson River railroad yards he planned to develop (the rights were purchased by his father's company). He showed her "our philanthropic endeavor," the high-rise for the elderly in East

Orange (bankrolled by his father), and an apartment complex on Staten Island (owned by his father), and their “flagship,” Trump Village, in Brooklyn (owned by his father), and finally Beach Haven Apartments (owned by his father). Even the Cadillac was leased by his father.

“So far,” he boasted, “I’ve never made a bad deal.”

It was a spectacular con, right down to the priceless moment when Mr. Trump confessed that he was “publicity shy.” By claiming his father’s wealth as his own, Donald Trump transformed his place in the world. A brash 30-year-old playboy worth more than \$200 million proved irresistible to New York City’s bankers, politicians and journalists.

Yet for all the spin about cutting his own path in Manhattan, Donald Trump was increasingly dependent on his father. Weeks after The Times’s profile ran, Fred Trump set up still more trusts for his children, seeding each with today’s equivalent of \$4.3 million. Even into the early 1980s, when he was already proclaiming himself one of America’s richest men, Donald Trump remained on his father’s payroll, drawing an annual salary of \$260,000 in today’s dollars.

Meanwhile, Fred Trump and his companies also began extending large loans and lines of credit to Donald Trump. Those loans dwarfed what the other Trumps got, the flow so constant at times that it was as if Donald Trump had his own Money Store. Consider 1979, when he borrowed \$1.5 million in January, \$65,000 in February, \$122,000 in March, \$150,000 in April, \$192,000 in May, \$226,000 in June, \$2.4 million in July and \$40,000 in August, according to records filed with New Jersey casino regulators.

In theory, the money had to be repaid. In practice, records show, many of the loans were more like gifts. Some were interest-free and had no repayment schedule. Even when loans charged interest, Donald Trump frequently skipped payments.

This previously unreported flood of loans highlights a clear pattern to Fred Trump’s largess. When Donald Trump began expensive new projects, his father increased his help. In the late 1970s, when Donald Trump was converting the old Commodore Hotel into a Grand Hyatt, his father stepped up with a spigot of loans. Fred Trump did the same with Trump Tower in the early 1980s.

In the mid-1980s, as Donald Trump made his first forays into Atlantic City, Fred Trump devised a plan that sharply increased the flow of money to his son.

The plan involved the mini-empire — the eight buildings Fred Trump had transferred to his children. He converted seven of them into cooperatives, and helped his children convert the eighth. That meant inviting tenants to buy their apartments, generating a three-way windfall for Donald Trump and his siblings: from selling units, from renting unsold units and from collecting mortgage payments.

In 1982, Donald Trump made today's equivalent of about \$380,000 from the eight buildings. As the conversions continued and Fred Trump's employees sold off more units, his son's share of profits jumped, records show. By 1987, with the conversions completed, his son was making today's equivalent of \$4.5 million a year off the eight buildings.

Fred Trump made one other structural change to his empire that produced a big new source of revenue for Donald Trump and his siblings. He made them his bankers.

The Times could find no evidence that the Trump children had to come up with money of their own to buy their father's mortgages. Most were purchased from Fred Trump's banks by trusts and partnerships that he set up and seeded with money.

Co-op sales, mortgage payments, ground leases — Fred Trump was a master at finding ways to enrich his children in general and Donald Trump in particular. Some ways were like slow-moving creeks. Others were rushing streams. A few were geysers. But as the decades passed they all joined into one mighty river of money. By 1990, The Times found, Fred Trump, the ultimate silent partner, had quietly transferred today's equivalent of at least \$46.2 million to his son.

Donald Trump took on a mien of invincibility. The stock market crashed in 1987 and the economy cratered. But he doubled down thanks in part to Fred Trump's banks, which eagerly extended credit to the young Trump princeling. He bought the Plaza Hotel in 1988 for \$407.5 million. He bought the Eastern Airlines shuttle fleet in 1989 for \$365 million and called it Trump Shuttle. His newest casino, the Trump Taj Mahal, would need at least \$1 million a day just to cover its debt.

The skeptics who questioned the wisdom of this debt-fueled spending spree were drowned out by one magazine cover after another marveling at someone so young taking such breathtaking risks. But whatever Donald Trump was gambling, not for one second was he at risk of losing out on a lifetime of frictionless, effortless wealth. Fred Trump had that bet covered.

THE SAFETY NET DEPLOYS

Bailouts, collateral, cash on hand — Fred Trump was prepared, and was not about to let bad bets sink his son.

As the 1980s ended, Donald Trump's big bets began to go bust. Trump Shuttle was failing to make loan payments within 15 months. The Plaza, drowning in debt, was bankrupt in four years. His Atlantic City casinos, also drowning in debt, tumbled one by one into bankruptcy.

What didn't fail was the Trump safety net. Just as Donald Trump's finances were crumbling, family partnerships and companies dramatically increased distributions to him and his siblings. Between 1989 and 1992, tax records show, four entities created by Fred Trump to support his children paid Donald Trump today's equivalent of \$8.3 million.

Fred Trump's generosity also provided a crucial backstop when his son pleaded with bankers in 1990 for an emergency line of credit. With so many of his projects losing money, Donald Trump had few viable assets of his own making to pledge as collateral. What has never been publicly known is that he used his stakes in the mini-empire and the high-rise for the elderly in East Orange as collateral to help secure a \$65 million loan.

Tax records also reveal that at the peak of Mr. Trump's financial distress, his father extracted extraordinary sums from his empire. In 1990, Fred Trump's income exploded to \$49,638,928 — several times what he paid himself in other years in that era.

Fred Trump, former employees say, detested taking unnecessary distributions from his companies because he would have to pay income taxes on them. So why would a penny-pinching, tax-hating 85-year-old in the twilight of his career abruptly pull so much money out of his cherished properties, incurring a tax bill of \$12.2 million?

The Times found no evidence that Fred Trump made any significant debt payments or charitable donations. The frugality he brought to business carried over to the rest of his life. According to ledgers of his personal spending, he spent a grand total of \$8,562 in 1991 and 1992 on travel and entertainment. His extravagances, such as they were, consisted of buying his wife the odd gift from Antonovich Furs or hosting family celebrations at the Peter Luger Steak House in Brooklyn. His home on Midland Parkway in Jamaica Estates, Queens, built with unfussy brick like so many of his apartment buildings, had little to distinguish it from neighboring houses beyond the white columns and crest framing the front door.

There are, however, indications that he wanted plenty of cash on hand to bail out his son if need be.

Such was the case with the rescue mission at his son's Trump's Castle casino. Donald Trump had wildly overspent on renovations, leaving the property dangerously low on operating cash. Sure enough, neither Trump's Castle nor its owner had the necessary funds to make an \$18.4 million bond payment due in December 1990.

On Dec. 17, 1990, Fred Trump dispatched Howard Snyder, a trusted bookkeeper, to Atlantic City with a \$3.35 million check. Mr. Snyder bought \$3.35 million worth of casino chips and left without placing a bet. Apparently, even this infusion wasn't sufficient, because that same day Fred Trump wrote a second check to Trump's Castle, for \$150,000, bank records show.

With this ruse — it was an illegal \$3.5 million loan under New Jersey gaming laws, resulting in a \$65,000 civil penalty — Donald Trump narrowly avoided defaulting on his bonds.

BIRDS OF A FEATHER

Both the son and the father were masters of manipulating the value of their assets, making them appear worth a lot or a little depending on their needs.

As the chip episode demonstrated, father and son were of one mind about rules and regulations, viewing them as annoyances to be finessed or, when necessary, ignored. As described by family members and associates in interviews and sworn testimony, theirs was an intimate, endless confederacy sealed by blood, shared secrets and a Hobbesian view of what

it took to dominate and win. They talked almost daily and saw each other most weekends. Donald Trump sat at his father's right hand at family meals and participated in his father's monthly strategy sessions with his closest advisers. Fred Trump was a silent, watchful presence at many of Donald Trump's news conferences.

"I probably knew my father as well or better than anybody," Donald Trump said in a 2000 deposition.

They were both fluent in the language of half-truths and lies, interviews and records show. They both delighted in transgressing without getting caught. They were both wizards at manipulating the value of their assets, making them appear worth a lot or a little depending on their needs.

Those talents came in handy when Fred Trump Jr. died, on Sept. 26, 1981, at age 42 from complications of alcoholism, leaving a son and a daughter. The executors of his estate were his father and his brother Donald.

Fred Trump Jr.'s largest asset was his stake in seven of the eight buildings his father had transferred to his children. The Trumps would claim that those properties were worth \$90.4 million when they finished converting them to cooperatives within a few years of his death. At that value, his stake could have generated an estate tax bill of nearly \$10 million.

But the tax return signed by Donald Trump and his father claimed that Fred Trump Jr.'s estate owed just \$737,861. This result was achieved by lowballing all seven buildings. Instead of valuing them at \$90.4 million, Fred and Donald Trump submitted appraisals putting them at \$13.2 million.

Emblematic of their audacity was Park Briar, a 150-unit building in Queens. As it happened, 18 days before Fred Trump Jr.'s death, the Trump siblings had submitted Park Briar's co-op conversion plan, stating under oath that the building was worth \$17.1 million. Yet as Fred Trump Jr.'s executors, Donald Trump and his father claimed on the tax return that Park Briar was worth \$2.9 million when Fred Trump Jr. died.

This fantastical claim — that Park Briar should be taxed as if its value had fallen 83 percent in 18 days — slid past the I.R.S. with barely a protest. An auditor insisted the value should be increased by \$100,000, to \$3 million.

During the 1980s, Donald Trump became notorious for leaking word that he was taking positions in stocks, hinting of a possible takeover, and then either selling on the run-up or trying to extract lucrative concessions from the target company to make him go away. It was a form of stock manipulation with an unsavory label: “greenmailing.” The Times unearthed evidence that Mr. Trump enlisted his father as his greenmailing wingman.

On Jan. 26, 1989, Fred Trump bought 8,600 shares of Time Inc. for \$934,854, his tax returns show. Seven days later, Dan Dorfman, a financial columnist known to be chatty with Donald Trump, broke the news that the younger Trump had “taken a sizable stake” in Time. Sure enough, Time’s shares jumped, allowing Fred Trump to make a \$41,614 profit in two weeks.

Later that year, Fred Trump bought \$5 million worth of American Airlines stock. Based on the share price — \$81.74 — it appears he made the purchase shortly before Mr. Dorfman reported that Donald Trump was taking a stake in the company. Within weeks, the stock was over \$100 a share. Had Fred Trump sold then, he would have made a quick \$1.3 million. But he didn’t, and the stock sank amid skepticism about his son’s history of hyped takeover attempts that fizzled. Fred Trump sold his shares for a \$1.7 million loss in January 1990. A week later, Mr. Dorfman reported that Donald Trump had sold, too.

With other family members, Fred Trump could be cantankerous and cruel, according to sworn testimony by his relatives. “This is the stupidest thing I ever heard of,” he’d snap when someone disappointed him. He was different with his son Donald. He might chide him — “Finish this job before you start that job,” he’d counsel — but more often, he looked for ways to forgive and accommodate.

By 1987, for example, Donald Trump’s loan debt to his father had grown to at least \$11 million. Yet canceling the debt would have required Donald Trump to pay millions in taxes on the amount forgiven. Father and son found another solution, one never before disclosed, that appears to constitute both an unreported multimillion-dollar gift and a potentially illegal tax write-off.

In December 1987, records show, Fred Trump bought a 7.5 percent stake in Trump Palace, a 55-story condominium building his son was erecting on the Upper East Side of Manhattan. Most, if not all, of his investment, which

totalled \$15.5 million, was made by exchanging his son's unpaid debts for Trump Palace shares, records show.

Four years later, in December 1991, Fred Trump sold his entire stake in Trump Palace for just \$10,000, his tax returns and financial statements reveal. Those documents do not identify who bought his stake. But other records indicate that he sold it back to his son.

Under state law, developers must file "offering plans" that identify to any potential condo buyer the project's sponsors — in other words, its owners. The Trump Palace offering plan, submitted in November 1989, identified two owners: Donald Trump and his father. But under the same law, if Fred Trump had sold his stake to a third party, Donald Trump would have been required to identify the new owner in an amended offering plan filed with the state attorney general's office. He did not do that, records show.

He did, however, sign a sworn affidavit a month after his father sold his stake. In the affidavit, submitted in a lawsuit over a Trump Palace contractor's unpaid bill, Donald Trump identified himself as "the" owner of Trump Palace.

Under I.R.S. rules, selling shares worth \$15.5 million to your son for \$10,000 is tantamount to giving him a \$15.49 million taxable gift. Fred Trump reported no such gift.

According to tax experts, the only circumstance that would not have required Fred Trump to report a gift was if Trump Palace had been effectively bankrupt when he unloaded his shares.

Yet Trump Palace was far from bankrupt.

Property records show that condo sales there were brisk in 1991. Trump Palace sold 57 condos for \$52.5 million — 94 percent of the total asking price for those units.

Donald Trump himself proclaimed Trump Palace "the most financially secure condominium on the market today" in advertisements he placed in 1991 to rebut criticism from buyers who complained that his business travails could drag down Trump Palace, too. In December, 17 days before his father sold his shares, he placed an ad vouching for the wisdom of investing in Trump Palace: "Smart money says there has never been a better time."

By failing to tell the I.R.S. about his \$15.49 million gift to his son, Fred Trump evaded the 55 percent tax on gifts, saving about \$8 million. At the same time, he declared to the I.R.S. that Trump Palace was almost a complete loss — that he had walked away from a \$15.5 million investment with just \$10,000 to show for it.

Federal tax law prohibits deducting any loss from the sale of property between members of the same family, because of the potential for abuse. Yet Fred Trump appears to have done exactly that, dodging roughly \$5 million more in income taxes.

The partnership between Fred and Donald Trump was not simply about the pursuit of riches. At its heart lay a more ambitious project, executed to perfection over decades — to create that origin story, the myth of Donald J. Trump, Self-Made Billionaire.

Donald Trump built the foundation for the myth in the 1970s by appropriating his father's empire as his own. By the late 1980s, instead of appropriating the empire, he was diminishing it. "It wasn't a great business, it was a good business," he said, as if Fred Trump ran a chain of laundromats. Yes, he told interviewers, his father was a wonderful mentor, but given the limits of his business, the most he could manage was a \$1 million loan, and even that had to be repaid with interest.

Through it all, Fred Trump played along. Never once did he publicly question his son's claim about the \$1 million loan. "Everything he touches seems to turn to gold," he told The Times for that first profile in 1976. "He's gone way beyond me, absolutely," he said when The Times profiled his son again in 1983. But for all Fred Trump had done to build the myth of Donald Trump, Self-Made Billionaire, there was, it turned out, one line he would not allow his son to cross.

A FAMILY RECKONING

Donald Trump tried to change his ailing father's will, prompting a backlash — but also a recognition that plans had to be set in motion before Fred Trump died.

Fred Trump had given careful thought to what would become of his empire after he died, and had hired one of the nation's top estate lawyers to draft his will. But in December 1990, Donald Trump sent his father a document,

drafted by one of his own lawyers, that sought to make significant changes to that will.

Fred Trump, then 85, had never before set eyes on the document, 12 pages of dense legalese. Nor had he authorized its preparation. Nor had he met the lawyer who drafted it.

Yet his son sent instructions that he needed to sign it immediately.

What happened next was described years later in sworn depositions by members of the Trump family during a dispute, later settled, over the inheritance Fred Trump left to Fred Jr.'s children. These depositions, obtained by The Times, reveal something startling: Fred Trump believed that the document potentially put his life's work at risk.

The document, known as a codicil, did many things. It protected Donald Trump's portion of the inheritance from his creditors and from his impending divorce settlement with his first wife, Ivana Trump. It strengthened provisions in the existing will making him the sole executor of his father's estate. But more than any of the particulars, it was the entirety of the codicil and its presentation as a *fait accompli* that alarmed Fred Trump, the depositions show. He confided to family members that he viewed the codicil as an attempt to go behind his back and give his son total control over his affairs. He said he feared that it could let Donald Trump denude his empire, even using it as collateral to rescue his failing businesses. (It was, in fact, the very month of the \$3.5 million casino rescue.)

As close as they were — or perhaps because they were so close — Fred Trump did not immediately confront his son. Instead he turned to his daughter Maryanne Trump Barry, then a federal judge whom he often consulted on legal matters. “This doesn't pass the smell test,” he told her, she recalled during her deposition. When Judge Barry read the codicil, she reached the same conclusion. “Donald was in precarious financial straits by his own admission,” she said, “and Dad was very concerned as a man who worked hard for his money and never wanted any of it to leave the family.” (In a brief telephone interview, Judge Barry declined to comment.)

Fred Trump took prompt action to thwart his son. He dispatched his daughter to find new estate lawyers. One of them took notes on the instructions she passed on from her father: “Protect assets from DJT, Donald's creditors.” The lawyers quickly drafted a new codicil stripping

Donald Trump of sole control over his father's estate. Fred Trump signed it immediately.

Clumsy as it was, Donald Trump's failed attempt to change his father's will brought a family reckoning about two related issues: Fred Trump's declining health and his reluctance to relinquish ownership of his empire. Surgeons had removed a neck tumor a few years earlier, and he would soon endure hip replacement surgery and be found to have mild senile dementia. Yet for all the financial support he had lavished on his children, for all his abhorrence of taxes, Fred Trump had stubbornly resisted his advisers' recommendations to transfer ownership of his empire to the children to minimize estate taxes.

With every passing year, the actuarial odds increased that Fred Trump would die owning apartment buildings worth many hundreds of millions of dollars, all of it exposed to the 55 percent estate tax. Just as exposed was the mountain of cash he was sitting on. His buildings, well maintained and carrying little debt, consistently produced millions of dollars a year in profits. Even after he paid himself \$109.7 million from 1988 through 1993, his companies were holding \$50 million in cash and investments, financial records show. Tens of millions of dollars more passed each month through a maze of personal accounts at Chase Manhattan Bank, Chemical Bank, Manufacturers Hanover Trust, UBS, Bowery Savings and United Mizrahi, an Israeli bank.

Simply put, without immediate action, Fred Trump's heirs faced the prospect of losing hundreds of millions of dollars to estate taxes.

Whatever their differences, the Trumps formulated a plan to avoid this fate. How they did it is a story never before told.

It is also a story in which Donald Trump played a central role. He took the lead in strategy sessions where the plan was devised with the consent and participation of his father and his father's closest advisers, people who attended the meetings told The Times. Robert Trump, the youngest sibling and the beta to Donald's alpha, was given the task of overseeing day-to-day details. After years of working for his brother, Robert Trump went to work for his father in late 1991.

The Trumps' plan, executed over the next decade, blended traditional techniques — such as rewriting Fred Trump's will to maximize tax avoidance — with unorthodox strategies that tax experts told The Times

were legally dubious and, in some cases, appeared to be fraudulent. As a result, the Trump children would gain ownership of virtually all of their father's buildings without having to pay a penny of their own. They would turn the mountain of cash into a molehill of cash. And hundreds of millions of dollars that otherwise would have gone to the United States Treasury would instead go to Fred Trump's children.

'A DISGUISED GIFT'

A family company let Fred Trump funnel money to his children by effectively overcharging himself for repairs and improvements on his properties.

One of the first steps came on Aug. 13, 1992, when the Trumps incorporated a company named All County Building Supply & Maintenance.

All County had no corporate offices. Its address was the Manhasset, N.Y., home of John Walter, a favorite nephew of Fred Trump's. Mr. Walter, who died in January, spent decades working for Fred Trump, primarily helping computerize his payroll and billing systems. He also was the unofficial keeper of Fred Trump's personal and business papers, his basement crowded with boxes of old Trump financial records. John Walter and the four Trump children each owned 20 percent of All County, records show.

All County's main purpose, The Times found, was to enable Fred Trump to make large cash gifts to his children and disguise them as legitimate business transactions, thus evading the 55 percent tax.

The way it worked was remarkably simple.

Each year Fred Trump spent millions of dollars maintaining and improving his properties. Some of the vendors who supplied his building superintendents and maintenance crews had been cashing Fred Trump's checks for decades. Starting in August 1992, though, a different name began to appear on their checks — All County Building Supply & Maintenance.

Mr. Walter's computer systems, meanwhile, churned out All County invoices that billed Fred Trump's empire for those same services and supplies, with one difference: All County's invoices were padded, marked up by 20 percent, or 50 percent, or even more, records show.

The Trump siblings split the markup, along with Mr. Walter.

The self-dealing at the heart of this arrangement was best illustrated by Robert Trump, whose father paid him a \$500,000 annual salary. He approved many of the payments Fred Trump's empire made to All County; he was also All County's chief executive, as well as a co-owner. As for the work of All County — generating invoices — that fell to Mr. Walter, also on Fred Trump's payroll, along with a personal assistant Mr. Walter paid to work on his side businesses.

Years later, in his deposition during the dispute over Fred Trump's estate, Robert Trump would say that All County actually saved Fred Trump money by negotiating better deals. Given Fred Trump's long experience expertly squeezing better prices out of contractors, it was a surprising claim. It was also not true.

The Times's examination of thousands of pages of financial documents from Fred Trump's buildings shows that his costs shot up once All County entered the picture.

Beach Haven Apartments illustrates how this happened: In 1991 and 1992, Fred Trump bought 78 refrigerator-stove combinations for Beach Haven from Long Island Appliance Wholesalers. The average price was \$642.69. But in 1993, when he began paying All County for refrigerator-stove combinations, the price jumped by 46 percent. Likewise, the price he paid for trash-compacting services at Beach Haven increased 64 percent. Janitorial supplies went up more than 100 percent. Plumbing repairs and supplies rose 122 percent. And on it went in building after building. The more Fred Trump paid, the more All County made, which was precisely the plan.

While All County systematically overcharged Fred Trump for thousands of items, the job of negotiating with vendors fell, as it always had, to Fred Trump and his staff.

Leon Eastmond can attest to this.

Mr. Eastmond is the owner of A. L. Eastmond & Sons, a Bronx company that makes industrial boilers. In 1993, he and Fred Trump met at Gargiulo's, an old-school Italian restaurant in Coney Island that was one of Fred Trump's favorites, to hash out the price of 60 boilers. Fred Trump, accompanied by his secretary and Robert Trump, drove a hard bargain.

After negotiating a 10 percent discount, he made one last demand: “I had to pay the tab,” Mr. Eastmond recalled with a chuckle.

There was no mention of All County. Mr. Eastmond first heard of the company when its checks started rolling in. “I remember opening my mail one day and out came a check for \$100,000,” he recalled. “I didn’t recognize the company. I didn’t know who the hell they were.”

But as All County paid Mr. Eastmond the price negotiated by Fred Trump, its invoices to Fred Trump were padded by 20 to 25 percent, records obtained by The Times show. This added hundreds of thousands of dollars to the cost of the 60 boilers, money that then flowed through All County to Fred Trump’s children without incurring any gift tax.

All County’s owners devised another ruse to profit off Mr. Eastmond’s boilers. To win Fred Trump’s business, Mr. Eastmond had also agreed to provide mobile boilers for Fred Trump’s buildings free of charge while new boilers were being installed. Yet All County charged Fred Trump rent on the same mobile boilers Mr. Eastmond was providing free, along with hookup fees, disconnection fees, transportation fees and operating and maintenance fees, records show. These charges siphoned hundreds of thousands of dollars more from Fred Trump’s empire.

Mr. Walter, asked during a deposition why Fred Trump chose not to make himself one of All County’s owners, replied, “He said because he would have to pay a death tax on it.”

After being briefed on All County by The Times, Mr. Tritt, the University of Florida law professor, said the Trumps’ use of the company was “highly suspicious” and could constitute criminal tax fraud. “It certainly looks like a disguised gift,” he said.

While All County was all upside for Donald Trump and his siblings, it had an insidious downside for Fred Trump’s tenants.

As an owner of rent-stabilized buildings in New York, Fred Trump needed state approval to raise rents beyond the annual increases set by a government board. One way to justify a rent increase was to make a major capital improvement. It did not take much to get approval; an invoice or canceled check would do if the expense seemed reasonable.

The Trumps used the padded All County invoices to justify higher rent increases in Fred Trump's rent-regulated buildings. Fred Trump, according to Mr. Walter, saw All County as a way to have his cake and eat it, too. If he used his "expert negotiating ability" to buy a \$350 refrigerator for \$200, he could raise the rent based only on that \$200, not on the \$350 sticker price "a normal person" would pay, Mr. Walter explained. All County was the way around this problem. "You have to understand the thinking that went behind this," he said.

As Robert Trump acknowledged in his deposition, "The higher the markup would be, the higher the rent that might be charged."

State records show that after All County's creation, the Trumps got approval to raise rents on thousands of apartments by claiming more than \$30 million in major capital improvements. Tenants repeatedly protested the increases, almost always to no avail, the records show.

One of the improvements most often cited by the Trumps: new boilers.

"All of this smells like a crime," said Adam S. Kaufmann, a former chief of investigations for the Manhattan district attorney's office who is now a partner at the law firm Lewis Baach Kaufmann Middlemiss. While the statute of limitations has long since lapsed, Mr. Kaufmann said the Trumps' use of All County would have warranted investigation for defrauding tenants, tax fraud and filing false documents.

Mr. Harder, the president's lawyer, disputed The Times's reporting: "Should The Times state or imply that President Trump participated in fraud, tax evasion or any other crime, it will be exposing itself to substantial liability and damages for defamation."

All County was not the only company the Trumps set up to drain cash from Fred Trump's empire. A lucrative income source for Fred Trump was the management fees he charged his buildings. His primary management company, Trump Management, earned \$6.8 million in 1993 alone. The Trumps found a way to redirect those fees to the children, too.

On Jan. 21, 1994, they created a company called Apartment Management Associates Inc., with a mailing address at Mr. Walter's Manhasset home. Two months later, records show, Apartment Management started collecting fees that had previously gone to Trump Management.

The only difference was that Donald Trump and his siblings owned Apartment Management.

Between All County and Apartment Management, Fred Trump's mountain of cash was rapidly dwindling. By 1998, records show, All County and Apartment Management were generating today's equivalent of \$2.2 million a year for each of the Trump children.

Whatever income tax they owed on this money, it was considerably less than the 55 percent tax Fred Trump would have owed had he simply given each of them \$2.2 million a year.

But these savings were trivial compared with those that would come when Fred Trump transferred his empire — the actual bricks and mortar — to his children.

THE ALCHEMY OF VALUE

The transfer of most of Fred Trump's empire to his children began with a 'friendly' appraisal and an incredible shrinking act.

In his 90th year, Fred Trump still showed up at work a few days a week, ever dapper in suit and tie. But he had trouble remembering names — his dementia was getting worse — and he could get confused. In May 1995, with an unsteady hand, he signed documents granting Robert Trump power of attorney to act “in my name, place and stead.”

Six months later, on Nov. 22, the Trumps began transferring ownership of most of Fred Trump's empire. (A few properties were excluded.) The instrument they used to do this was a special type of trust with a clunky acronym only a tax lawyer could love: GRAT, short for grantor-retained annuity trust.

GRATs are one of the tax code's great gifts to the ultrawealthy. They let dynastic families like the Trumps pass wealth from one generation to the next — be it stocks, real estate, even art collections — without paying a dime of estate taxes.

The details are numbingly complex, but the mechanics are straightforward. For the Trumps, it meant putting half the properties to be transferred into a GRAT in Fred Trump's name and the other half into a GRAT in his wife's

name. Then Fred and Mary Trump gave their children roughly two-thirds of the assets in their GRATs. The children bought the remaining third by making annuity payments to their parents over the next two years. By Nov. 22, 1997, it was done; the Trump children owned nearly all of Fred Trump's empire free and clear of estate taxes.

As for gift taxes, the Trumps found a way around those, too.

The entire transaction turned on one number: the market value of Fred Trump's empire. This determined the amount of gift taxes Fred and Mary Trump owed for the portion of the empire they gave to their children. It also determined the amount of annuity payments their children owed for the rest.

The I.R.S. recognizes that GRATs create powerful incentives to greatly undervalue assets, especially when those assets are not publicly traded stocks with transparent prices. Indeed, every \$10 million reduction in the valuation of Fred Trump's empire would save the Trumps either \$10 million in annuity payments or \$5.5 million in gift taxes. This is why the I.R.S. requires families taking advantage of GRATs to submit independent appraisals and threatens penalties for those who lowball valuations.

In practice, though, gift tax returns get little scrutiny from the I.R.S. It is an open secret among tax practitioners that evasion of gift taxes is rampant and rarely prosecuted. Punishment, such as it is, usually consists of an auditor's requiring a tax payment closer to what should have been paid in the first place. "GRATs are typically structured so that no tax is due, which means the I.R.S. has reduced incentive to audit them," said Mitchell Gans, a professor of tax law at Hofstra University. "So if a gift is in fact undervalued, it may very well go unnoticed."

This appears to be precisely what the Trumps were counting on. The Times found evidence that the Trumps dodged hundreds of millions of dollars in gift taxes by submitting tax returns that grossly undervalued the real estate assets they placed in Fred and Mary Trump's GRATs.

According to Fred Trump's 1995 gift tax return, obtained by The Times, the Trumps claimed that properties including 25 apartment complexes with 6,988 apartments — and twice the floor space of the Empire State Building — were worth just \$41.4 million.

The implausibility of this claim would be made plain in 2004, when banks put a valuation of nearly \$900 million on that same real estate.

The methods the Trumps used to pull off this incredible shrinking act were hatched in the strategy sessions Donald Trump participated in during the early 1990s, documents and interviews show. Their basic strategy had two components: Get what is widely known as a “friendly” appraisal of the empire’s worth, then drive that number even lower by changing the ownership structure to make the empire look less valuable to the I.R.S.

A crucial step was finding a property appraiser attuned to their needs. As anyone who has ever bought or sold a home knows, appraisers can arrive at sharply different valuations depending on their methods and assumptions. And like stock analysts, property appraisers have been known to massage those methods and assumptions in ways that coincide with their clients’ interests.

The Trumps used Robert Von Ancken, a favorite of New York City’s big real estate families. Over a 45-year career, Mr. Von Ancken has appraised many of the city’s landmarks, including Rockefeller Center, the World Trade Center, the Chrysler Building and the Empire State Building. Donald Trump recruited him after Fred Trump Jr. died and the family needed friendly appraisals to help shield the estate from taxes.

Mr. Von Ancken appraised the 25 apartment complexes and other properties in the Trumps’ GRATs and concluded that their total value was \$93.9 million, tax records show.

To assess the accuracy of those valuations, The Times examined the prices paid for comparable apartment buildings that sold within a year of Mr. Von Ancken’s appraisals. A pattern quickly emerged. Again and again, buildings in the same neighborhood as Trump buildings sold for two to four times as much per square foot as Mr. Von Ancken’s appraisals, even when the buildings were decades older, had fewer amenities and smaller apartments, and were deemed less valuable by city property tax appraisers.

Mr. Von Ancken valued Argyle Hall, a six-story brick Trump building in Brooklyn, at \$9.04 per square foot. Six blocks away, another six-story brick building, two decades older, had sold a few months earlier for nearly \$30 per square foot. He valued Belcrest Hall, a Trump building in Queens, at \$8.57 per square foot. A few blocks away, another six-story brick building,

four decades older with apartments a third smaller, sold for \$25.18 per square foot.

The pattern persisted with Fred Trump's higher-end buildings. Mr. Von Ancken appraised Lawrence Towers, a Trump building in Brooklyn with spacious balcony apartments, at \$24.54 per square foot. A few months earlier, an apartment building abutting car repair shops a mile away, with units 20 percent smaller, had sold for \$48.23 per square foot.

The Times found even starker discrepancies when comparing the GRAT appraisals against appraisals commissioned by the Trumps when they had an incentive to show the highest possible valuations.

Such was the case with Patio Gardens, a complex of nearly 500 apartments in Brooklyn.

Of all Fred Trump's properties, Patio Gardens was one of the least profitable, which may be why he decided to use it as a tax deduction. In 1992, he donated Patio Gardens to the National Kidney Foundation of New York/New Jersey, one of the largest charitable donations he ever made. The greater the value of Patio Gardens, the bigger his deduction. The appraisal cited in Fred Trump's 1992 tax return valued Patio Gardens at \$34 million, or \$61.90 a square foot.

By contrast, Mr. Von Ancken's GRAT appraisals found that the crown jewels of Fred Trump's empire, Beach Haven and Shore Haven, with five times as many apartments as Patio Gardens, were together worth just \$23 million, or \$11.01 per square foot.

In an interview, Mr. Von Ancken said that because neither he nor The Times had the working papers that described how he arrived at his valuations, there was simply no way to evaluate the methodologies behind his numbers. "There would be explanations within the appraisals to justify all the values," he said, adding, "Basically, when we prepare these things, we feel that these are going to be presented to the Internal Revenue Service for their review, and they better be right."

Of all the GRAT appraisals Mr. Von Ancken did for the Trumps, the most startling was for 886 rental apartments in two buildings at Trump Village, a complex in Coney Island. Mr. Von Ancken claimed that they were worth less than nothing — negative \$5.9 million, to be exact. These were the same

886 units that city tax assessors valued that same year at \$38.1 million, and that a bank would value at \$106.6 million in 2004.

It appears Mr. Von Ancken arrived at his negative valuation by departing from the methodology that he has repeatedly testified is most appropriate for properties like Trump Village, where past years' profits are a poor gauge of future value.

In 1992, the Trumps had removed the two Trump Village buildings from an affordable housing program so they could raise rents and increase their profits. But doing so cost them a property tax exemption, which temporarily put the buildings in the red. The methodology described by Mr. Von Ancken would have disregarded this blip into the red and valued the buildings based on the higher rents the Trumps would be charging. Mr. Von Ancken, however, appears to have based his valuation on the blip, producing an appraisal that, taken at face value, meant Fred Trump would have had to pay someone millions of dollars to take the property off his hands.

Mr. Von Ancken told The Times that he did not recall which appraisal method he used on the two Trump Village buildings. "I can only say that we value the properties based on market information, and based on the expected income and expenses of the building and what they would sell for," he said. As for the enormous gaps between his valuation and the 1995 city property tax appraisal and the 2004 bank valuation, he argued that such comparisons were pointless. "I can't say what happened afterwards," he said. "Maybe they increased the income tremendously."

THE MINORITY OWNER

To further whittle the empire's valuation, the family created the appearance that Fred Trump held only 49.8 percent.

Armed with Mr. Von Ancken's \$93.9 million appraisal, the Trumps focused on slashing even this valuation by changing the ownership structure of Fred Trump's empire.

The I.R.S. has long accepted the idea that ownership with control is more valuable than ownership without control. Someone with a controlling interest in a building can decide if and when the building is sold, how it is marketed and what price to accept. However, since someone who owns,

say, 10 percent of a \$100 million building lacks control over any of those decisions, the I.R.S. will let him claim that his stake should be taxed as if it were worth only \$7 million or \$8 million.

But Fred Trump had exercised total control over his empire for more than seven decades. With rare exceptions, he owned 100 percent of his buildings. So the Trumps set out to create the fiction that Fred Trump was a minority owner. All it took was splitting the ownership structure of his empire. Fred and Mary Trump each ended up with 49.8 percent of the corporate entities that owned his buildings. The other 0.4 percent was split among their four children.

Splitting ownership into minority interests is a widely used method of tax avoidance. There is one circumstance, however, where it has at times been found to be illegal. It involves what is known in tax law as the step transaction doctrine — where it can be shown that the corporate restructuring was part of a rapid sequence of seemingly separate maneuvers actually conceived and executed to dodge taxes. A key issue, according to tax experts, is timing — in the Trumps' case, whether they split up Fred Trump's empire just before they set up the GRATs.

In all, the Trumps broke up 12 corporate entities to create the appearance of minority ownership. The Times could not determine when five of the 12 companies were divided. But records reveal that the other seven were split up just before the GRATs were established.

The pattern was clear. For decades, the companies had been owned solely by Fred Trump, each operating a different apartment complex or shopping center. In September 1995, the Trumps formed seven new limited liability companies. Between Oct. 31 and Nov. 8, they transferred the deeds to the seven properties into their respective L.L.C.'s. On Nov. 21, they recorded six of the deed transfers in public property records. (The seventh was recorded on Nov. 24.) And on Nov. 22, 49.8 percent of the shares in these seven L.L.C.'s was transferred into Fred Trump's GRAT and 49.8 percent into Mary Trump's GRAT.

That enabled the Trumps to slash Mr. Von Ancken's valuation in a way that was legally dubious. They claimed that Fred and Mary Trump's status as minority owners, plus the fact that a building couldn't be sold as easily as a share of stock, entitled them to lop 45 percent off Mr. Von Ancken's \$93.9 million valuation. This claim, combined with \$18.3 million more in

standard deductions, completed the alchemy of turning real estate that would soon be valued at nearly \$900 million into \$41.4 million.

According to tax experts, claiming a 45 percent discount was questionable even back then, and far higher than the 20 to 30 percent discount the I.R.S. would allow today.

As it happened, the Trumps' GRATs did not completely elude I.R.S. scrutiny. Documents obtained by The Times reveal that the I.R.S. audited Fred Trump's 1995 gift tax return and concluded that Fred Trump and his wife had significantly undervalued the assets being transferred through their GRATs.

The I.R.S. determined that the Trumps' assets were worth \$57.1 million, 38 percent more than the couple had claimed. From the perspective of an I.R.S. auditor, pulling in nearly \$5 million in additional revenue could be considered a good day's work. For the Trumps, getting the I.R.S. to agree that Fred Trump's properties were worth only \$57.1 million was a triumph.

"All estate matters were handled by licensed attorneys, licensed C.P.A.s and licensed real estate appraisers who followed all laws and rules strictly," Mr. Harder, the president's lawyer, said in his statement.

In the end, the transfer of the Trump empire cost Fred and Mary Trump \$20.5 million in gift taxes and their children \$21 million in annuity payments. That is hundreds of millions of dollars less than they would have paid based on the empire's market value, The Times found.

Better still for the Trump children, they did not have to pay out a penny of their own. They simply used their father's empire as collateral to secure a line of credit from M&T Bank. They used the line of credit to make the \$21 million in annuity payments, then used the revenue from their father's empire to repay the money they had borrowed.

On the day the Trump children finally took ownership of Fred Trump's empire, Donald Trump's net worth instantly increased by many tens of millions of dollars. And from then on, the profits from his father's empire would flow directly to him and his siblings. The next year, 1998, Donald Trump's share amounted to today's equivalent of \$9.6 million, The Times found.

This sudden influx of wealth came only weeks after he had published “The Art of the Comeback.”

“I learned a lot about myself during these hard times,” he wrote. “I learned about handling pressure. I was able to home in, buckle down, get back to the basics, and make things work. I worked much harder, I focused, and I got myself out of a box.”

Over 244 pages he did not mention that he was being handed nearly 25 percent of his father’s empire.

REMNANTS OF EMPIRE

After Fred Trump’s death, his children used familiar methods to devalue what little of his life’s work was still in his name.

During Fred Trump’s final years, dementia stole most of his memories. When family visited, there was one name he could reliably put to a face.

Donald.

On June 7, 1999, Fred Trump was admitted to Long Island Jewish Medical Center, not far from the house in Jamaica Estates, for treatment of pneumonia. He died there on June 25, at the age of 93.

Fifteen months later, Fred Trump’s executors — Donald, Maryanne and Robert — filed his estate tax return. The return, obtained by The Times, vividly illustrates the effectiveness of the tax strategies devised by the Trumps in the early 1990s.

Fred Trump, one of the most prolific New York developers of his time, owned just five apartment complexes, two small strip malls and a scattering of co-ops in the city upon his death. The man who paid himself \$50 million in 1990 died with just \$1.9 million in the bank. He owned not a single stock, bond or Treasury bill. According to his estate tax return, his most valuable asset was a \$10.3 million I.O.U. from Donald Trump, money his son appears to have borrowed the year before Fred Trump died.

The bulk of Fred Trump’s empire was nowhere to be found on his estate tax return. And yet Donald Trump and his siblings were not done. Recycling the legally dubious techniques they had mastered with the GRATs, they

dodged tens of millions of dollars in estate taxes on the remnants of empire that Fred Trump still owned when he died, The Times found.

As with the GRATs, they obtained appraisals from Mr. Von Ancken that grossly understated the actual market value of those remnants. And as with the GRATs, they aggressively discounted Mr. Von Ancken's appraisals. The result: They claimed that the five apartment complexes and two strip malls were worth \$15 million. In 2004, records show, bankers would put a value of \$176.2 million on the exact same properties.

The most improbable of these valuations was for Tysens Park Apartments, a complex of eight buildings with 1,019 units on Staten Island. On the portion of the estate tax return where they were required to list Tysens Park's value, the Trumps simply left a blank space and claimed they owed no estate taxes on it at all.

As with the Trump Village appraisal, the Trumps appear to have hidden key facts from the I.R.S. Tysens Park, like Trump Village, had operated for years under an affordable housing program that by law capped Fred Trump's profits. This cap drastically reduced the property's market value.

Except for one thing: The Trumps had removed Tysens Park from the affordable housing program the year before Fred Trump died, The Times found. When Donald Trump and his siblings filed Fred Trump's estate tax return, there were no limits on their profits. In fact, they had already begun raising rents.

As their father's executors, Donald, Maryanne and Robert were legally responsible for the accuracy of his estate tax return. They were obligated not only to give the I.R.S. a complete accounting of the value of his estate's assets, but also to disclose all the taxable gifts he made during his lifetime, including, for example, the \$15.5 million Trump Palace gift to Donald Trump and the millions of dollars he gave his children via All County's padded invoices.

"If they knew anything was wrong they could be in violation of tax law," Mr. Tritt, the University of Florida law professor, said. "They can't just stick their heads in the sand."

In addition to drastically understating the value of apartment complexes and shopping centers, Fred Trump's estate tax return made no mention of

either Trump Palace or All County.

It wasn't until after Fred Trump's wife, Mary, died at 88 on Aug. 7, 2000, that the I.R.S. completed its audit of their combined estates. The audit concluded that their estates were worth \$51.8 million, 23 percent more than Donald Trump and his siblings had claimed.

That meant an additional \$5.2 million in estate taxes. Even so, the Trumps' tax bill was a fraction of what they would have owed had they reported the market value of what Fred and Mary Trump owned at the time of their deaths.

Mr. Harder, the president's lawyer, defended the tax returns filed by the Trumps. "The returns and tax positions that The Times now attacks were examined in real time by the relevant taxing authorities," he said. "The taxing authorities requested a few minor adjustments, which were made, and then fully approved all of the tax filings. These matters have now been closed for more than a decade."

A GOOD TIME TO SELL

Donald Trump, in financial trouble again, pitched the idea of selling the still-profitable empire that his father had wanted to keep in the family.

In 2003, the Trump siblings gathered at Trump Tower for one of their periodic updates on their inherited empire.

As always, Robert Trump drove into Manhattan with several of his lieutenants. Donald Trump appeared with Allen H. Weisselberg, who had worked for Fred Trump for two decades before becoming his son's chief financial officer. The sisters, Maryanne Trump Barry and Elizabeth Trump Grau, were there as well.

The meeting followed the usual routine: a financial report, a rundown of operational issues and then the real business — distributing profits to each Trump. The task of handing out the checks fell to Steve Gurien, the empire's finance chief.

A moment later, Donald Trump abruptly changed the course of his family's history: He said it was a good time to sell.

Fred Trump's empire, in fact, was continuing to produce healthy profits, and selling contradicted his stated wish to keep his legacy in the family. But Donald Trump insisted that the real estate market had peaked and that the time was right, according to a person familiar with the meeting.

He was also, once again, in financial trouble. His Atlantic City casinos were veering toward another bankruptcy. His creditors would soon threaten to oust him unless he committed to invest \$55 million of his own money.

Yet if Donald Trump's sudden push to sell stunned the room, it met with no apparent resistance from his siblings. He directed his brother to solicit private bids, saying he wanted the sale handled quickly and quietly. Donald Trump's signature skill — drumming up publicity for the Trump brand — would sit this one out.

Three potential bidders were given access to the finances of Fred Trump's empire — 37 apartment complexes and several shopping centers. Ruby Schron, a major New York City landlord, quickly emerged as the favorite. In December 2003, Mr. Schron called Donald Trump and they came to an agreement; Mr. Schron paid \$705.6 million for most of the empire, which included paying off the Trumps' mortgages. A few remaining properties were sold to other buyers, bringing the total sales price to \$737.9 million.

On May 4, 2004, the Trump children spent most of the day signing away ownership of what their father had doggedly built over 70 years. The sale received little news coverage, and an article in The Staten Island Advance included the rarest of phrases: "Trump did not return a phone call seeking comment."

Even more extraordinary was this unreported fact: The banks financing Mr. Schron's purchase valued Fred Trump's empire at nearly \$1 billion. In other words, Donald Trump, master dealmaker, sold his father's empire for hundreds of millions less than it was worth.

Within a year of the sale, Mr. Trump spent \$149 million in cash on a rapid series of transactions that bolstered his billionaire bona fides. In June 2004 he agreed to pay \$73 million to buy out his partner in the planned Trump International Hotel & Tower in Chicago. ("I'm just buying it with my own cash," he told reporters.) He paid \$55 million in cash to make peace with his casino creditors. Then he put up \$21 million more in cash to help finance his purchase of Maison de l'Amitié, a waterfront mansion in Palm Beach, Fla., that he later sold to a Russian oligarch.

The first season of “The Apprentice” was broadcast in 2004, just as Donald Trump was wrapping up the sale of his father’s empire. The show’s opening montage — quick cuts of a glittering Trump casino, then Trump Tower, then a Trump helicopter mid-flight, then a limousine depositing the man himself at the steps of his jet, all set to the song “For the Love of Money” — is a reminder that the story of Donald Trump is fundamentally a story of money.

Money is at the core of the brand Mr. Trump has so successfully sold to the world. Yet essential to that mythmaking has been keeping the truth of his money — how much of it he actually has, where and whom it came from — hidden or obscured. Across the decades, aided and abetted by less-than-aggressive journalism, Mr. Trump has made sure his financial history would be sensationalized far more than seen.

Just this year, in a confessional essay for The Washington Post, Jonathan Greenberg, a former reporter for Forbes, described how Mr. Trump, identifying himself as John Barron, a spokesman for Donald Trump, repeatedly and flagrantly lied to get himself on the magazine’s first-ever list of wealthiest Americans in 1982. Because of Mr. Trump’s refusal to release his tax returns, the public has been left to interpret contradictory glimpses of his income offered up by anonymous leaks. A few pages from one tax return, mailed to The Times in September 2016, showed that he declared a staggering loss of \$916 million in 1995. A couple of pages from another return, disclosed on Rachel Maddow’s program, showed that he earned an impressive \$150 million in 2005.

In a statement to The Times, the president’s spokeswoman, Sarah Huckabee Sanders, reiterated what Mr. Trump has always claimed about the evolution of his fortune: “The president’s father gave him an initial \$1 million loan, which he paid back. President Trump used this money to build an incredibly successful company as well as net worth of over \$10 billion, including owning some of the world’s greatest real estate.”

Today, the chasm between that claim of being worth more than \$10 billion and a Bloomberg estimate of \$2.8 billion reflects the depth of uncertainty that remains about one of the most chronicled public figures in American history. Questions about newer money sources are rapidly accumulating because of the Russia investigation and lawsuits alleging that Mr. Trump is

violating the Constitution by continuing to do business with foreign governments.

But the more than 100,000 pages of records obtained during this investigation make it possible to sweep away decades of misinformation and arrive at a clear understanding about the original source of Mr. Trump's wealth — his father.

Here is what can be said with certainty: Had Mr. Trump done nothing but invest the money his father gave him in an index fund that tracks the Standard & Poor's 500, he would be worth \$1.96 billion today. As for that \$1 million loan, Fred Trump actually lent him at least \$60.7 million, or \$140 million in today's dollars, The Times found.

And there is one more Fred Trump windfall coming Donald Trump's way. Starrett City, the Brooklyn housing complex that the Trumps invested in back in the 1970s, sold this year for \$905 million. Donald Trump's share of the proceeds is expected to exceed \$16 million, records show.

It was an investment made with Fred Trump's money and connections. But in Donald Trump's version of his life, Starrett City is always and forever "one of the best investments I ever made."

Video production

Senior Producer: Gabriel J.X. Dance

Producers: Natalie Reneau, Aaron Byrd

Animation: Grant Gold, Aaron Byrd and Greg Chen for The New York Times

Original Music: Brad Fisher and Andy Mills

Additional Reporting: Susanne Craig, Russ Buettner and David Barstow

Aerial Cinematography: Tim Wallace and Andy Mills

Archival Research: Dahlia Kozlowsky

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Related Coverage

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EXHIBIT B

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

MARY L. TRUMP,

Plaintiff,

v.

DONALD J. TRUMP, in his personal capacity,
MARYANNE TRUMP BARRY, and the executor
of the ESTATE OF ROBERT S. TRUMP, in his
or her capacity as executor,

Defendants.

Index No. _____

COMPLAINT

Plaintiff Mary L. Trump (“Mary”), by and through her attorneys, alleges as follows:

INTRODUCTION

1. For Donald J. Trump, his sister Maryanne, and their late brother Robert, fraud was not just the family business—it was a way of life. Beginning in the 1980s, these siblings took control of the New York City real estate empire that their father Fred Sr. had built, and exploited it to enrich themselves at the expense of everyone around them. They concocted scheme after scheme to cheat on their taxes, swindle their business partners, and jack up rents on their low-income tenants.

2. This case is brought by a victim closer to home—their niece Mary. Mary’s father, and their brother, Fred Trump Jr., died in 1981 when Mary was just sixteen years old. Upon his death, Mary inherited valuable minority interests in the family business. Donald, Maryanne, and Robert committed to watch over her interests as fiduciaries. They lied. Rather than protect Mary’s interests, they designed and carried out a complex scheme to siphon funds away from her interests, conceal their grift, and deceive her about the true value of what she had inherited.

3. When Mary’s grandfather Fred Sr. died in 1999, Donald, Maryanne, and Robert moved to squeeze Mary out altogether. They threatened to bankrupt Mary’s interests and terminated the health insurance that was keeping her nephew—an infant with cerebral palsy—

alive. Then they presented her with a stack of fraudulent valuations and a so-called settlement agreement, and forced her to sign. All told, they fleeced her of tens of millions of dollars or more.

4. The fraud perpetrated by Donald, Maryanne, and Robert only began to come to light following publication of an investigative report by the *New York Times* in October 2018.¹ But it began decades earlier, in secret, unbeknownst to Mary.

5. In 1981, following the death of their father, teenage Mary and her brother Fred Trump III (“Fred III,” and together with Mary, the “Minority Stakeholders”) each inherited various minority interests in the Trump property empire. Neither Mary nor her brother had more than cursory knowledge or understanding of the nature or value of those interests or the assets to which they related. They had no involvement in how their interests were managed and did not participate in the underlying business in any way. Instead, the Minority Stakeholders’ interests were controlled by Defendants Donald J. Trump, Maryanne Trump Barry, and Robert Trump (together, “Defendants”) and those loyal to them, who also controlled, managed, and operated the overall business empire, and had near-exclusive access to information.

6. More specifically, because Mary was a teenager at the time of her father’s death, Irwin Durben was appointed to act as a trustee on Mary’s behalf. At the time, Durben was already an old hand in Trumpworld. Durben had been Fred Sr.’s attorney since the 1950s; a fiduciary to various Trump family trusts; a senior executive at various corporate entities associated with the Trump property empire, which were managed and controlled by Defendants; and Donald’s personal attorney. In short, he was irredeemably conflicted. Led primarily by Donald, Defendants conspired with Durben and interfered with his discharge of his duties to Mary. As a result, on

¹ See David Barstow, Susanne Craig & Russ Buettner, *Trump Engaged in Suspect Tax Schemes as He Reaped Riches From His Father*, N.Y. TIMES, Oct. 2, 2018, <https://www.nytimes.com/interactive/2018/10/02/us/politics/donald-trump-tax-schemes-fred-trump.html>.

information and belief, Durben deferred to Donald with respect to decision-making, favored Defendants' interests over Mary's, and ultimately acquiesced in Defendants' campaign to squeeze her out of the family business entirely. (Durben passed away in 2016 with no obituary or publicity.)

7. By the 1990s, Defendants were maneuvering to take control of Fred Sr.'s empire. Fred Sr. was approaching his nineties. Gripped with Alzheimer's dementia, Fred Sr. was increasingly prone to bouts of confusion and memory loss and progressively less able to participate in the management of the Trump family business. His decline presented Defendants with an opportunity to position themselves to profit from his impending death. And while at first they competed with one another—with palace intrigue reminiscent of the HBO series *Succession*—ultimately Defendants worked together to consolidate their power and advance their own interests at the expense of everyone else, including Mary.

8. In 1991, Donald secretly approached Durben and enlisted him to draft a codicil to Fred Sr.'s will that would have put Donald in complete control of Fred Sr.'s estate. Even though he was chief counsel to Fred Sr., Durben agreed to do Donald's bidding. When the codicil was presented to Fred Sr. for his signature, in a moment of lucidity, Fred Sr. became suspicious and rejected the codicil. But Maryanne finished the job, procuring a revised will that named the three Defendants the executors of Fred Sr.'s estate (the "1991 Will").

9. Four years later, in 1995, Robert procured from Fred Sr. a sweeping power of attorney giving Robert the power to act in Fred Sr.'s "name, place and stead." While Robert already exercised significant power in Fred Sr.'s empire, the power of attorney gave him explicit authority over all aspects of Fred Sr.'s affairs and business, including "real estate transactions," "banking transactions," "business operating transactions," "estate transactions," and "records, reports, and statements."

10. Having secured the loyalty of Mary's trustee and cemented control over Fred Sr.'s business empire and forthcoming estate, Defendants conspired with each other and those loyal to them to abuse their dominant position for their own benefit, breach the trust that had been placed in them, and defraud Mary out of what was rightfully hers.

11. More specifically, Defendants perpetrated three fraudulent schemes against Mary. Each scheme was a fraud in itself, but they also built on one another. *First*, Defendants fraudulently siphoned value from Mary's interests to entities Defendants owned and controlled, while disguising those transfers as legitimate business transactions (the "Grift"). *Second*, Defendants fraudulently depressed the value of Mary's interests, and the net income they generated, in part through fraudulent appraisals and financial statements (the "Devaluing"). *Third*, following Fred Sr.'s death, Defendants forced Mary to the negotiating table by threatening to bankrupt Mary's interests and by canceling the healthcare policy that was keeping Fred III's infant son alive, and once at the table Defendants presented Mary with a stack of fraudulent valuations and financial statements, and a written agreement that itself memorialized their fraud, and obtained her signature (the "Squeeze-Out"). Through each of these schemes, Defendants not only deliberately defrauded Mary out of what was rightfully hers, they also kept her in the dark about it—until now.

12. **Part 1: Grift.** Defendants used various methods to siphon millions of dollars from Mary's interests to their own, and to conceal those transfers as legitimate business transactions. Take for example All County Building Supply & Maintenance ("All County")—a sham corporation Defendants set up in 1992. Put simply, All County inserted itself between Trump companies that operated real estate interests like apartment buildings and the suppliers who provided appliances and other items to apartments in those buildings. All County purchased the items at pre-negotiated prices, and then issued padded invoices marking those prices way up to the

Trump operating companies. Defendants pocketed the difference. Transaction by transaction, money was siphoned from the Trump operating companies, which had other stakeholders like Mary, and into Defendants' accounts. All County was just one scam among many. (In addition, as the *New York Times* reported, the All County scam was one of the ways Defendants avoided inheritance taxes, and the marked-up invoices also helped the Trumps justify rent hikes on their low-income tenants.)

13. At the same time, Defendants paid themselves disguised cash distributions from entities in which Mary had an interest in the form of exorbitant management fees, consulting fees, and salaries. They used other management entities they operated, including Trump Management, Inc. ("Trump Management") and Apartment Management Associates Inc. ("Apartment Management"), to levy the fees, lend them apparent legitimacy, and cover their tracks.

14. Defendants also issued "loans" from companies in which Mary had an interest to other entities that Defendants owned and controlled. In reality, those purported loans too were just disguised cash distributions—unlike genuine loans, they included no terms of repayment, failed to impose an obligation to pay interest, and/or charged preferential rates untethered from those that would be negotiated in an arm's-length transaction. Defendants engaged in various other undisclosed and concealed self-dealing to Mary's detriment.

15. **Part 2: Devaluing.** As Defendants siphoned millions of dollars from Mary's interests, they also conspired to drive down the book value and net income of those interests. To some extent this was inherent in the Grift—by siphoning value from Mary's interests while disguising the transfers as legitimate transactions, Defendants were already concealing and understating the true value of the Mary's interests. But that was not enough.

16. Enter Robert Von Ancken. Von Ancken was a New York City real estate appraiser. He had worked with Defendants for decades as what might charitably be called a “friendly” appraiser: Rather than valuing an interest according to professional standards, he would inflate or deflate the valuations, manipulating his methodologies and inputs, in accordance with the Trumps’ desires. Donald had first enlisted Von Ancken’s services as early as 1981 to avoid having to pay taxes on his piece of Mary’s father’s estate. After Von Ancken proved his worth in undervaluing family assets then, Defendants continued to conspire with Von Ancken and to use his fraudulent appraisals to grossly understate the value of the Mary’s interests. Year after year, Mary was provided, through Durben, with false and misleading financial statements based on Von Ancken’s valuations. In so doing, Defendants fostered the impression that everything was okay, that they were watching over her interests.

17. By the time Fred Sr. died on June 25, 1999, Defendants had already siphoned millions of dollars from Mary’s interests and further devalued her interests with false and misleading valuations and financial statements. Because Mary’s interests were enormously valuable, however, significant value yet remained. Indeed, even as late as 1999, Mary’s interests included at least the following:

- a. Over 1,729,250 square feet of prime real estate in Brooklyn, improved by at least 58 apartment buildings. The land was divided between two enormous developments: a forty-acre development known as Beach Haven, in whose land Mary had a 10% interest, and a thirty-acre development known as Shore Haven, in whose land Mary had a 5% interest (collectively, the “Land Interests”). Mary’s brother had equal minority interests in Beach Haven and Shore Haven, and Defendants collectively held the remainder. Defendants also owned and controlled the entities that operated Beach Haven and Shore Haven pursuant to long-term leases, but importantly, Mary would receive a share in the valuable buildings on the land when they reverted to her as a co-owner on the expiration of the leases.
- b. A group of partnerships and entities known as the Midland Associates Group (collectively, “Midland”), which the Trump family referred to as “the mini-empire.” Midland held at least 357 unsold apartments units in

cooperative buildings in Brooklyn and Queens, in addition to certain cash reserves; 1.5% of a sprawling 153-acre complex of 46 buildings and 5,881 apartments in Brooklyn; approximately \$10 million in receivables; and half of the land leased to a McDonald's franchise in Brooklyn. Mary had 10% interest in Midland (the "Midland Interests"). Again Mary's brother had equal minority interests in Midland, and Defendants collectively held the remainder.

Mary also had a trust that had been set up for her by her grandfather in 1976, and was a beneficiary of her grandfather's estate (collectively, the "Trust and Estate Interests," and, together with the Land Interests and the Midland Interests, "Mary's Interests" or "Interests").

18. **Part 3: The Squeeze Out.** Fred Sr. died in June 1999. Although she had no knowledge of Defendants' fraudulent schemes at the time, she was concerned that Fred Sr. had not been of sound mind when the 1991 Will was finalized.

19. In a series of meetings between July and October 1999, Robert tried to force Mary to consent to probate notwithstanding her concerns. At one meeting in October 1999, at the Drake Hotel at 56th Street and Park Avenue in New York City, for example, Robert threatened that Defendants would bankrupt Midland if Mary did not comply with their demands, stating that Defendants would "leave you paying taxes on money you don't have for the rest of your lives."

20. At first, Mary refused to give in, and on March 23, 2000, Mary and Fred III filed objections to probate. At the recommendation of Durben, the Minority Stakeholders engaged John Barnosky as their litigation counsel. At the time, Mary trusted Durben and had no idea that he was colluding with Defendants in their campaign to squeeze her out. Throughout the litigation and subsequent settlement discussions, whether because he had conflicted loyalties, or because he too was duped by Defendants, Barnosky did not keep the Minority Stakeholders fully informed of material information and ultimately pursued and facilitated a settlement without ensuring that his client had complete and accurate information.

21. After Mary filed objections to probate, Defendants ratcheted up the pressure. At Maryanne's suggestion, Defendants cut off the Minority Stakeholders' health insurance. This was an act of unfathomable cruelty. Fred III's third child, William, had been born just hours after Fred Sr.'s funeral. The child would later be diagnosed with cerebral palsy. At just one day old, William started having seizures, and he remained in the neonatal intensive care unit for months afterward. Even after William left intensive care, he required round-the-clock nursing care. More than once, a seizure put him in a state of cardiac arrest so severe that he would not have survived without CPR. Mary felt an unbreakable bond to her nephew William, and felt compelled to ensure his health and safety.

22. Everyone in the Trump family was provided medical insurance from birth by Trump Management. Consistent with that longstanding family agreement and understanding, when William had first fallen ill, Robert had promised Fred III that the family would take care of everything. And Fred III depended on this insurance to pay for his newborn son's crushing medical expenses. When Defendants canceled that insurance in retaliation for the Minority Stakeholders' objections to probate, Mary and Fred III were forced to commence a separate action against Defendants to reinstate young William's health insurance.

23. As the pressure increased, and as attorneys' fees mounted, Defendants exploited the opportunity to squeeze Mary out of her Interests altogether. Defendants told her they would not resolve any of their disputes unless she relinquished her Interests completely, including the Midland Interests and the Land Interests, which had nothing to do with the litigation.

24. During the discussions that followed, Defendants doubled down on their prior fraudulent misrepresentations. Defendants provided Mary with estate accounting, financial statements, and valuations riddled with deliberate falsehoods about Mary's Interests. Defendants

misrepresented the expenses and costs associated with Mary's Interests, the net income they generated, as well as their underlying value. Meanwhile, Defendants continued to misrepresent the value of Fred Sr.'s estate in general—stating that it was cumulatively worth no more than thirty million dollars.

25. Of course, given their dominant ownership and management role, Defendants had special knowledge with respect to the operation of the empire in which Mary had Interests, the revenue it generated and its associated costs, and its underlying value. In other words, they knew that all of their representations and omissions were materially false and misleading. That was the whole point.

26. In reliance on the false and misleading representations Defendants had provided, grossly understated values were imputed separately to each of Mary's Interests—both the Estate Interests that were at issue in probate proceedings, and the Midland and Land Interests that Defendants were separately demanding that Mary relinquish.

27. In reliance on the same misrepresentations, documents were drawn up that, among other things, purported to deprive Mary of her Interests at grossly fraudulent valuations (the "Purported Agreements"). In reality, Mary's Interests were worth tens of millions of dollars more than what Defendants represented to her and what she received.

28. The Purported Agreements set Defendants' misrepresentations and omissions in stone. They expressly referred to, and incorporated by reference, decades of representations made by Defendants, which the Minority Stakeholders relied on in entering the Purported Agreements. Those documents both concluded and encapsulated the fraud.

29. In the years that followed, Defendants continued to conceal their fraud and misconduct, which began to come to light for the first time in October 2018.

30. In short, Mary Trump was a teenager who inherited Interests of extraordinary value upon the premature death of her father. Her aunt and uncles—who called Mary “honeybunch”—promised to watch over her Interests for her benefit. Instead, they swindled her. They conspired with her trustee, maneuvered to steal her money, and lied to her about it. And in the end, they threatened her, put her infant nephew’s life at risk, and used their position of power to con her into signing her Interests away. Mary comes to this Court to right these wrongs. By this action, she asserts the following claims:

Count One. Fraudulent misrepresentation;

Count Two. Fraudulent concealment;

Count Three. Fraudulent inducement;

Count Four. Negligent misrepresentation;

Count Five. Civil conspiracy to commit fraudulent misrepresentation and concealment;

Count Six. Civil conspiracy to commit fraudulent inducement;

Count Seven. Breach of fiduciary duty; and

Count Eight. Aiding and abetting a breach of fiduciary duty.

THE PARTIES

31. Plaintiff Mary L. Trump is a clinical psychologist, businessperson, and author. She is the granddaughter of Fred Sr., a property developer and landlord in New York's outer boroughs. More specifically, she is the daughter of Fred Sr.'s eldest son, Fred Jr., who died in 1981 at the age of 42, when Mary was 16 years old. Mary is a resident of the State of New York.

32. Defendant Donald J. Trump ("Donald") was Fred Sr.'s fourth child and second son. He is Mary's uncle. He currently serves as the President of the United States, but he is sued here only in his personal capacity arising from his acts and omissions between 1981 and 2001—15 years before he assumed that office. Together with his siblings Maryanne and Robert, Donald served as co-executor of the Last Will and Testament of Fred C. Trump and of the Last Will and Testament of Mary Anne Trump; trustee of the 1976 trust that Mary's grandfather established on her behalf; shareholder, officer, and director of numerous Trump family corporations, including Apartment Management; co-owner of All County; partner in Midland; and co-owner of certain land interests and the ground leases over those interests, including those at Beach Haven and Shore Haven. He is a resident of the State of New York.

33. Defendant Maryanne Trump Barry ("Maryanne") was Fred Sr.'s first-born child. She is Mary's aunt. Together with her brothers Donald and Robert, Maryanne served as co-executor of the Last Will and Testament of Fred C. Trump and of the Last Will and Testament of Mary Anne Trump; trustee of the 1976 trust that Mary's grandfather established on her behalf; shareholder, officer, and director of numerous Trump family corporations, including Apartment Management; co-owner of All County; partner in Midland; and co-owner of certain land interests and the ground leases over those interests, including those at Beach Haven and Shore Haven. From 1999 to 2019, Maryanne served as a judge on the U.S. Court of Appeals for the Third Circuit. She retired in April 2019, following an investigation into whether she violated rules of judicial conduct

by participating in various fraudulent schemes revealed by the *New York Times* in October 2018.²

Maryanne is a resident of the State of New York.

34. The late Robert S. Trump (“Robert”) was Fred Sr.’s fifth child and third son. He was Mary’s uncle. Robert was a New York businessperson and real estate developer who passed away on August 15, 2020. Robert dedicated much of his life to the family business. Between 1980 and 1991, Robert worked as a vice president of The Trump Organization, which Donald headed. In 1991, he transferred to his father’s business, Trump Management. Together with his siblings Donald and Maryanne, Robert served as co-executor of the Last Will and Testament of Fred C. Trump and of the Last Will and Testament of Mary Anne Trump; trustee of the 1976 trust that Mary’s grandfather established on her behalf; shareholder, officer, and director of numerous Trump family corporations, including Apartment Management; co-owner and Chief Executive of All County; partner in Midland; and co-owner of certain land interests and the ground leases over those interests, including those at Beach Haven and Shore Haven. Robert was a resident of the State of New York. Robert passed away on August 15, 2020. Accordingly, Mary’s claims against Robert herein are asserted against the yet-to-be-named executor of his estate.

JURY DEMAND

35. Plaintiff Mary L. Trump hereby demands a trial by jury.

JURISDICTION & VENUE

36. This Court has jurisdiction pursuant to NY CPLR §§ 301 and 302.

37. Venue is proper in this county pursuant to NY CPLR §§ 503 and 509.

² Russ Buettner & Susanne Craig, *Retiring as Judge, Trump’s Sister Ends Court Inquiry Into Her Role in Tax Dodges*, N.Y. TIMES, Apr. 10, 2019, <https://www.nytimes.com/2019/04/10/us/maryanne-trump-barry-misconduct-inquiry.html>.

FACTUAL ALLEGATIONS

I. MARY'S INTERESTS IN THE TRUMP EMPIRE

38. In 1927, Mary's great-grandmother, Elizabeth Trump ("Elizabeth"), and her son, Mary's grandfather, Fred Sr., established E. Trump & Son, Inc. Together they constructed hundreds of houses in Brooklyn and Queens.

39. Elizabeth passed away on June 6, 1966, leaving certain interests to Mary's father, which later passed to Mary, including the Land Interests, as detailed further below.

40. Following the death of his mother, Fred Sr. expanded the property empire, building and managing a number of major real estate developments in New York City, including prominent developments and apartment buildings in Queens and Brooklyn. Over the course of the next three decades, he amassed a vast fortune.

41. Fred Sr. had five children: Maryanne Trump Barry; Mary's late father Fred Trump Jr.; Elizabeth Trump Grau; Donald J. Trump; and Robert Trump, who passed away in August 2020.

42. Mary's father, Fred Jr., died in 1981 at the age of 42, when she was 16 years old. Mary inherited certain interests from her father, including the Midland Interests, which were held in trust on her behalf by Defendants and their co-conspirator Durben following her father's death.

43. Mary's grandfather, Fred Sr., died on June 25, 1999. Mary was a beneficiary of his estate and also the beneficiary of a trust he had established on her behalf. As a result, on his death, she inherited and was due certain additional Estate and Trust Interests.

44. Accordingly, following Fred Sr.'s death, Mary was the beneficial owner of three categories of interests in the Trump property empire: (1) the Land Interests from her great-grandmother; (2) the Midland Interests from her father; and (3) the Estate and Trust Interests from her grandfather. Each of these sets of Interests was enormously valuable, as detailed below.

A. The Land Interests: Beach Haven and Shore Haven

45. On June 8, 1960, Mary's great-grandmother Elizabeth executed a will providing for the establishment of a trust in favor of her grandchildren, including Mary's father Fred Jr. Among other things, the fee interests in the land underlying Beach Haven and Shore Haven were placed in the trust for the grandchildren, with the income from those interests flowing to Fred Sr. during his life. Elizabeth Trump further directed that her son, Fred Sr., would be the measuring life of that trust, but provided that Fred Jr.'s interests in the trust should be distributed to Mary and Fred III if their father died before Fred Sr.

46. Accordingly, pursuant to Elizabeth's trust, upon the death of Fred Jr., Mary and her brother inherited equal shares of their father's fee interests in the land underlying Beach Haven and Shore Haven. Mary's share was 10% of the land underlying Beach Haven and 5% of the land underlying Shore Haven. Mary's brother had the same shares. And Defendants (together with their sister Elizabeth Trump Grau) owned the remainder.

47. Together, these were the crown jewels in the Trump family's empire.

48. Beach Haven was a complex in Coney Island, Brooklyn spanning over forty acres improved with at least twenty-six buildings, in addition to various parcels of vacant land.

49. Shore Haven was a complex in Bensonhurst, Brooklyn spanning more than thirty acres improved by over thirty-two six-story buildings and a shopping center.

50. Back in 1948, Elizabeth and Fred Sr. leased the land to entities controlled, operated, and ultimately owned by Defendants. The ground lease was for a period of 99 years.

51. A ground lease is an arrangement in which the lessee develops a piece of property owned by the lessor, including by adding buildings and other improvements, during a lease period (typically 99 years), after which all buildings and improvements revert to the lessor. Thus, the lessor's interest in a ground lease includes not just the cash streams paid by the lessee under the

terms of the lease, but also, significantly, a reversion interest in the appreciated land as well as the improvements that will transfer to the lessor at the end of the lease period. Here, Defendants extensively developed and improved the land with the 58 buildings alleged above.

52. As a minority owner of the land, Mary had an interest in the stream of payments to be made by the lessees (at least following Fred Sr.'s death). Importantly, however, she *also* had a reversion interest in the appreciated land itself and all of the buildings and improvements that had been developed upon it, which would be returned to her at the end of the lease period.

53. In the meantime, Defendants were on both sides of the lease—as majority lessors of the land and as lessees, who operated the buildings. As alleged below, Defendants were consistently, rampantly, dishonest with Mary about her interest and its extraordinary value.

B. The Midland Interests: the “Mini-Empire”

54. Through her father Fred Jr.'s estate, Mary also inherited a combined 10% interest in a group of partnerships and entities known as the Midland Associates Group, which the Trump family referred to as “the mini-empire.” Mary's interest in Midland was held in trust, with Defendants' co-conspirator Durben serving as trustee, and Mary knew very little about it.

55. Midland was made up of four entities: Midland Associates, LLC; Park Briar Associates, LLC (“Park Briar”); Highlander Hall, Inc.; and Coronet Hall, Inc. Each of these entities owned certain sponsor corporations that themselves held, among other interests, unsold cooperative shares in various apartment buildings. Mary held a 10% interest in each of the four Midland entities.

56. Among other valuable assets, Midland held interests relating to hundreds of apartments in at least seven apartment buildings in Brooklyn and Queens that were converted by Fred Sr. to cooperative ownership in the 1980s. Some of the apartments in these buildings were sold to the cooperative, whereas others were unsold and rented out to tenants by Defendants.

57. Thus, Midland generated revenue for Defendants and the Minority Stakeholders in three principal ways: through the sales of sponsor apartments, through rentals of unsold units, and through issuing loans. Mary's interest in Midland entitled her to portions of each of these revenue streams.

58. In total, at the time of Fred Sr.'s death in 1999, Midland held at least the following valuable entities and assets:

- a. Lincoln Shore Apartments and Wedgewood Hall Property, each sponsors of cooperative housing in Brooklyn, NY; holders of unsold shares relating to 60 apartment units and 40 apartment units, respectively; and lessors to various tenants;
- b. Highlander Hall, Park Briar Property, Sunnyside Towers, Coronet Hall, and Saxony Hall Property, each sponsors of cooperative housing in Queens, NY; holders of unsold shares relating to 54 apartment units, 59 apartment units, 54 apartment units, 62 apartment units, and 28 apartment units, respectively; and lessors to various tenants;
- c. A 1.4583% interest in Starrett City Associates, LP, which in turn held Spring Creek Towers, a sprawling 153-acre complex of 46 buildings and 5,881 apartments in Brooklyn, NY. Starrett City was the largest federally subsidized housing project in the nation and ultimately sold in 2018 for over \$900 million;
- d. A 50% interest in land leased to a McDonald's Franchise at 606 Neptune Avenue, Brooklyn, NY 11224;
- e. \$7,187,200 and \$2,743,000 in mortgage and notes receivable, respectively; and
- f. Various service contracts.

59. As alleged below, Defendants diluted the value of the Midland Interests through grift and self-dealing, depressed its book value and the net income it generated, and lied to Mary about its worth.

C. The Trust and Estate Interests

60. In 1976, Fred Sr. established irrevocable trusts then worth \$400,000 for each of his grandchildren, including Fred III and Mary.

61. The designated trustees of that trust were Defendants and attorney Matthew J. Tosti (followed by Defendants' co-conspirator Durben as successor to Tosti on Tosti's death).

62. Finally, Mary was herself a beneficiary of Fred Sr.'s estate.

II. DEFENDANTS' FIDUCIARY DUTIES TO MARY

63. Defendants and Durben controlled, operated, and dominated each of Mary's Interests alleged above, and accordingly owed her fiduciary duties to protect her Interests.

64. *First*, Defendants were majority co-owners of Land Interests at Beach Haven and Shore Haven, in which Mary had interests; majority partners, members, and owners in Midland, in which Mary had an interest; trustees (together with Durben) of the irrevocable trust created by Fred Sr., of which Mary was the beneficiary; and Co-Executors of the Last Will and Testament of Fred Sr., of which Mary was a beneficiary. In each of these capacities, Defendants owed Mary a fiduciary duty of undivided loyalty, including a duty to protect her Interests.

65. In addition, Defendants' co-conspirator Durben, whom the Defendants co-opted and controlled, was a trustee of Mary's Land Interests, Midland Interests, and her Trust Interests. In each of these capacities, he too owed Mary a fiduciary duty of undivided loyalty.

66. *Second*, and in addition, each of Mary's Interests was part of the larger Trump-family business. Defendants controlled and dominated the operation of that business, by virtue of their roles in the following entities, from which Mary was excluded:

- a. as shareholders, officers, and directors of Apartment Management;
- b. as shareholders, officers, and directors of Trump Management;
- c. as co-owners and managers of All County, of which Robert Trump was also the CEO;
- d. as majority owners and operators of Beach Haven and Shore Haven; and
- e. as majority owners and operators of Midland.

67. *Third*, as alleged above, Maryanne prepared and procured Fred Sr.'s revised 1991 Will after Fred Sr. refused to sign a codicil drafted by Durben that would have put Donald in control of Fred Sr.'s estate. Maryanne, along with Donald and Robert, appointed themselves co-executors of the 1991 Will. In addition, as alleged above, Robert procured Fred Sr.'s power of attorney in 1995, which enabled him to exercise powers over all aspects of Fred Sr.'s affairs and businesses, including respecting Mary's Interests.

III. DEFENDANTS' FRAUDULENT SCHEME

A. The Grift

68. Between 1981 and 2001, Defendants siphoned millions of dollars from Mary's Interests into entities that Defendants controlled, while concealing those transfers as legitimate business transactions.

69. One example was All County, a scam first reported by *The New York Times* in October 2018. All County was a sham corporation that Defendants set up in 1992—it was a shell without any corporate offices. It existed for the purpose of secretly extracting funds and assets from Trump family-owned properties and entities that had other stakeholders, including Midland, and transferring those funds and assets to Defendants and those loyal to them.

70. Before All County was established, Trump entities like Midland paid vendors directly for maintenance, upkeep, and supplies on the Trump properties. Defendants set up All

County and inserted it between the Trump entities and the vendors. All County paid vendors for the same maintenance services and supplies, at the same rate. All County then issued padded invoices to the Trump entities (including entities in which Mary had an interest) marking the purchases way up. The owners of All County—Defendants and their cousin Walter—then pocketed the difference.

71. Defendants then prepared financial statements that disguised their gift as genuine business expenses, and thereby hid them from Mary.

72. All County and other similar schemes siphoned significant funds away from Mary's Midland Interests, as well as the Estate Interests.

73. All County and schemes like it were not the only tool that Defendants used to benefit themselves at the expense of Mary's Interests. For example, as *The New York Times* reported in October 2018, Defendants also used the management entities Trump Management and Apartment Management, which they owned and of which they were each officers and directors, to siphon additional value from Mary's Interests, including Midland.

74. Before 1994, buildings controlled by Defendants paid millions of dollars in purported management fees, including consulting fees and salaries, via Trump Management—\$6.8 million in 1993 alone. Beginning in January 1994, Apartment Management began charging and collecting those fees.

75. The management fees collected by Trump Management and later Apartment Management were massively inflated and overstated. To a significant extent, therefore, the “management” and “maintenance” fees paid did not accurately reflect the provision of services of value. Indeed, as with All County, Trump Management and Apartment Management were just another means by which Defendants carried out their gift and siphoned money from Mary's

Interests into their own accounts. Defendants paid themselves fraudulent “consulting” and “management” fees through other entities as well.

76. Defendants also issued “loans” to other entities that they controlled. These loans, however, were simply another means by which Defendants diverted cash to benefit themselves: unlike genuine loans, they included no repayment terms, they imposed no obligation to pay interest, or they charged preferential rates far more favorable to the borrower than those that would be negotiated at arms’-length. For example, in 1990, 1993, 1997, and 1998, Coronet Hall Property, a division of Coronet Hall, Inc. (one of the Midland entities), was owed a total of \$1,723,640 in non-interest-bearing advances without definite terms as to repayment.

77. Defendants were aware, at the time that they were using these entities to redirect funds into their own pockets and disguise those transfers, and indeed Defendants fully intended, that their actions were in fact transfers of value from Mary’s Interests to benefit themselves.

B. The Devaluing

78. For years, Defendants repeatedly provided Mary, through her so-called trustee Durben, with numerous financial statements to create the false impression that Defendants were protecting her Interests. In fact, the opposite was true. Rather than presenting Mary with a fair and honest account of her Interests, Defendants knowingly and fraudulently understated their true value, including their book value and net income. Through manipulation, they also further drove down the actual value of those Interests.

1. Defendants Obtained Lowball Appraisals

79. Defendants also devalued Mary’s Interests by negotiating and procuring fraudulent appraisals from their co-conspirator Von Ancken.

80. As alleged above, Von Ancken was a purportedly independent but in fact “friendly” appraiser who had performed favorable valuations for Defendants after Fred Jr.’s death. Pleased

with the services that he had provided at that time, Defendants rehired Von Ancken to conduct appraisals of Fred Sr.'s real estate holdings, including those relating to Mary's Interests.

81. As *The New York Times* reported in October 2018, rather than performing objective valuations of the Trump family's assets according to applicable professional standards, Von Ancken inflated or deflated valuations based on the purposes for which Defendants requested those valuations.

82. Von Ancken's valuations fluctuated according to Defendants' requested specifications. For example, in 1992, when Fred Sr. decided to donate Patio Gardens, one of his least profitable complexes, and take a charitable tax deduction, Von Ancken provided an inflated assessment: \$34 million, or \$61.90 per square foot. By providing such an inflated appraisal, Von Ancken boosted the tax deduction Fred Sr. claimed on his tax return.

83. In sharp contrast, in 1995, Von Ancken priced Beach Haven and Shore Haven, in which Mary had reversion interests, and which were much more lucrative and boasted five times as many apartments as Patio Gardens, at a mere \$24 million, or \$11.01 per square foot. As of 2020, the current assessed value of Beach Haven and Shore Haven, which is typically far lower than actual fair market value, was over ten times that amount.

84. Von Ancken's false valuations were themselves based on another set of misstatements: false and misleading data and other management information that Defendants had provided to Von Ancken for use in his valuations.

85. Recent court filings and public reporting have revealed that Donald in particular knows full well how to improperly inflate or deflate the value of real estate assets to suit his purposes. Indeed, in March 2019, the Office of New York State Attorney General opened a civil

investigation to determine whether The Trump Organization and Donald improperly inflated the value of Donald's assets to secure loans and obtain economic and tax benefits.³

86. The New York Attorney General subpoenaed documents from The Trump Organization to investigate wildly inflated valuations of several properties, including Seven Springs, a parcel of real property in Westchester County, New York. In 1995, Seven Springs LLC, a company controlled by The Trump Organization, purchased Seven Springs for \$7.5 million. Between 1996 and 2014, Donald made various efforts to develop Seven Springs as a golf course, or to subdivide it for residential development. When those efforts all failed, Donald granted a conservation easement over 158 acres of Seven Springs in order to exploit an income tax deduction based on the purported lost development value of the property on account of his granting the easement.

87. In 2015, to maximize his claimed tax deduction, Donald obtained improperly inflated valuations for his Seven Springs property. Even though Donald bought the property for only \$7.5 million and did not develop it, he claimed the property was suddenly worth \$56.5 million as of December 1, 2015 and that the "appraised fair market value" of the conservation easement was \$21.1 million on tax forms submitted to the IRS.

88. Additionally, as the *Washington Post* reported in 2019, Donald routinely sent lenders "Statements of Financial Condition" concerning his properties, debts, and alleged net worth that "were deeply flawed" because they "overvalued" assets, "omitted properties that carried big debts" and included "key numbers [that] were wrong."⁴ For example, according to the *Post*, Donald's 2011 financial statement claimed that he had 55 home lots to sell at a golf course in

³ *New York v. The Trump Organization et al.*, Affirmation of Matthew Colangelo in Support of Motion to Compel Compliance, No. 451685/2020 (N.Y. Sup. Ct., Aug. 24, 2020), 6-9.

⁴ David A. Fahrenthold & Jonathan O'Connell, *How Donald Trump inflated his net worth to lenders and investors*, WASH. POST, Mar. 28, 2019, <https://wapo.st/2DsxZyo>.

Southern California for at least \$3 million each. According to city records, however, Donald in fact had only 31 lots available to sell and claimed credit for 24 lots (and over \$72 million in expected revenue) that he did not actually have. Donald made similar misrepresentations about a Virginia vineyard (overstating its size by 800 acres).

89. In 2019, Michael Cohen, Donald's former lawyer and "fixer"—who pleaded guilty to various federal crimes in connection with his work for Donald, including tax evasion and making false statements to a bank—named Donald and other Trump Organization executives as knowing participants in a scheme to evade campaign finance restrictions by mischaracterizing the payments as legal expenses on The Trump Organization's books in 2016 and 2017.⁵ Cohen also testified to Congress that it was common for The Trump Organization to submit falsified financial records when the company applied for loans.⁶

90. After the *New York Times* investigation in 2018, the *Washington Post* reported that The Trump Organization had claimed, in 2012, that it had purchased certain outstanding debt relating to the Trump International Hotel and Tower in Chicago.⁷ The debt was listed on Trump Organization books as a loan from one Trump Organization subsidiary to another. Despite supposedly holding a multimillion-dollar loan, Donald listed the subsidiary that purchased the debt as being "practically worthless" on his financial statements. There is no indication that The Trump Organization treated the forgiven debt as taxable income, as required under tax law.

⁵ See Information, Dkt. 2, at 11-18 ¶¶ 24-42, *United States v. Cohen*, No. 18-cr-602 (WHP) (S.D.N.Y. Aug. 21, 2018); see also Rebecca Ballhaus & Joe Palazzolo, *Michael Cohen Details Allegations of Trump's Role in Hush-Money Scheme*, WALL ST. J., Feb. 27, 2019, <https://on.wsj.com/3fp2jap>.

⁶ Hearing with Michael Cohen, Former Attorney to President Donald Trump: Hearing Before the H. Comm. on Oversight and Reform, 116th Cong. 1 (Feb. 27, 2019).

⁷ David A. Fahrenthold & Jonathan O'Connell, *After selling off his father's properties, Trump embraced unorthodox strategies to expand his empire*, WASH. POST, Oct. 8, 2018, <https://wapo.st/35iWald>.

2. Defendants Cooked the Books

91. Beginning at least as early as the late 1980s or early 1990s, Defendants and those loyal to them knowingly and fraudulently understated the value of Mary's Interests on various financial statements, tax returns, and other documents. Defendants provided those documents to Mary, through Durben, as purportedly authentic depictions of her Midland, Land, and Estate Interests.

92. As alleged above, some of the fraudulent misstatements related to All County and similar schemes. For example, the 1992 and 1993 financial statements for Sunnyside Towers, a division of one of the Midland entities, stated that Sunnyside "purchases equipment and supplies from All County Building Supply & Maintenance, Co., Inc." According to the financial statements, in 1993 (the first year of All County's existence), Sunnyside Towers claimed it purchased \$7,992 of supplies from All County. On a sheet titled "Statements of Revenues and Expenses," the financial statements then listed "Repairs & maintenance-schedule" as an expense. The financial statements contained "Supporting Schedules" that broke out the "Total repairs and maintenance expenses" into specific categories, such as "Painting-apartments," "Painting supplies," "Janitorial supplies," "Repair materials," and "Plumbing repairs & supplies."

93. Like the 1992 and 1993 financial statements, the 1997 and 1998 Sunnyside financial statements again stated that Sunnyside "purchases equipment and supplies from All County Building Supply & Maintenance, Co., Inc," and contained "Statements of Revenues and Expenses" that listed certain amounts for "Repairs & maintenance."

94. Each of these references to "repairs," "maintenance," and "supplies" in the financial statements was a fraudulent misrepresentation. In fact, significant sums paid to All County were not spent on "repairs" and "maintenance," but were simply transfers to Defendants through padded invoices issued by All County, in the manner alleged above.

95. The financial statements for the other Midland properties—such as Coronet Hall Property, Highlander Hall, Lincoln Shore Apartments, Park Briar Associates, L.L.C., Saxony Hall, and Wedgewood—contained similar misstatements of “repair and maintenance” expenses that, in material part, were not spent on repair and maintenance, but were transfers to line Defendants’ pockets.

96. Defendants also created and provided Mary with schedules of cash disbursements that contained numerous fraudulent transfers. The 1993 cash disbursements (the first year in which All County was operational) listed various transfers to All County and specified the claimed purposes for those transfers. For example, the 1993 Highlander Hall record of cash disbursements showed a \$224.09 payment to All County for “DISHWASH, STOVE, REFR, PARTS & REPA” and two \$504.22 and \$664.77 payments to All County for “PLUMBING & HEATING REP. & SUP.” Those claimed purposes were similarly fraudulent and concealed what were in material part simply transfers of cash to Defendants.

97. In addition, because the financial statements hid the transfers to Defendants and fraudulently portrayed those transfers as “repairs,” “maintenance,” or “expenses,” the financial statements fraudulently overstated the “expenses” and understated the “net income” on the properties. This was because net income on the financial statements was calculated as revenues less expenses. If Defendants had correctly identified those transfers on their financial statements, rather than fraudulently disguising them as “expenses,” then the net income on the properties would have been much higher.

98. Those misstatements were material to Mary, as a substantial component of the value of the properties was the net income and cash flow from the properties. By fraudulently overstating

the Midland properties' expenses and understating the Midland properties' net income, Defendants fraudulently understated the value of the Midland properties.

99. Similarly, Defendants disguised their gift via Trump Management and Apartment Management by labeling those transfers as "management," "maintenance," consulting fees, and salaries, to make them appear to be genuine business transactions. Defendants' use of those labels made the financials misleading and further reduced the net profit generated by and book value of Mary's Interests.

100. As alleged above, Defendants also fraudulently labeled certain transfers from the Trump properties, including the Midland properties in which Mary had an interest, as payments for "consulting" and "management" fees and salaries, despite those fees and salaries paying for services of little or no value.

101. For example, Donald was a salaried employee, property manager, landlord, banker, and consultant to the Trump property empire. Donald was also responsible for selling certain Starrett City shares, which resulted in today's equivalent of \$1 million in "consulting fees." By charging the Trump properties these fees, Defendants not only siphoned value from Mary's Interests, but also overstated the expenses of these properties, including the Midland properties in which Mary had an interest, and thereby understated their profitability and true value.

102. Similarly, as alleged above, Defendants disguised cash distributions as "loans." But unlike genuine loans they were non-interest-bearing advances without definite terms as to repayment. By failing to charge appropriate rates of interest on loans, and make sure they were paid back, Defendants reduced the net income generated by Mary's Interests.

103. Defendants also provided to Mary numerous financial statements, general ledgers, and tax returns for 1989, 1990, 1991, 1992, and 1993 for Beach Haven, Shore Haven, and various

associated entities and divisions of those entities. Defendants provided these financial statements to Mary as supposedly authentic depictions of the value of her Land Interests. On information and belief, however, each of these financial statements and other financial documents contained similar false representations of the value of Beach Haven and Shore Haven. In so doing, Defendants thereby materially understated the value of the Mary's reversion interest as well—*i.e.*, the value of the appreciated land and improvements that would be returned to her at the conclusion of the lease period.

3. Defendants Ducked Sales

104. Even beyond fraudulently understating the value of Mary's Interests, Defendants also conspired to drive down the true value of those Interests. For example, Defendants depressed Midland's book value by deliberately failing to sell certain cooperative units in which Midland held shares.

105. The Midland entities generated revenue in part through the sale of cooperative apartments that they held as the sponsor of the cooperative ("sponsor units"). Defendants artificially devalued the Midland assets by refusing to sell the sponsor units with respect to which Midland held shares. Indeed, in 1998 and 1999 combined, only three units were sold. In 2000, the Midland entities collectively still held 357 unsold sponsor units.

106. Defendants' reason was straightforward enough. Defendants had ascribed an artificially low value to Midland. Selling sponsor units to buyers in an open market would have generated sales price information, and thus would have created evidence that Defendants had undervalued Midland. By refusing to sell the sponsor units, Defendants avoided creating a paper trail.

107. But by refusing to sell the sponsor units, Defendants also failed to generate proceeds of sale in connection with the Midland units that they otherwise would have generated if

the sponsor units had been sold. Those sales proceeds from apartment sales were part of the value of the Midland assets and thus part of Mary's Midland Interests. While some portion of the unsold sponsor units were rented, Defendants' siphoning efforts (alleged above) depleted the net income generated for Mary by such rentals by artificially inflating the maintenance expenses charged to them.

108. In other words, by refusing to sell apartments and opting instead to rent them with inflated expenses, Defendants intentionally drove down the book value of Mary's Interests. And by failing to generate transactional sales data, Defendants compounded their undervaluing of Midland and carefully avoided putting Mary and others on notice that the Trump properties were undervalued.

C. The Squeeze Out

109. Fred Sr. passed away in June 1999. When Fred Sr. died, Mary had some concerns about the 1991 Will. Although Mary did not have knowledge of Defendants' fraud at the time (and had no reason to know it), she believed that Fred Sr. had not been of sound mind when the will was finalized.

110. A few days after Fred Sr. died, Mary received a call from Robert. He had called to convey a simple message on Defendants' behalf: It was time for Mary to relinquish her Interests. Over the next month or so, he hectoring Mary with daily calls reiterating the same message: "Cash in your chips, Honeybunch."

111. When Mary held out, Robert demanded to meet in person. They had a series of meetings between July and October 1999 in which Robert tried to procure Mary's consent to probate and relinquish her Interests.

112. In their final meeting that October, in the bar of the Drake Hotel at 56th Street and Park Avenue in New York City, Robert made his most concrete and explicit threat. If Mary did

not comply with their demands, including consenting to probate, Defendants would bankrupt Midland and “leave you paying taxes on money you don’t have for the rest of your lives.”

113. Nevertheless, Mary persisted. On March 23, 2000, Mary and Fred III filed objections to probate, contesting the validity of the 1991 Will.

114. As alleged above, the Minority Stakeholders engaged John Barnosky as their litigation counsel, at the recommendation of Defendants’ co-conspirator Durben. At the time, Mary trusted Durben and had no idea that he and Defendants were conspiring to defraud her and squeeze her out. Whether because of conflicted loyalties or because he was duped by Defendants as well, throughout the litigation and settlement discussions, Barnosky did not keep the Minority Stakeholders fully informed of material information and pursued a settlement without ensuring that he and his client had complete and accurate information.

115. Defendants’ response to the objections filed by Mary and her brother was swift and vicious. As alleged above, Fred III’s third child, William, had been born just hours after Fred Sr.’s funeral. Forty-eight hours after baby William was born, he turned blue in his mother’s arms, his body stiffening and shaking uncontrollably. It was the first of many devastating seizures to come.

116. William spent months in neonatal intensive care, where the seizures and severe illness continued. Brain scans, spinal taps, blood tests and visits to three hospitals followed. And even after William left intensive care, he required round-the-clock nursing care. The experience was harrowing, and the expenses were crushing.

117. Like every member of the Trump family, William had health insurance from birth through Trump Management. But when the Minority Stakeholders filed their objections to probate, Defendants, acting at Maryanne’s suggestion, ripped that health insurance away and put the child’s life at risk. In December 2000, Donald acknowledged that Defendants had terminated the infant’s

medical coverage to retaliate against Mary and her brother, telling the *New York Daily News*: “When [the Minority Stakeholders] sued us, we said: ‘Why should we give him medical coverage?’” When asked whether he thought cutting their coverage could appear cold-hearted in light of the baby’s medical condition, Donald dismissed the idea, remarking, “I can’t help that.”⁸

118. Mary was devastated by this act of retaliation against a newborn. She became increasingly desperate, telling the press that “William is my father’s grandson. He is as much a part of that family as anybody else. He desperately needs extra care.” William’s mother echoed what the Minority Stakeholders were feeling: Defendants’ retaliation was “so shocking, so disappointing and so vindictive.”

119. As alleged above, Mary and Fred III started another action against Defendants to reinstate the health insurance and protect young William. Barnosky’s fees piled up.

120. As the pressure mounted, Defendants exploited the opportunity to squeeze Mary out of her Interests altogether: they told the Mary that they would only settle the litigation if she agreed to be bought out of her Interests altogether, including the Midland Interests and the Land Interests, which were not even at stake in the litigation.

121. In the discussions that followed, Defendants doubled down on their prior fraudulent misrepresentations and compounded them.

1. Defendants Grossly Understated the Value of Mary’s Midland Interests

122. In a series of discussions concerning the value of Mary’s Midland Interests, Defendants repeatedly and fraudulently understated their fair market value.

⁸ *Inside Trumps’ Bitter Battle: Nephew’s Ailing Baby Caught in The Middle*, N.Y. DAILY NEWS, Dec. 19, 2000, <https://www.nydailynews.com/archives/news/trumps-bitter-battle-nephew-ailing-baby-caught-middle-article-1.888562>.

123. To take one example, Defendants fraudulently understated the value of Starrett City, an enormous Brooklyn housing development that later sold for nearly a billion dollars. Specifically, on December 8, 2000, Patricia C. Marcin, one of Mary's attorneys, requested certain information from Stephen J. Schwartz, counsel for the Defendants, in connection with the probate proceedings. Marcin asked Schwartz specifically for an appraisal of Fred Sr.'s "partnership interest in [Starrett] City."

124. On December 8, 2000, Schwartz responded to Marcin, "Starrett City was valued at a nominal amount based on information obtained from management." This "nominal" valuation, which was based solely "on information obtained from management," was fraudulently understated. Defendants, as "management," made this misrepresentation, together with the false and misleading representations on which it was based, to Mary with the intent that she rely on it for purposes of undervaluing her own interest in the property.

125. According to the *New York Times* investigation, Starrett City in reality had such a high value that its subsequent sale led to a massive windfall for Defendants. Despite the "nominal" valuation provided by Schwartz on December 8, 2000, Starrett City was sold in 2018 for \$905 million, of which Donald personally received at least \$16 million.

126. In addition, on December 21, 1999, Defendants provided Mary with various financial statements, tax returns, and schedules of cash disbursements for 1989-1993 for the Midland entities, which compounded the prior fraudulent misrepresentations and omissions alleged above.

127. The Purported Agreements themselves memorialize myriad fraudulent misrepresentations concerning the value of Mary's Midland Interests. For example, according to the Purported Agreements, Mary and her brother, Fred Trump III, requested that Defendants

provide her with information concerning their ownership interests in Midland. In response, Defendants provided Mary with documents including income tax returns, financial statements, partnership tax returns, lists of sold and unsold units, lists of mortgages and notes receivable, and a list of cooperative apartment ownership interests for 1997-1999 for the Midland entities, all of which were undervalued on account of all the schemes and misrepresentations outlined above. The Purported Agreements incorporated by reference each of these documents containing fraudulent misrepresentations of Midland's value.

128. With these fraudulent documents, Defendants deliberately deceived Mary into believing that the fair market value of her 10% interest in Midland was far less than its true value. In reasonable reliance on Defendants' fraudulent undervaluations, Mary relinquished the Midland Interests at a grossly understated value. If Defendants had provided accurate information concerning her Midland Interests, Mary would not have accepted these terms.

2. Defendants Grossly Understated the Value of Mary's Land Interests

129. Defendants made similar misrepresentations about Mary's Land Interests.

130. To take one example, the Purported Agreements fundamentally misrepresented the nature of the Land Interests by portraying those interests simply as rights to cash streams from "ground leases." More specifically, an "Agreement and Stipulation made April 10, 2001" made reference to Mary's "right, title and interest to the 'ground leases' affecting the real property," *i.e.*, Beach Haven and Shore Haven. Yet, as alleged above, Mary's interest was far broader and more valuable: she had an interest in the land underlying those developments, but she *also* had a reversion interest in the buildings themselves, not just an interest in the ground leases. Defendants thus took advantage of their domination and control over Mary's affairs to portray her Land Interests as far less valuable than they in fact were.

131. During their discussions, Defendants also provided Mary with numerous financial statements, appraisals, and other valuation documents concerning her Land Interests. Many if not all of them were fraudulent.

132. For example, on December 21, 1999, Defendants provided Mary with numerous financial statements, general ledgers, and tax returns for 1989, 1990, 1991, 1992, and 1993 for Beach Haven, Shore Haven, and various associated entities and divisions of those entities. Those statements contained fraudulent undervaluations of the value of the Land Interests. They included valuations from Von Ancken, who valued the Beach Haven and Shore Haven developments, despite being “the crown jewels of Fred Trump’s empire,” at a mere \$23 million, or \$11.01 per square foot—far lower than their true market value. Indeed, as of 2020, their current assessed value, which is typically far lower than fair market value, was over ten times that amount.

133. In addition, Mary, through her lawyer Barnosky, was provided with a May 18, 2000 letter addressed from Von Ancken to Robert that provided Von Ancken’s valuation of the reversion interest in the Shore Haven Shopping Center at \$1,330,000 and the reversion interest in the Beach Haven Shopping Center at \$2,530,000. Mary also was provided with at least two accountings that provided the value of Shore Haven Apartments #1 and #3 as of June 25, 1999, and March 31, 2000. These valuations were all grossly and fraudulently understated.

134. In addition to these sorts of false appraisals and accountings, Defendants also provided Mary with gift and estate tax returns for the Fred Sr. estate that contained further fraudulent undervaluations of Mary’s Land Interests. For example, the 2000 Fred Sr. estate tax returns included a schedule of real estate assets containing valuations of “50% interest in land – Cropsey Avenue, Brooklyn, NY, subject to a ground lease to Shore Haven Apartments No. 1, Inc.” as well as similar valuations of assets that were subject to ground leases to “Shore Haven

Apartments No. 2, Inc.,” and “Shore Haven Apartments No. 3, Inc.” The values of each of these real estate assets were fraudulently understated for at least two reasons.

135. First, as the tax returns stated, the valuations for each of these interests were performed “based on present value of stream of payments.” In other words, the valuations were performed solely on the lease payments that were being paid and placed no value at all on Mary’s reversion interests (the appreciated land and improvements that would revert to Mary as lessor).

136. Second, the lease payments were excessively preferential to Defendants’ entities as lessees and far below market. These extremely low lease payments increased the flow of value to Defendants as lessees to the detriment of Mary and other stakeholders as lessor. The valuation of Mary’s lessor interest was fraudulently calculated based solely on these low lease payments.

137. In reliance on these fraudulent misrepresentations, Mary relinquished her interest in Shore Haven and Beach Haven at a grossly fraudulent undervaluation. If Defendants had provided accurate numbers concerning her Land Interests, Mary would not have accepted these terms.

3. Defendants Grossly Understated the Value of Mary’s Trust and Estate Interests

138. Finally, Defendants provided Mary with fraudulently understated valuations of her Trust and Estate Interests.

139. Defendants procured several of these valuations from Von Ancken. Defendants provided them to Mary in a May 18, 2000 letter fraudulently understating the value of 11 real estate assets associated with the Fred Sr. estate, including Fontainebleau Apartments, Lawrence Towers, Tysens Park Apartments, Shore Haven Shopping Center, and Beach Haven Shopping Center.

140. Defendants made similar fraudulent misrepresentations as to the value of certain interests related to Fred Sr. and Mary Anne Trump's grantor-retained annuity trusts ("GRATs"), as reflected in December 2000 statements; the value of Fred Sr.'s "Gross Estate," as reflected in a federal tax summary; and (as alleged above) the value of the massive Starrett City development, a percentage of which was also part of the Fred Sr. estate, and which Defendants claimed was "a nominal amount based on information obtained from management." Indeed, Defendants represented to Mary that the total value of the properties in the Fred Sr. and Mary Anne Trumps' GRATs, including 25 apartment complexes—was just \$93.9 million. Just nine years later, banks would put a valuation of nearly \$900 million on many of the same assets.

141. Based on the fraudulently understated data that Defendants had provided, Mary's attorneys calculated that "the amount that we would receive if we were totally victorious in this regard is approximately \$13,400,000." If Defendants had provided accurate data, Mary would have calculated a significantly higher fair market value for her interest in the Fred Sr. estate.

142. In each and every one of these ways, Defendants intentionally and fraudulently induced Mary to enter into the Purported Agreements through their grossly fraudulent undervaluations. Mary reasonably relied on these misstatements in relinquishing her claim to the Estate Interests for an amount that grossly understated its true value. If Defendants had provided accurate numbers concerning the Fred Sr. estate, Mary would not have accepted these terms.

IV. DEFENDANTS' CONTINUING CONCEALMENT

143. After Mary was squeezed out of her Interests on April 10, 2001, she no longer received financial statements or other information (though her representatives or anyone else) pertaining to the Trump empire and the Interests she had relinquished.

144. Unbeknownst to Mary, however, Defendants continued to engage in fraud and misconduct that harmed the taxpayers, their tenants, and anyone who did business with them. Defendants also continued to deliberately conceal their fraud and cook the books.

145. Defendants' rampant fraud and misconduct—including the schemes that harmed Mary—only began to come to light with the publication of an investigative report by the *New York Times* on October 2, 2018. Among other things, the reporting included extensive “interviews with Fred Trump’s former employees and advisers,” as well as invoices and purchase orders obtained from vendors, and other documents from both public and private sources.

146. That investigative report, and the documents and information it revealed, first put Mary on notice of the schemes by which Defendants had defrauded her and squeezed her out of her Interests in the Trump empire years earlier.

CAUSES OF ACTION

COUNT 1

Fraudulent Misrepresentation

147. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

148. As alleged above, beginning in at least the early 1980s, Defendants intentionally made material misrepresentations and omissions of fact to Mary regarding the true value of Mary’s Interests, including in connection with the Siphoning, Devaluing, and Squeeze-Out of her Interests.

149. Defendants’ fraud began in at least the early 1980s and culminated on April 10, 2001, when Defendants induced Mary into entering the Purported Agreements through which Mary purported to settle her claims in the probate proceedings and health insurance litigation and separately relinquish her Interests for far less than their true value.

150. As alleged in greater detail above, for at least a decade prior to the Squeeze-Out, Defendants used sham companies, lowball valuations, cash distributions disguised as notes, padded invoices, and other kinds of concealed self-dealing to siphon value away from the entities in which Mary held Interests, such as Midland, and into entities controlled and owned by Defendants, such as All County, Trump Management, and Apartment Associates.

151. As a consequence of these siphoning efforts, additional undisclosed self-dealing, and colluding to stall the sale of sponsor apartments held by the Midland entities, among other gambits, Defendants drove down the book value of and net income generated by Mary's Interests.

152. Throughout Defendants' fraud, beginning at least in the early 1980s, Defendants provided Mary with materially false and misleading financial statements and other financial documents that grossly undervalued Mary's Interests, including with respect to their book value, the net income they generated, and their purported fair market value (*see supra* Sections III.A-B).

153. Defendants knew that the financial information they provided to Mary was false or provided the information recklessly without regard to its falsity.

154. Defendants provided this information intending that Mary would rely on it in valuing her Interests and to deceive her into believing that her Interests were less valuable than they actually were.

155. In the months leading up to the signing of the Purported Agreements in April 2001, Defendants compounded their materially false and misleading representations and omissions through additional statements concerning the value of Mary's Interests, as well as providing her, through her attorney Barnosky and her trustee Durben, with similarly materially false and misleading accounts, books and records, and valuations.

156. In the Purported Agreements, Defendants expressly referred to the decades of representations and omissions they made to Mary.

157. The Purported Agreements contained extensive warranties and representations as to the truth and accuracy of that information. Defendants made at least the following material misstatements and omissions:

a. **Mary's Midland Interests.** Between 1999 and 2001, Mary and her brother requested that the Defendants provide her with information concerning their ownership interests in Midland.

i. On or around December 21, 1999, Defendants provided Mary with documents including income tax returns, financial statements, partnership tax returns, lists of sold and unsold units, lists of mortgages and notes receivable, and a list of cooperative apartment ownership interests for 1997-1999 for the Midland entities. Separately, on December 21, 1999, Defendants provided to Mary various financial statements, tax returns, and schedules of cash disbursements for 1989-1993 for the Midland entities, as well as additional tax returns. As alleged in further detail in Section III.C above, the financial statements contained numerous fraudulent misrepresentations, including fraudulent overstatements of expenses for repairs and maintenance on the Midland properties. In addition, as alleged in further detail in Section III.C above, the schedules of cash disbursements contained numerous similar fraudulent misrepresentations and transfers.

- ii. On December 8, 2000, Mary's counsel asked Defendants' counsel for an appraisal for Fred Sr.'s partnership interest in Starrett City, which Mary had an interest in through her 10% interest in Midland. Defendants' counsel responded that Starrett City was valued at "a nominal amount based on information obtained from management." That "nominal" valuation was made by Defendants in their capacity as "management." That valuation was fraudulently understated. According to the *New York Times* investigation, Starrett City was sold in 2018 for \$905 million, of which Donald personally received at least \$16 million.
 - iii. Ultimately, Defendants falsely represented to Mary that her interest in Midland was worth no more than a specified amount that grossly undervalued her interest.
- b. **Mary's Land Interests.** Defendants also misrepresented to Mary the value of her Land Interests in Beach Haven and Shore Haven. Defendants procured fraudulent undervaluations of Beach Haven and Shore Haven from Von Ancken. Von Ancken valued the Beach Haven and Shore Haven apartments at \$23 million, or \$11.01 per square foot, which was far lower than their true market value. Between 1999 and 2001, Defendants provided Mary with numerous financial statements and other documents containing misrepresentations of the value of the Beach Haven and Shore Haven ground leases that were predicated on Von Ancken's undervaluations. Ultimately, Defendants falsely represented to Mary that her Land Interests were worth no more than a specified amount that grossly undervalued those interests.

- c. **Mary's Trust and Estate Interests.** Defendants misrepresented to Mary the value of certain interests related to Fred Sr. and Mary Anne Trump's GRATs, as reflected in December 2000 statements; the value of Fred Sr.'s "Gross Estate," as reflected in a federal tax summary; and (as alleged above) the value of the Starrett City development, a percentage of which was also part of the Fred Sr. estate. Defendants falsely represented to Mary that Fred Sr.'s estate was cumulatively worth no more than thirty million dollars and falsely represented to Mary that her interest in the estate was worth no more than a specified amount that grossly undervalued her interest. Defendants failed to disclose, however, that they had fraudulently transferred valuable estate assets to themselves in 1997. In fact, when most of the assets in the Trump real estate empire were sold in December 2003, two years after the Squeeze-Out, they were valued at "nearly one billion dollars."

158. Defendants' misrepresentations and omissions were material because the true value of Mary's Interests was an essential consideration for her in deciding whether and the amount for which to relinquish Interests.

159. Defendants knew that all of these statements and omissions relating to the value of Mary's Interests were materially false and misleading, or acted with reckless disregard to their falsity, in part because Defendants themselves had conspired to siphon millions of dollars from Mary's Interests and conspired to drive down their value as alleged above, as well as because Defendants dominated, operated, and controlled the overall business empire and had near exclusive access to information about it.

160. Defendants had intentionally made or provided the materially false and misleading representations to Mary to deceive her into believing her Interests were far less valuable than they actually were and ultimately to induce her into relinquishing her Interests for far less than their fair market value.

161. Defendants intended that Mary would rely on their statements and omissions in determining whether and at what amount to relinquish her Interests.

162. Defendants knew Von Ancken's valuations were false, that there was no reasonable basis for them, and procured them for the purpose of misleading Mary, but presented them to Mary as accurate assessments of the value of the assets in which she had Interests, in order to deceive her.

163. Defendants intended to use and did use Von Ancken's valuations to further mislead Mary as to the value of her Interests and to induce her reliance on their gross undervaluations of her Interests.

164. Mary reasonably and justifiably relied on Defendants' misrepresentations about the value of her Interests in deciding to relinquish her claims to those Interests

165. Although Mary sought information about the value of her Interests, Mary could not have discovered the true value of her Interests through the exercise of ordinary diligence or intelligence because Defendants, in furtherance of their fraud and with near-exclusive access to information, had siphoned value away from and misrepresented the value of her Interests for so long.

166. As a direct and proximate result of relying on Defendants' intentional misrepresentations, Mary suffered injury by entering into the Purported Agreements predicated on

these incorrect valuations and was conned by Defendants into giving up her Interests for dramatically less than they were actually worth.

167. Defendants' fraud against Mary was particularly egregious and morally culpable because Defendants deliberately targeted her because they disliked her. For example, in a tweet, Donald stated that Mary was "rightfully shunned, scorned and mocked her entire life." In another tweet, he described her as "a mess" who her grandfather "couldn't stand."

168. Due to Defendants' fraud, Mary suffered damages in an amount to be proven at trial.

169. Mary is also entitled to an award of punitive damages from Defendants because their conduct toward her was malicious, wanton, and willful, and because Defendants' schemes also harmed the public by evading applicable taxes and by improperly raising rents on Defendants' low-income tenants.

COUNT 2

Fraudulent Concealment

170. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

171. Defendants had a duty to disclose to Mary accurate information about the value of her Interests before she entered the Purported Agreements because the true value of Mary's Interests were "special facts" known and knowable only to Defendants.

172. Defendants' superior knowledge of such essential facts, coupled with their knowledge that Mary was acting on the basis of incorrect information, made nondisclosure inherently unfair.

173. By virtue of their dominant and controlling positions in the family business and their fraudulent conduct and conspiracy as detailed above, Defendants were aware of information,

not readily available to Mary, demonstrating that the representations in the financial statements and the valuations they provided to Mary dramatically understated the value of the entities in which she had an interest.

174. Although Mary sought information about the value of her Interests, she could not have discovered their true value through the exercise of ordinary diligence or intelligence because Defendants, in furtherance of their fraud, had so thoroughly siphoned value away from and misrepresented the resulting value of the entities in which she had an interest for so long.

175. In short, Defendants had a duty to disclose essential facts to Mary bearing on the true value of her Interests because those facts were peculiarly within their knowledge, and Mary could not have discovered that information through the exercise of ordinary diligence or intelligence.

176. But Defendants never disclosed those facts. Instead, between at least the early 1980s and 2001, they furthered their underlying fraud by deceiving Mary about the true value of her Interests, as alleged above, through a combination of affirmative misrepresentations, active concealment, and deliberate nondisclosure.

177. Indeed, year after year, Defendants provided Mary, through her trustee Durben, with financial documents that were designed to dupe her into believing that her Interests were being protected.

178. And Defendants expressly referred to the decades of representations and omissions they made to Mary in the Purported Agreements.

179. Defendants knew that accurate information about the true value of her Interests was material information that Mary needed.

180. Defendants deliberately concealed these material, special facts to mislead Mary about the value of her Interests in the months leading up to the signing of the Purported Agreements in order to induce her to relinquish her Interests in the Purported Agreements for significantly less than they were worth.

181. As alleged above, Mary reasonably and justifiably relied on Defendants' omissions in relinquishing her Interests and could not have found out the information they were concealing from her through an exercise of ordinary diligence or intelligence.

182. As a direct and proximate result of Defendants' misleading omissions and their failure to disclose the special facts peculiarly within their knowledge, Mary suffered injury by relinquishing her Interests for far less than they were worth.

183. Due to Defendants' fraudulent concealment, Mary suffered damages in an amount to be proved at trial.

184. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful.

COUNT 3 **Fraudulent Inducement**

185. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

186. As more fully set alleged above, Defendants fraudulently induced Mary to enter into the Purported Agreements, and thereby to relinquish her Interests, by knowingly and falsely representing the value of assets in which Mary held Interests, throughout their fraud and leading up to and during settlement negotiations and in the Purported Agreements themselves.

187. Defendants' misrepresentations were materially false and misleading because they dramatically understated the value of assets in which Mary held Interests.

188. Defendants' omissions were materially false and misleading because they had the purpose and effect of leaving Mary with a misimpression of the value of assets in which Mary held Interests.

189. The Purported Agreements expressly referred to, and incorporated by reference, decades of representations and omissions made by Defendants.

190. When Defendants made the representations regarding the assets in which Mary held Interests, they knew the representations were false or made the representations with reckless disregard to their falsity. Indeed, as alleged above, Defendants themselves directed the creation of the fraudulently understated valuations on which these representations relied and directed the fraud that led to these incorrect valuations.

191. Defendants intended that Mary would rely on their misrepresentations of the value of the assets in which Mary had Interests and deliberately made the misrepresentations to induce Mary to enter into the Purported Agreements.

192. Mary reasonably and justifiably relied on Defendants' falsely low representations of the value of the assets in which she had Interests when she decided to enter into the Purported Agreements.

193. As a direct and proximate result of relying on Defendants' false representations of the values of her various Interests inducing her to sign the Purported Agreements, Mary relinquished her Interests for an amount far lower than their actual worth and suffered damages in an amount to be proven at trial.

194. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful

COUNT 4
Negligent Misrepresentation

195. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

196. As more fully alleged above, Defendants had a special relationship with Mary regarding her Interests based on their fiduciary relationship and their status as executors of Fred Sr.'s estate, majority partners and owners in Midland and her Land Interests, and trustees of Mary's 1976 trust.

197. Durben also had a special relationship with Mary as her trustee with respect to each of these Interests. Defendants and Durben therefore had a duty to provide correct information regarding the value of Mary's Interests during settlement negotiations.

198. Defendants and Durben knew or should have known that Mary would rely on their representations regarding the value of her Interests, including but not limited to during the negotiations following Fred Sr.'s death.

199. Defendants and Durben provided Mary with incorrect information regarding the value of Mary's Interests.

200. Defendants and Durben failed to use reasonable care to ensure that their representations were correct.

201. Mary's reliance on these representations when she decided to enter into the Purported Agreements was reasonable because Defendants controlled, managed, and operated the overall business empire and had near-exclusive access to information while Mary had no involvement in how her Interests were managed and did not participate in the underlying business in any way.

202. In addition, because Durben was her trustee, Mary reasonably relied on his representations when she decided to enter into the Purported Agreements.

203. As a direct and proximate result of Defendants' and Durben's false and misleading representations, Mary has suffered damages in an amount to be proven at trial.

204. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful.

COUNT 5

Civil Conspiracy to Commit Fraudulent Misrepresentation and Fraudulent Concealment

205. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

206. Together with Durben and Von Ancken (the "Co-Conspirators"), Defendants agreed to misrepresent and conceal from Mary the true value of the entities that comprised her Interests.

207. Over more than a decade, Defendants, with help of their advisors and Co-Conspirators, siphoned millions of dollars from the entities in which Mary had an interest, drove down their value, and provided Mary with financial statements and other documents and statements they knew were predicated on misrepresentations, including false valuations, or provided with reckless disregard to their falsity.

208. All the while, Defendants and their Co-Conspirators refused to disclose the true value of Mary's Interests, despite having fiduciary duties and superior knowledge of the essential facts that Mary could not readily ascertain.

209. Defendants and their Co-Conspirators took these actions intentionally and in furtherance of their agreement. Defendants' and their Co-Conspirators' misrepresentations of the

value of Mary's Interests and their refusal to disclose essential information were material to Mary's relinquishment of her Interests.

210. Defendants and their Co-Conspirators intended that Mary would rely on their misstatements and omissions.

211. Mary reasonably and justifiably relied on Defendants' and their Co-Conspirators' misstatements and omissions and could not have discovered the truth through ordinary intelligence—Defendants and their Co-Conspirators deliberately and effectively concealed their collusive fraud from Mary, other members of the Trump family, and the general public.

212. As a direct and proximate result of Defendants' collusion and cooperation in misrepresenting and concealing the value of her Interests, Mary relinquished her Interests for far less than their fair market value, and was thereby injured.

213. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful.

COUNT 6
Civil Conspiracy to Commit Fraudulent Inducement

214. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

215. Together with their Co-Conspirators, Defendants agreed to misrepresent the value of Mary's Interests and failed to disclose essential facts to her in an effort to deceive her into believing that the value of her Interests was substantially lower than it actually was.

216. Defendants and their Co-Conspirators provided Mary with misrepresentations and concealed essential facts in the Purported Agreements with the purpose and intent of inducing her reliance and making her believe that the entities that comprised her Interests were worth much less than their fair market value.

217. Defendants and their Co-Conspirators knew that the representations they provided to Mary were false, or provided them with reckless disregard to their falsity.

218. Mary reasonably and justifiably relied on the misrepresentations Defendants and their Co-Conspirators provided to her.

219. As a direct and proximate result of Defendants' and their Co-Conspirators' collusion and cooperation in misrepresenting the value of her Interests, Mary was injured when she relinquished her Interests for far less than their true value as set forth in the Purported Agreements.

220. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful.

COUNT 7
Breach of Fiduciary Duty

221. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

222. As described in further detail in Section II, Defendants owed Mary fiduciary duties on account of their dominant ownership interest and higher level of trust that had been placed in them, their roles as her trustees, as executors, and as partners, as follows:

- a. Defendants owed Mary fiduciary duties as co-members of Midland, a limited liability company, and as partners in the associated entities, which they majority owned, operated, and controlled;
- b. Defendants owed Mary fiduciary duties as majority fee owners of the Beach Haven and Shore Haven land interests, which they operated and controlled;
- c. Defendants owed Mary fiduciary duties as executors of Fred Sr.'s estate, of which Mary was a beneficiary. In their capacity as executors, Defendants owed

Mary fiduciary duties beginning immediately on Fred Sr.'s death on June 25, 1999.

- d. Defendants owed Mary fiduciary duties as trustees of certain trust interests of which Mary was the beneficiary.

223. In addition, Defendants' co-conspirator Irwin Durben owed fiduciary duties to Mary as the trustee of her Ground Lease Interests, Midland Interests, Estate Interests, and 1976 Trust, *see supra* Section II.

224. As such, Defendants had a fiduciary duty to speak and inform Mary of their scheme to siphon away value from her, to devalue her Interests, to misrepresent their value in various financial documents, and to squeeze her out of her Interests.

225. In addition, as fiduciaries, Defendants owed Mary duties of good faith, fair dealing, and full disclosure, and were not permitted to engage in transactions that created conflicts of interest.

226. Defendants breached their fiduciary duties to Mary beginning in the early 1980s and throughout the 1990s by self-dealing, siphoning her Interests, devaluing them, misrepresenting their value, and attempting to fraudulently squeeze her out of them, as alleged above.

227. As a direct result of Defendants' breach of these duties, Mary suffered damages from the dramatic reduction in value of her Interests, including their book value and their net income.

228. In so doing, Defendants showed wanton disregard for Mary. They willfully, egregiously, and repeatedly abused their position of trust and deprived Mary of her Interests in order to maximize their own profits.

229. Mary sustained damages directly caused by Defendants' breach of their fiduciary duties in an amount to be proven at trial.

230. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful.

COUNT 8
Aiding and Abetting Breach of Fiduciary Duty

231. Mary incorporates by reference all preceding paragraphs and re-alleges them as if fully set forth herein.

232. As alleged above in Count 7, Defendants breached the fiduciary duties they owed to Mary as co-executors of Fred Sr.'s estate, as co-trustees of the 1976 trust, as partners in and co-members of Midland, and as majority owners of the Beach Haven and Shore Haven land interests. Irwin Durben also breached the fiduciary duties he owed to Mary as trustee of her Land Interests, Midland Interests, and co-trustee of the 1976 trust.

233. Each Defendant was aware of the fraud. Each Defendant lent substantial assistance to each other, and to Durben, in furtherance of the fraud and breach of fiduciary duty. And each Defendant's refusal to disclose the fraud and breach of fiduciary duty to Mary helped conceal Defendants' breach and enabled it to occur.

234. Defendants knew of each other's fiduciary duties and the duties owed by Durben and, due to their participation, had actual knowledge of the pertinent breaches.

235. Due to each Defendants' substantial assistance in the breach of fiduciary duties, Mary suffered damages in an amount to be proven at trial.

236. For the reasons alleged above, Mary is also entitled to punitive damages because Defendants' conduct was malicious, wanton, and willful.

PRAYER FOR RELIEF

WHEREFORE, judgment should be entered in favor of Plaintiff and against Defendants, jointly and severally, as follows:

- a. compensatory damages in excess of \$500,000 and in an amount to be proven at trial;
- b. punitive damages in an amount to be proven at trial;
- d. prejudgment and post-judgment interest;
- e. attorneys' fees, litigation expenses, and costs; and
- f. such other relief as may be just and proper.

Dated: September 24, 2020
New York, New York

By: _____



Roberta A. Kaplan
John C. Quinn
Alexander J. Rodney
KAPLAN HECKER & FINK LLP
350 Fifth Avenue, Suite 7110
New York, New York 10118
Tel: (212) 763-0883
Fax: (212) 564-0883
rkaplan@kaplanhecker.com
jquinn@kaplanhecker.com
arodney@kaplanhecker.com

Counsel for Plaintiff Mary L. Trump

EXHIBIT C

NYS Department of State

Division of Corporations

Entity Information

The information contained in this database is current through September 25, 2020.

Selected Entity Name: ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.

Selected Entity Status Information

Current Entity Name: ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.

DOS ID #: 1658756

Initial DOS Filing Date: AUGUST 13, 1992

County: NASSAU

Jurisdiction: NEW YORK

Entity Type: DOMESTIC BUSINESS CORPORATION

Current Entity Status: INACTIVE - Dissolution (Dec 31, 2018)

Selected Entity Address Information

DOS Process (Address to which DOS will mail process if accepted on behalf of the entity)

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.

511 MANHASSET WOODS ROAD

MANHASSET, NEW YORK, 11030

Chief Executive Officer

JOHN W WALTER

511 MANHASSET WOODS RD

MANHASSET, NEW YORK, 11030

Principal Executive Office

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.

511 MANHASSET WOODS RD

MANHASSET, NEW YORK, 11030

Registered Agent

NONE

This office does not record information regarding the names and addresses of officers, shareholders or directors of nonprofessional corporations except the chief executive officer, if provided, which would be listed above. Professional corporations must include the name(s) and address(es) of the initial officers, directors, and shareholders in the initial

***Stock Information**

# of Shares	Type of Stock	\$ Value per Share
200	No Par Value	

*Stock information is applicable to domestic business corporations.

Name History

Filing Date	Name Type	Entity Name
AUG 13, 1992	Actual	ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.

A **Fictitious** name must be used when the **Actual** name of a foreign entity is unavailable for use in New York State. The entity must use the fictitious name when conducting its activities or business in New York State.

NOTE: New York State does not issue organizational identification numbers.

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EXHIBIT D

PURCHASE ORDER
ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS ROAD
MANHASSET, NY 11030-1643

COPY

OUR ORDER NO: 40204002 (REV B) Fax: (516) 627-1099 Tel: (516) 627-4666

DATE: 02/04/94

Bill To: ALL COUNTY BUILD. SUPPLY & MAINT.
511 MANHASSET WOODS ROAD
MANHASSET, NY 11030

2 Ship To: GRYMES HILL APARTMENTS
ATTN: BUILDING SUPT. MAINT. OFFICE
42 ARLO ROAD,
STATEN ISLAND, NY 10301

TEL: (716) 378-3000 FAX: (716) 378-6560

TO:

1 A.L. EASTMOND & BONS, INC
1175 LEGGETT AVENUE
BRONX, NY 10474

Ship By: INSTALLATION ON PREMISES
Terms.: NET 30 days

516 BOMARD AVE

CONDITIONS:

Please ship/install the following items to/at the 'Ship To' address above. Do not make any substitution without our prior written permission. By making shipment on this order, you agree to invoice us for no more than the lesser of: the prices listed herein, or your current prices and at the 'Terms' date stated above. (Which date is calculated from the date of our receipt of your invoice with attached proof of delivery). In order to be paid, you must obtain a signature from our, or our customer's, authorized representative, proving receipt of delivery of all the items invoiced, and furnish a packing list(s) showing all supplied items. Installation work may not be subcontracted to others without our prior written permission.
DO NOT LIST PRICES ON ANY PACKING OR PROOF OF DELIVERY RECEIPTS.

Quantity	Unit	Our Part No	Your Part No.	Description	Price/Unit	Total
2	EACH	PH-80-305	250XP	BOILERS, FEDERAL, 250 HORSE POWER	16,135.00	32,270.00
2	EACH	PH-81-312	PH81312	BOILER HOT WATER COIL, 4800 GPH (SMOOTH)	2,700.00	5,400.00
1	LOT	PH-XX-TAX	PHXXTAX	SALES TAX ON COST OF MATERIALS ONLY	1,776.64	1,776.64

COPY

TOTAL ITEMS: 3

4 BID-TOTAL: \$ 39,446.64
SHIPPING: 0.00
DISCOUNT: 0.00
SALES TAX: CAPITAL IMPR 0.00
TOTAL COST: \$ 39,446.64

FOR FURTHER INFORMATION ON THIS ORDER
CONTACT THE UNDERSIGNED AT:
X: (516) 627-1099
L: (516) 627-4666

PER: _____
ERIKA

1 In 1993, Fred Trump met at a Coney Island restaurant with Leon Eastmond, the owner of a boiler company in the Bronx. The two men negotiated a deal for 60 boilers.

2 The boilers were destined for various properties in Mr. Trump's empire, and two went to the Grymes Hill Apartments on Staten Island.

3 A longtime employee of Mr. Trump's had a purchase order created on All County letterhead for the Grymes Hill boilers. The price for each boiler was \$16,135.

4 With other supplies and sales tax, the total for Grymes Hill came to \$39,446.

*** INVOICE ***
 ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
 511 Manhasset Woods Road
 Manhasset, NY 11030-1643
 Fax. (516) 627-1099 Tel. (516) 627-4666

Your PO: 40204002
 Date...: 02/04/94

Date: 02/19/94
 Invoice: 40219017 [AR-267]
 Terms..: NET 10 days
 Shipped By: INSTALLATION ON PREMISES
 Shipped to: GRYMES HILL APARTMENTS
 ATTN: BUILDING SUPT. MAINT. OFFICE
 42 ARLO ROAD,
 STATEN ISLAND, NY 10301

Bill To:

GRYMES HILL APARTMENTS, INC.
 ATTN: ACCTS. PAYABLE
 2611 WEST 2ND STREET,
 BROOKLYN, NY 11223

516 HOWARD AVE

Quantity	Part No	Category Description	Description	Unit Price	Unit	Total
2	PH-80-305	BOILERS, BURNERS, PREHEAT BOILERS, FEDERAL, 250 HORSE POWER		19,362.00	EACH	38,724.00
2	PH-81-312	BOILER-TUBES/COILS/EXCHANG BOILER HOT WATER COIL, 4800 GPH (SMOOTH)		4,050.00	EACH	8,100.00
1	PH-XX-TAX	MISCELLANEOUS NOTE/ITEM	SALES TAX ON COST OF MATERIALS ONLY	1,776.64	LOT	1,776.64
6 SUB-TOTAL: \$						48,600.64
SHIPPING..:						0.00
SALES TAX.: CAPITAL IMPROVE						0.00
DEPOSITS..:						(19,362.00)
TOTAL DUE.: \$						29,238.64

PACKING LIST NUMBERS
 (AE 34395)

INVOICES MUST BE PAID NOT LATER THAN THE 'TERMS' STATED ABOVE. ANY AMOUNT WHICH IS RECEIVED LATER THAN THE DATE DUE, WILL BE SUBJECT TO A FINANCE CHARGE OF 1% PER MONTH, CALCULATED FROM THE DATE DUE, UNTIL PAID.

9
201

5 On behalf of All County, Fred Trump's employee had a bill sent to Grymes Hill. But this time, the price for each boiler was \$19,362, a markup of 20 percent.

6 With the other items, the total came to \$48,600. The markup flowed to All County's owners — Donald Trump, his siblings and a cousin — in an untaxed gift from Fred Trump.

EXHIBIT E

No. 008960
1-30/210



BEACH HAVEN MANAGEMENT CORP.
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-10600

CHECK DATE: 08/04/93
CHECK AMOUNT: \$**350,000.00

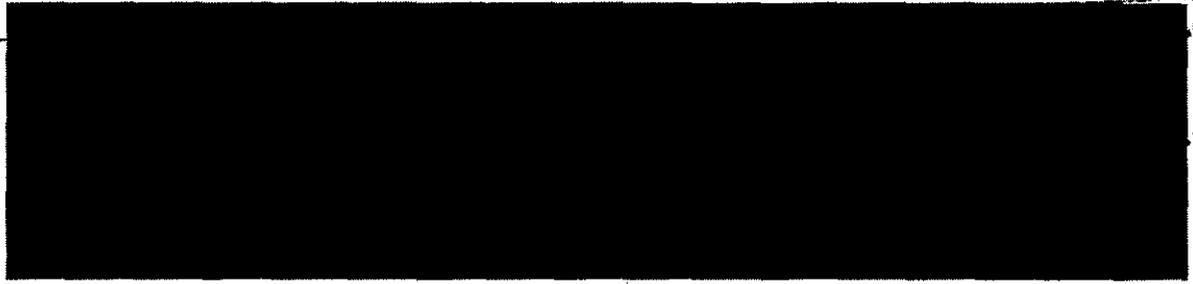
AY THREE HUNDRED FIFTY THOUSAND DOLLARS and 00/100

AYABLE AT: TO THE ORDER OF ALL COUNTY-BUILDING SUPPLY & MAINTNEANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET,, NY 11030

SIG.
R.T.
VER.

Fred C. Grummy

MANUFACTURERS HANOVER TRUST CO.
485 NEPTUNE AVENUE,
BROOKLYN., NY 11224



418

108-6-93

INTERNATIONAL BANK
100 WATER ST.
N.Y.C. N.Y. 10038
R-021 060 1 103 93

10000 23237

ALL COUNTY-BUILDING SUPPLY & MAINTNEANCE CORP.
511 MANHASSET WOODS RD.
MANHASSET, NY 11030

CHEMICAL BANK
55 WATER ST.
N.Y.C., N.Y.

AG 92 US
PAID



BEACH HAVEN MANAGEMENT CORP.
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-10767

No. 009180
1-30/210

CHECK DATE CHECK AMOUNT

09/07/93 \$\$\$82,234.00

PAY EIGHTY TWO THOUSAND TWO HUNDRED THIRTY FOUR DOLLARS and 00/100

TO THE ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET,, NY 11030

PAYABLE AT:

MANUFACTURERS HANOVER TRUST CO.
486 HFFYUHE AVENUE,
BROOKLYN,, NY 11224



Robert S. Trump



SEP - 9 93

SEP 09
CHEMICAL BANK
55 WATER ST.
N.Y.C., N.Y.

CHEMICAL BANK
55 WATER ST.
NEW YORK, NY
10036

0000 66107

SEP 09
PAID



BRIAR WICK APARTMENTS
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-12657

No. 003561

1-30/210

CHECK DATE

CHECK AMOUNT

08/15/94

\$**17,536.50

PAY SEVENTEEN THOUSAND FIVE HUNDRED THIRTY SIX DOLLARS and 50/100

TO THE
ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET, NY 11030

PAYABLE AT:

CHEMICAL BANK
320 MADISON AVENUE
NEW YORK, NY 10017



Robert S. Jones



AS 94 19
PAID

518776-11
003 1597
12/15/94



FONTAINEBLEAU APARTMENTS, L.L.C.
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-16677

No. 003170
1-30/210

6-7

CHECK DATE CHECK AMOUNT
04/24/96 \$**19,890.94

NINETEEN THOUSAND EIGHT HUNDRED NINETY DOLLARS and 94/100

TO THE ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET,, NY 11030

PAYABLE AT:

CHEMICAL BANK
1 MADISON AVENUE
NEW YORK, NY 10017

BATCH AR-1179

Robert S. Trump



PAY TO THE ORDER OF
MANUFACTURERS HANDBOOK TRUST
02/19/93
FOR DEPOSIT ONLY
ALL COUNTY BLDG SUPPLY & MAINT CORP
110206409285

APR 25
CHEMICAL BANK
55 WATER ST
N.Y.C. N.Y.

RECORDED

52



GREEN PARK ESSEX
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-14385

No. 003061
1-30/210

DATE CHECK AMOUNT

05/ /95 \$**31,755.30

THIRTY ONE THOUSAND SEVEN HUNDRED FIFTY FIVE DOLLA and 30/100

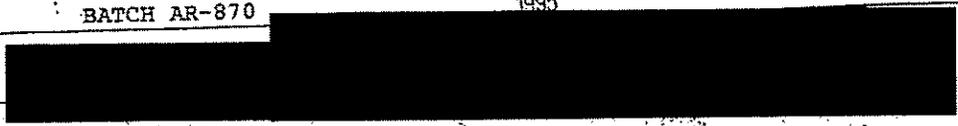
PAYABLE AT: TO THE ORDER OF ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET, NY 11030

Robert S. Drung

CHEMICAL BANK
380 MADISON AVENUE
NEW YORK, NY 10017

BATCH AR-870

1995



CHEMICAL BANK
NEW YORK, NY

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
11030-4500000



LAWRENCE GARDENS
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-12497

No. 003346
1-30/210

CHECK DATE

CHECK AMOUNT

07/18/94

\$**51,489.11

PAY FIFTY ONE THOUSAND FOUR HUNDRED EIGHTY NINE DOLLARS and 11/100

TO THE ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET, NY 11030



PAYABLE AT:

CHEMICAL BANK
380 MADISON AVENUE
NEW YORK, NY 10017

Robert S. Jung



*25744.56 - 3280 Nostand Ave
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*See 51 - portions
to other lot/block*

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CHEMICAL BANK

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LAWRENCE TOWERS APTS., L.L.C.
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-18685

No. 004462
1-30/210

CHECK DATE
01/13/97

CHECK AMOUNT
\$***20,613.41

PAY TWENTY THOUSAND SIX HUNDRED THIRTEEN DOLLARS and 41/100

TO THE ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET,, NY 11030

PAYABLE AT:

CHASE MANHATTAN BANK
401 MADISON AVENUE
NEW YORK, NY 10017

BATCH AR-1422

Robert S. Trump



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MANHASSET, NY
ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.
MANHASSET, NY 11030

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NAUTILUS HALL
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-13194

No. 002674
1-30/210

CHECK DATE CHECK AMOUNT
11/10/94 \$\$\$36,290.74

PAY THIRTY SIX THOUSAND TWO HUNDRED NINETY DOLLARS and 74/100

PAYABLE AT:

TO THE ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET,, NY 11030 LG

CHEMICAL BANK
380 MADISON AVENUE
NEW YORK, NY 10017

BATCH AR-636



Robert S. Druma



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CHEMICAL BANK
55 WATER ST.
N.Y.C., N.Y.

46



SHORE HAVEN APTS. INC.
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-11957

No. 001956
1-30/210

CHECK DATE: 04/11/94
CHECK AMOUNT: \$**17,785.48

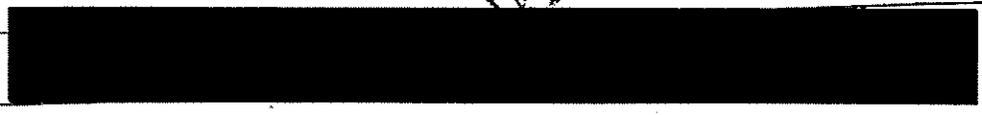
PAY SEVENTEEN THOUSAND SEVEN HUNDRED EIGHTY FIVE DOLLARS and 48/100

PAYABLE AT:
TO THE ORDER OF ALL COUNTY BUILDING SUPPLY & MAINTNEANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET, NY 11030

CHEMICAL BANK
270 PARK AVENUE
NEW YORK, NY 10017



Robert S. Drump



ALL COUNTY BUILDING SUPPLY & MAINTNEANCE CORP.
511 MANHASSET WOODS RD.
MANHASSET, NY 11030

AP 94 12
CHEMICAL BANK
55 WATER ST.
- NYC, N.Y.

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62



SHORE HAVEN APTS. 5 INC.
2611 WEST 2ND STREET
BROOKLYN, NY 11223
BATCH CD-16431

No. 002827
1-30/210

CHECK DATE CHECK AMOUNT
03/25/96 \$\$\$22,494.35

TWENTY TWO THOUSAND FOUR HUNDRED NINETY FOUR DOLLARS and 35/100

TO THE
ORDER OF

ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP.
511 MANHASSET WOODS RD.,
MANHASSET,, NY 11030

PAYABLE AT:

EMICAL BANK
10 MADISON AVENUE
NEW YORK, NY 10017

BATCH AR-1148

Robert S. Drung
S.F.
N.Y.



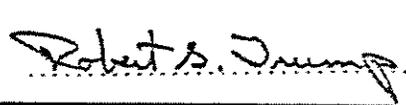
MR 36 28
CHEMICAL BANK
35 WATER ST.
N.Y.C. N.Y.
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ALL CHECKS MUST BE PAID TO THE ORDER OF
1156081390265
MARCH 1991

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	WEXFORD HALL INC. 2611 WEST 2ND STREET BROOKLYN, NY 11223 BATCH CD-12170	No. 002675 1-30/210
		CHECK DATE: 05/24/94 CHECK AMOUNT: \$**22,960.00
PAY TWENTY TWO THOUSAND NINE HUNDRED SIXTY DOLLARS and 00/100		
PAYABLE AT: CHEMICAL BANK 380 MADISON AVENUE NEW YORK, NY 10017	TO THE ORDER OF ALL COUNTY BUILDING SUPPLY & MAINTENANCE CORP. 511 MANHASSET WOODS RD., MANHASSET,, NY 11030	 

NY 54 25
 CHEMICAL BANK
 65 WATER ST.
 N.Y.C., N.Y.
 10002

EXHIBIT F

As the Trumps Dodged Taxes, Their Tenants Paid a Price

By Russ Buettner and Susanne Craig

Dec. 15, 2018

They were collateral damage as Donald J. Trump and his siblings dodged inheritance taxes and gained control of their father's fortune: thousands of renters in an empire of unassuming red-brick buildings scattered across Brooklyn, Queens and Staten Island.

Those buildings have been home to generations of strivers, municipal workers and newly arrived immigrants. When their regulated rents started rising more quickly in the 1990s, many tenants had no idea why. Some heard that the Trump family had spent millions on building improvements, but they remained suspicious.

"I've always thought there was something strange going on," said Jack Leitner, who has lived in the Beach Haven Apartments in Coney Island, Brooklyn, for more than two decades. "But you have to have proof, and it's an uphill battle."

As it turned out, a hidden scam lurked behind the mysterious increases. In October, a New York Times investigation into the origins of Mr. Trump's wealth revealed, among its findings, that the future president and his siblings set up a phony business to pad the cost of nearly everything their father, the legendary builder Fred C. Trump, purchased for his buildings. The Trump children split that extra money.

[Read The Times's investigation here.]

Padding the invoices had a secondary benefit for the Trumps, allowing them to inflate rent increases on their father's rent-regulated apartments.

"The higher the markup would be, the higher the rent that might be charged," Robert Trump, the president's brother, once admitted in a sworn deposition obtained by The Times.

The president and his siblings have long since sold their father's buildings and moved on with their inherited fortunes. But for tenants, the insidious effects of the scheme continue to this day.



A phony company that padded invoices to Beach Haven and other properties was used to siphon Fred C. Trump's wealth to his children. Dave Sanders for The New York Times

The padded invoices have been baked into the base rent used to calculate the annual percentage increase approved by the city. The sum total of the rent overcharges cannot be calculated from available records. As a way to appreciate the scope of the impact, a onetime \$10 increase in 1995 on all the 8,000 apartments involved would put the total overpaid by tenants at more than \$33 million to date, an analysis of approved rent increases shows.

Mr. Leitner, a retired computer programmer, was not pleased to learn that his rent had been artificially inflated. Like other tenants interviewed by The Times, he wants that money back.

“If they passed on phony costs to tenants, they should lower our rents,” he said.

The Times’s investigation of the Trump family’s finances, based on a vast trove of tax returns and confidential financial records, found that Donald Trump, contrary to his lifelong claim of being a self-made billionaire, received the equivalent today of at least \$413 million from his father.

That fortune was greatly increased by dubious schemes — including instances of outright fraud — designed to dodge gift and estate taxes, the investigation found. Mr. Trump was a central player in the formulation of those strategies, which included grossly undervaluing his father’s apartment complexes in tax filings, interviews and records showed. He also received tens of millions of dollars in gifts from his father that were disguised as loans or business investments.

Mr. Trump and his brother Robert did not respond to requests for comment for this article. But in a written statement for The Times’s original piece, one of the president’s lawyers, Charles J. Harder, said that “there was no fraud or tax evasion by anyone,” and that Mr. Trump had delegated tax matters to relatives and tax professionals.

The most overt fraud uncovered by The Times involved the sham corporation, All County Building Supply & Maintenance, created by the Trumps in 1992. It appeared, on paper at least, to be a purchasing agent for Fred Trump’s buildings.

In reality, the creation of All County did not change how Fred Trump’s business functioned. He and his executives continued to negotiate prices for everything from roofs to window cleaner, but vendors began receiving checks from an All County bank account. Fred Trump’s apartment buildings then reimbursed All County, with an extra 20 to 50 percent tacked on.

All County was owned by Donald Trump, his three siblings and a cousin. In some years, the amounts distributed to each Trump sibling ballooned to nearly \$1 million, records obtained by The Times show.

Because All County performed no real work, the transfer of money through the corporation was essentially a gift that evaded the 55 percent tax in place at the time, tax experts told The Times.

Former prosecutors told The Times that the filing of padded invoices with state rent regulators could have led to criminal charges at the time, but that the statute of limitations has long since expired. Civil penalties in cases of fraud remain a possibility, and tax authorities in New York City and New York State have said they are examining issues raised by The Times’s investigation.

Lawyers who specialize in representing tenants say the Trumps’ current and former tenants may have an opening to challenge the decades-old increases, potentially rolling back rents and collecting damages.

Michael Grinthal, supervising lawyer with the Community Development Project at the Urban Justice Center, a nonprofit legal services and advocacy group, said that the current owners would be held responsible for any damages, but that those owners could have a claim against the president and his siblings.

“If I was talking to those tenants right now, I’d say: ‘Do it. Go,’” Mr. Grinthal said. “This case should be fought.”

Regulations generally allow tenants to challenge rent for the past four years. But the state’s highest court has held that tenants can look back further to show their landlord increased rent through fraud (though damages are still limited).

“If they are making false statements about how much it costs, that would be pretty much dead center of the definition of fraud,” Mr. Grinthal said.

Although the state Division of Housing and Community Renewal oversees rent-regulated apartments, the responsibility for uncovering overcharges falls mostly to tenants, many of whom are unaware of the rules. Just trying to figure out the codes on rental history forms and discern what drove up their rent can seem daunting.

Susan Shavitz, 73, moved into her two-bedroom at Trump Village in Coney Island with her mother when Fred Trump completed construction in 1964. Decades later, her rent began to rise more quickly. She believed at the time that the increases were exclusively because the Trumps had switched the building to a different affordable-housing program.

Ms. Shavitz obtained her apartment rental history from the state at the request of The Times, but she could not translate the soup of numbers and abbreviations.

Building Id Number: 373662

* REGISTRATION APARTMENT INFORMATION *

Reg Year	Apt Stat	Filing Date	Legal Regulated Rent	Prefer. Rent	Actual Rent Paid	Reasons Differ./ Change	Lease Began/Ends
1992(I)	RS	01/11/1993	687.32				09/01/1991 08/31/1994
			TENANT: LILLIAN GRAYER SUSAN SHAVITZ			IMPRVMT	
1993	RS	07/02/1993	687.32				09/01/1991 08/31/1994
			TENANT: LILLIAN GRAYER SUSAN B. SHAVITZ				
1994	RS	07/18/1994	687.32				09/01/1991 08/31/1994
			TENANT: LILLIAN GRAYER SUSAN B. SHAVITZ				
1995	RS	07/27/1995	721.69				09/01/1994 08/31/1996
			TENANT: LILLIAN GRAYER SUSAN B. SHAVITZ			LEAS/RNL	
1996	RS	07/18/1996	721.69				09/01/1994 08/31/1996
			TENANT: LILLIAN GRAYER SUSAN B. SHAVITZ				
1997	RS	06/25/1997	782.84				09/01/1996 08/31/1998
			TENANT: LILLIAN GRAYER SUSAN B. SHAVITZ			LEAS/RNL MCI	

A portion of Susan Shavitz's rental history at Trump Village in Brooklyn. The padded invoices still affect rent, as the initial increase was compounded over the years.

"It made no sense to me whatsoever," said Ms. Shavitz, a retired teacher. "I have no idea how much of it was because of the improvements."

Other records show the state approved a building-wide rent increase in 1997 of almost \$1.1 million after the Trumps installed new windows, terrace doors and boilers, which were an early focus of the All County purchases. That project increased Ms. Shavitz's rent by \$32 a month. While it is not known how much of that is attributable to All County, the cost of improvements bumped up her rent in five of the last eight years that the Trumps owned the buildings, adding 11 percent in all.

Ms. Shavitz said that she was financially comfortable and could afford her rent but would still participate in a lawsuit to win back overcharges.

Like Ms. Shavitz and her mother, thousands of tenants once saw moving into a Fred Trump building as a step up the economic ladder, an arrival of sorts. In the postwar era, the president's father came to own more than 10,000 apartments in New York City, and thousands more elsewhere, often financing the construction through low-interest government loans aimed at creating affordable housing for returning veterans and the booming middle class.

The rules attached to those loans kept rents low, but Fred Trump excelled at keeping costs low, and the empire became enormously profitable. In just one six-year span, 1988 through 1993, Fred Trump reported \$109.7 million in total income, the equivalent today of \$210.7 million, according to confidential tax records obtained by The Times.



Fred Trump and his son Donald visiting a tenant in Brooklyn in 1973. Barton Silverman/The New York Times

His buildings share a uniform austerity. Most are six-story brick rectangles with incongruously aristocratic sounding names — Saxony Hall, Westminster Apartments, Green Park Essex. His largest projects were sprawling complexes with acres of lawn in and around Coney Island — Beach Haven, Shore Haven and Trump Village.

The folk singer Woody Guthrie took an apartment at Beach Haven in 1950. He wrote a song called “Old Man Trump,” contemplating the morality of paying rent to someone who would not allow blacks to live in the building. The chorus began:

*Beach Haven ain't my home!
I just can't pay this rent!
My money's down the drain!
And my soul is badly bent!*

Mr. Leitner, 69, remembers that when he signed his first lease at Beach Haven in 1996, the rent was significantly higher than the one quoted during his apartment hunt.

He recently obtained the official rental history of his apartment from the state at the request of The Times. It shows that his initial rent was \$728, an increase of \$154 from the prior tenant's rate. Most of that jump, in fact, was because of the improvement costs.

The effect of those costs was compounded through the years, as every approved rent increase built upon the starting point. And while some portion was certainly legitimate, even a \$10-a-month increase because of a padded All County invoice would mean that Mr. Leitner had given his landlords at least \$3,800 more than they were legally entitled to over the past 22 years.

Housing advocates have long argued that there is widespread abuse of the two programs that owners of rent-regulated apartments use to raise rents based on improvements or repairs. Two Albany lawmakers introduced legislation last August that would end one, known as Major Capital Improvements.

“The M.C.I. program has been subject to abuse by landlords for years — the fact the Trump family did it just highlights that,” said one of the lawmakers, state Senator Michael N. Gianaris, a Queens Democrat. “It's time to scrap the program.”

Because the increases carry forward, even tenants who moved in years after the Trumps sold the last of their father's empire in 2004 were affected by the family's invoice-padding scheme.



Angel Castillo on the day he moved out of his unit at Beach Haven. His current landlord raised his rent by \$150 a month. Joshua Bright for The New York Times

“I want it looked at because a lot of tenants may be owed money,” said Angel Castillo, 49, who moved into Beach Haven a few years after the Trump siblings sold it.

He moved out just a few weeks ago. The reason: The current landlord increased his rent by \$150 a month.

“They told me I was lucky it wasn’t more,” he said.

A version of this article appears in print on , Section A, Page 1 of the New York edition with the headline: A Scheme Aided the Trumps. Tenants Are Paying.

EXHIBIT G

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION

-----X
MARY L. TRUMP,

Plaintiff,

Index # 654698/2020

-against-

**AFFIRMATION
IN SUPPORT
OF DEFENDANTS'
MOTION TO DISMISS
PURSUANT TO 3211(a)(5) & (7)**

DONALD J. TRUMP, in his personal capacity,
MARYANNE TRUMP BARRY, and SHAWN
HUGHES, the executor of the ESTATE OF
ROBERT S. TRUMP, in his capacity as executor,

Defendants

-----X

James D. Kiley, Esq., an attorney duly admitted to practice law in the Courts of the State of New York, hereby affirms and states:

(1) I am a partner in the law firm of Kiley, Kiley & Kiley, PLLC, attorneys for the Defendants, Donald J. Trump and Shawn Hughes, the executor of the Estate of Robert S. Trump, and I am fully familiar with the facts and circumstances of this action. That my knowledge comes from a review of the files from Plaintiff's previous litigation with Defendants dating back to 2001 and of the corporate records of the various entities named in Plaintiff's Complaint.

(2) I make this Affirmation in support of said Defendants' motion to dismiss all actions stated in the Complaint in their entirety pursuant to CPLR § 3211(a)(5) & (7).

(3) The plaintiff, Mary L. Trump, brought the instant action against her uncle, Donald J. Trump, her aunt, the Honorable Maryanne Trump Barry and the estate of her uncle, Robert S. Trump by filing a Summons and Complaint on or about September 24, 2020 alleging eight separate causes of action for fraud, civil conspiracy and breach of fiduciary duty. (**Exhibit "A"**)

(4) Plaintiff's Complaint should be dismissed in its entirety pursuant to [CPLR 3211\(a\)\(5\)](#) as: (a) Plaintiff's claims are time barred under the statute of limitations; and (b) Plaintiff previously litigated the same claims and settled them with Defendants in 2001, executing General Releases which released Defendants from the claims she now asserts.

(5) To the extent that Plaintiff is attempting to assert claims for breach of fiduciary duty and fraud, fraudulent concealment and negligent misrepresentation prior to the sale of her Trump interests, Defendants seek dismissal pursuant to [CPLR 3211\(a\) \(7\)](#) on the ground that Plaintiff lacks standing and she has failed to state a cause of action for each of her claims of fraud and negligent misrepresentation.

(6) Plaintiff's claims of civil conspiracy to commit fraudulent misrepresentation and concealment and civil conspiracy to commit fraudulent inducement should be dismissed because there is no cause of action for "civil conspiracy" independent of any underlying fraud allegations. Your affirmant respectfully refers this honorable Court to the legal arguments made in the Memorandum of Law filed herewith.

The Parties and their Shared Business Interests

(7) Plaintiff is the daughter of Fred C. Trump, Jr. ("Fred, Jr"), the brother of Defendants, who died in 1981. Plaintiff is the granddaughter of Fred C. Trump, ("Fred") a real estate developer who built and acquired dozens of apartment buildings and other commercial properties in Brooklyn, Queens and Staten Island predominantly from the 1940's to the 1960's. Fred generally formed separate entities for each building or development project but he owned and managed the entire portfolio of properties as a single enterprise (hereinafter the "Company") from his central office in Brooklyn, New York. In 1969 he formed a management entity called Trump

Management, Inc., which managed the portfolio. Fred was the sole owner of Trump Management, Inc. At no time did Fred's children have an ownership interest in this entity. (**Exhibit "B"**)

(8) In the 1960's, Fred's five children formed partnerships and other business entities and acquired interests in several properties. These included Midland Associates, Park Briar Associates, Highlander Hall, Inc. and Coronet Hall, Inc. In 1969, Plaintiff's father, Fred Jr.'s, twenty percent (20%) share in these entities was placed in Trust (the "1969 Trust") and the family attorney, Matthew J. Tosti, Esq., was named as Trustee and served as Trustee of said Trust until his death in 1977, at which time, his law partner, Irwin Duren, Esq replaced him as Trustee.

(9) After her father's death, Plaintiff (along with her brother Fred C. Trump III who is notably not a plaintiff in this lawsuit) inherited Fred Jr.'s share of the business entities owned with her aunts and uncles. Her interests remained in the 1969 Trust with Irwin Durben, Esq. as Trustee until 1995, at which time they were transferred out of the Trust and into her name individually. These entities had owned buildings that were converted to Cooperative ownership in the 1980's and after the conversions the entities retained ownership in the shares of any unsold apartments. At the time of Plaintiff's original litigation against Defendants in 2000, these entities included: 1) Midland Associates, LLC which owned the shares of 54 apartments in Sunnyside Towers; 2) Coronet Hall, Inc., which owned the shares of 62 apartments in Coronet Hall and the shares of 40 apartments in Wedgewood Hall; 3) Highlander Hall, Inc. which owned the shares of 54 apartments in Highlander Hall and 4) Park Briar Associates, LLC which owned the shares of 59 apartments in Park Briar and 28 apartments in Saxony Hall. In addition, Coronet Hall, Inc., Highlander Hall, Inc. and Park Briar Associates, LLC owned the shares to 57 apartments in a building known as

Lincoln Shore.¹ In addition to these sponsor owned apartments, the entities owned wrap mortgages on the converted Co-op buildings and sponsor financed loans from individual apartment sales. The entities also owned a ground lease to a McDonald's restaurant and an approximate 1.5% interest in Starrett City, a housing development in East New York. In the Trump family these legal entities have been collectively referred to as "Midland Associates Group" and their ownership interests as the "Midland Interests".

(10) The Plaintiff mistakenly claims that all of her land interests were inherited through her great grandmother's will (Complaint ¶ 45). In fact, Plaintiff inherited from her father a ten percent (10 %) interest in ground leases on properties that had been developed by her grandfather called the Beach Haven Apartments Numbers # 1, 2, 3, 4, 5 & 6, which her grandfather had placed in Trust for his five children in 1949. Plaintiff also inherited from her father a two and one-half percent (2.5 %) interest in a ground lease for a property called Shore Haven Apartments No.1, Inc. and a five percent (5%) interest in a ground lease for Shore Haven Apartments No.2, Inc. which had been placed in Trust by her great grandmother, Elizabeth J. Trump in 1949 for her five grandchildren. As Plaintiff was only sixteen years at the time of her father's death in 1981, her inherited interests continued to be held in Trust with Chase Manhattan Bank serving as Trustee until 1988 at which time they were deeded to Irwin Durben, Esq. as Trustee under a Trust established for Plaintiff in 1983 (the "1983 Trust"). These interests were held in Trust until 1995 when they were deeded outright to Plaintiff. (**Exhibit "C"**) Upon her grandfather's death in 1999, Plaintiff inherited a further two and one-half percent (2.5 %) interest in the ground lease for Shore Haven Apartments No.1, Inc. (bringing her total interest to 5%) and a further five (5%) interest in

¹ Midland Associates and Park Briar Associates were converted to LLCs in 1995.

the ground lease for Shore Haven Apartments No.3, Inc. through a testamentary trust that had been established under the will of her great grandmother in 1967 and managed by Chase Manhattan Bank as Trustee. Chase provided an accounting for the period 1968-2000 to Plaintiff who executed a Receipt and Release in 2000 when she assumed title these land interests personally. (Exhibit “D”) These land leases were for an initial term of 99 years but they gave the building owners an automatic right of renewal for an *additional 99 years* for a total lease term of 198 years. (Exhibit “E”)²

(11) In 1976, prior to her father’s death, Plaintiff’s grandfather established a Trust for her with a gift of \$400,000.00, which Trust was managed by Defendants and Matthew Tosti, Esq. and subsequently Irwin Durben, Esq. (the “1976 Trust”). A similar Trust had been established for Plaintiff’s father in 1976 with a gift to him of \$200,000.00. When Plaintiff’s father died in 1981, she inherited half the proceeds of his 1976 Trust and half the death benefit on his life insurance policy. These assets continued in the 1976 Trust until it was terminated when Plaintiff settled with Defendants in 2001.

Background of Prior Litigation

(12) After Fred’s death on June 25, 1999, a probate petition was filed in the Queens County Surrogate’s Court by Defendants Donald J. Trump, Maryanne Trump Barry and the decedent Defendant Robert S. Trump, who were the executors named in their father’s Will dated September 18, 1991. Under his 1991 Will and Codicils dated September 18, 1991 and November 18, 1991, Fred made certain bequests to his four surviving children in equal shares. He did not

² See Lease dated May 1, 1950, Article XX, Section 3 and Mortgage on Lease dated July 17, 1950 Page 1

bequeath an equal share to the children of his predeceased son, Fred, Jr. (**Exhibit “F”**) On October 21, 1999, Plaintiff appeared in the Queens County Surrogate’s Court through her retained counsel, the law firm, Farrell Fritz, and entered into a Stipulation to conduct § 1404 examinations of the attorney draftsman, witnesses to the Will as well as the nominated executors. Plaintiff served a Notice for Discovery & Inspection on October 25, 1999 making sixty-one separate demands for all previous wills and codicils, state and federal income tax returns, gift tax returns, personal correspondence, calendars, deeds, mortgages, life insurance policies, banking records, financial records, medical records and more. (**Exhibit “G”**) Defendants replied with a Partial Response to First Notice of Discovery & Inspection on November 21, 1999, which exchanged documents and also set a date of December 8, 1999 for Plaintiff to inspect and make copies all relevant records at the Trump corporate offices in Brooklyn. (**Exhibit “H”**) Among the voluminous records exchanged included yearly financial statements for the 1976 Trust dating back to 1990. (**Exhibit “I”**)³ the management agreement between Apartment Management Associates, Inc and Fred C. Trump. (**Exhibit “J”**) and a detailed report on the sale of almost forty sponsor *and* non-sponsor owned apartments in 1999 and 2000. (*See* **Exhibit “K”**)

(13) As a witness to the execution of Fred C. Trump’s Will, attorney Vincent J. Tosti testified at a § 1404 hearing on January 5, 2000. (**Exhibit “L”**) In addition to the facts and circumstances surrounding the execution of the Will, Mr. Tosti, as an attorney of the Defendants familiar with their businesses, was asked questions with regard to Midland Associates and was specifically questioned about Promissory Notes given by Midland Associates to Fred C. Trump on August 25, 1992 and October 25, 1992. (**Exhibit “M”**) The decedent Defendant Robert S. Trump

³ The corpus of 1976 Trust consisted of cash, bonds and mortgage receivables

testified at a §1404 hearing on February 24, 2000. (**Exhibit “N”**) Defendants’ cousin, John W. Walter testified at a §1404 hearing on March 7, 2000. (**Exhibit “O”**)

(14) In April 2000, Plaintiff commenced a second lawsuit in Nassau County Supreme Court, suing Defendants and seeking to provide health insurance coverage to herself, her nephew William and other family members through the Company health plan, despite the fact that no one in her immediate family was an employee of the Company. This action would run parallel to the Surrogate’s Court proceeding throughout 2000 and into 2001. (**Exhibit “P”**)

(15) On or about March 22, 2000, Plaintiff and her brother filed Objections to the Probate of Fred C. Trump’s Will (**Exhibit “Q”**) wherein they alleged, *inter alia*, that he did not have testamentary capacity to make the Will and that the Will was procured by the fraud and undue influence of Defendants.

(16) On August 7, 2000, Fred C. Trump’s wife, Mary A. Trump died.

(17) By letter dated October 2, 2000, Defendants counsel provided Plaintiff’s counsel detailed records regarding the Midland Interests, including detailed reports on the co-op apartments still owned and detailed records of the sales of approximately forty apartments that had closed in 1999 and 2000 to that point. A second letter to Plaintiff’s counsel dated November 1, 2000 contained further records regarding the Midland Interests. (**Exhibit “R”**) Plaintiff and defendants entered into a further Stipulation in Surrogate’s Court on January 8, 2001 which scheduled plaintiff for a deposition on February 21, 2001. (**Exhibit “S”**) Plaintiff served a Verified Bill of Particulars on January 12, 2001 wherein she amplified her claims of fraud against the defendants. (**Exhibit “T”**)

(18) Defendants provided copies of appraisals for the Estate assets as well as GRATS that had been created four years previously by Fred C. Trump and his wife for the benefit of Defendants. These included appraisals from Grubb & Ellis, one of the nation's leading commercial real estate service firms, (**Exhibit "U"**) and Management Planning Inc., ("MPI") (**Exhibit "V"**).

(19) In the latter part of 2000, the parties engaged in significant settlement discussions that would ultimately not only settle the claims made against the estate of Fred C. Trump but would (1) also allow for the probate of his wife Mary A. Trump's estate without objections; (2) provide the terms for the liquidation of all of Plaintiff's interests in all family partnerships and businesses; and (3) provide for the distribution and termination of all existing trusts for Plaintiff's benefit. Toward those ends, detailed correspondence was exchanged between the parties' attorneys from November 2000 through February 21, 2001 as they inched their way toward a global settlement. (**Exhibit "W"**)

(20) On April 9, 2001, Plaintiff executed General Releases specifically releasing Defendants Donald J. Trump, Maryanne Trump Barry and Robert S. Trump individually and as co-executors of the Estates of Fred C. Trump and Mary A. Trump. (**Exhibit "X"**) That same day Defendants resigned as Trustees of Plaintiff's 1976 Trust and Plaintiff executed a Receipt and Release. (**Exhibit "Y"**) On April 10, 2001, Plaintiff and Defendants entered into a confidential, comprehensive Agreement and Stipulation which: (i) settled the pending cases in the Queens Surrogate's Court and Nassau County Supreme Court; (ii) allowed for the probate of Mary A. Trump's estate without objection through the execution of waivers and consents; (iii) liquidated and extinguished Plaintiff's equitable interests in all family owned businesses and assets; and (iv)

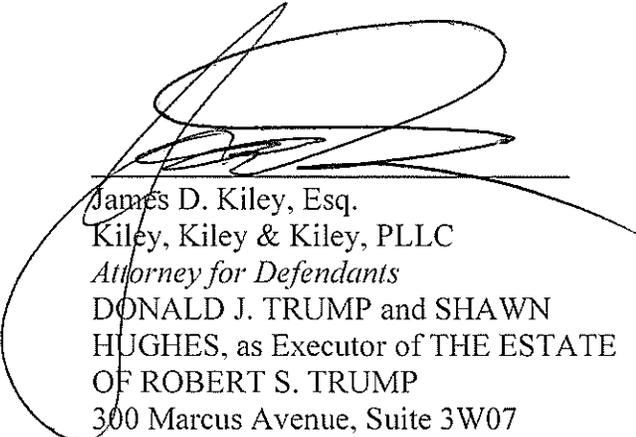
terminated Plaintiff's 1976 Trust. The Agreement itemized the specific value and consideration given for each. (Exhibit "Z") Checks were issued and delivered to Plaintiff for the consideration stated in the Agreement and Stipulation. (Exhibit "AA").

(21) On April 9, 2001, Plaintiff relinquished her land interests and deeded them to Midland Associates, LLC. (Exhibit "BB") On April 10, 2001 she assigned her ten percent (10%) membership interests in Midland Associates, LLC and Park Briar Associates, LLC back to both LLCs and signed stock powers to transfer her shares back to Highlander Hall, Inc. and Coronet Hall, Inc. (Exhibit "CC")

(21) For the reasons argued by your affirmant in the Memorandum of Law filed herewith, Plaintiff's Complaint should be dismissed in its entirety.

WHEREFORE, your affirmant respectfully requests that the motion herein be granted in all respects and that the Court issue an order pursuant to CPLR § 3211(a) (5) & (7) dismissing Plaintiff's Complaint in its entirety and for such other and further relief as to this Court may be just and proper.

Affirmed: December 22, 2010
Lake Success, NY



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SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK: COMMERCIAL DIVISION

-----X

MARY L. TRUMP,

Plaintiff,

Index # 654698/2020

Hon O. Peter Sherwood

-against-

DONALD J. TRUMP, in his personal capacity,
MARYANNE TRUMP BARRY, and SHAWN
HUGHES, the executor of the ESTATE OF
ROBERT S. TRUMP, in his capacity as executor,

Defendants

-----X

**MEMORANDUM OF LAW
IN SUPPORT OF DEFENDANTS DONALD J. TRUMP AND SHAWN HUGHES, as
Executor of the ESTATE OF ROBERT S. TRUMP'S MOTION TO DISMISS
PURSUANT TO CPLR §3211(a) (5) & (7)**

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TABLE OF CONTENTS

	Page No.
TABLE OF AUTHORITIES	ii
PRELIMINARY STATEMENT.....	2
FACTS MADE KNOWN TO PLAINTIFF IN THE PRIOR LITIGATION.....	6
ARGUMENT.....	12
I. <u>POINT I</u>: PLAINTIFF’S CLAIMS ARE BARRED BY THE STATUTE OF LIMITATIONS.....	12
A. Plaintiff’s Fraud Claims are Untimely.....	12
B. Plaintiff’s Claims for Breach of Fiduciary Duty and Aiding and Abetting Breach of Fiduciary Duty Are Time-Barred.....	17
II. <u>POINT II</u>: PLAINTIFF’S CLAIMS ARE BARRED BY THE GENERAL RELEASE SHE EXECUTED IN CONNECTON WITH THE SETTLEMENT AGREEMENT.....	18
III. <u>POINT III</u>: PLAINTIFF LACKS STANDING TO ASSERT ANY CLAIM TO RECOVER FOR DEFENDANTS’ ALLEGED BREACH OF FIDUCIARY DUTY PRIOR TO THE APRIL 10, 2001 SETTLEMENT.....	20
IV. <u>POINT IV</u>: PLAINTIFF’S PRE-SETTLEMENT CLAIMS FOR FRAUD, FRAUDULENT CONCEALMENT AND NEGLIGENT REPRESENTATION MUST BE DISMISSED BECAUSE SHE HAS NOT PLEADED THAT SHE JUSTIFIABLY RELIED ON DEFENDANTS’ ALLEGED MISPREPRESENTATION AND CONCEALMENT.....	22
V. <u>POINT V</u>: PLAINTIFF’S CONSPIRACY CAUSES OF ACTION MUST BE DISMISSED.....	23
CONCLUSION.....	24

TABLE OF AUTHORITIES

	Page
<u>Abrams v. Donati</u> , 66 N.Y.2d 951, 498 N.Y.S.2d 782 (1985).....	21
<u>Accord Elghanian v. Harvey</u> , 249 A.D.2d 206, 671 N.Y.S.2d 266 (1 st Dep't 1998).....	22
<u>Appel v. Ford Motor Co.</u> , 111 A.D.2d 731, 490 N.Y.S.2d 228 (2d Dep't 1985).....	18
<u>Arfa v. Zamir</u> , 17 N.Y.3d 737, 929 N.Y.S.2d 11 (2011).....	19
<u>Armstrong v. Peat, Marwick, Mitchell & Co.</u> , 150 A.D.2d 189, 540 N.Y.S.2d 799 (1 st Dep't 1989).....	12
<u>Booth v. 3669 Delaware</u> , 92 N.Y.2d 934, 680 N.Y.S.2d 899 (1998).....	18
<u>Brawer v. Lepor</u> , 188 A.D.3d 482 (1 st Dep't 2020).....	23
<u>Brock v. Brock</u> , 229 A.D.2d 457, 645 N.Y.S.2d 536 (2d Dep't 1996).....	14
<u>Carbon Capital Management, LLC v. American Express Co.</u> , 88 A.D.3d 933, 932 N.Y.S.2d 488 (2d Dep't 2011).....	13
<u>Centro Empresarial Cempresa S.A. v. America Movil, S.A.B.</u> , 17 N.Y.3d 269, 929 N.Y.S.2d 3 (2011).....	18, 19, 20
<u>Ciullo v. Orange and Rockland Util. Inc.</u> , 271 A.D.2d 369, 706 N.Y.S.2d 428 (1 st Dep't 2000).....	22
<u>D. Penguin Brothers Ltd. v. City National Bank</u> , 158 A.D.3d 432, 70 N.Y.S.3d 192 (1 st Dep't 2018).....	13
<u>EVEmeta LLC v. Siemens Convergence Creators Corp.</u> , 173 A.D.3d 551, 104 N.Y.S.3d 607 (1 st Dep't 2019).....	24

<u>Global Minerals and Metals Corp. v. Holme,</u> 35 A.D.3d 93, 824 N.Y.S.2d 210 (1st Dep't 2006), <u>lv. denied</u> , 8 N.Y.3d 804, 831 N.Y.S.2d 106 (2007).....	13, 18, 19
<u>Goldberg v. Manufacturers Life Ins. Co.,</u> 242 A.D.2d 175, 672 N.Y.S.2d 39 (1st Dep't) <u>lv. dismissed in part and denied in part</u> , 92 N.Y.2d 1000, 684 N.Y.S.2d 186 (1998).....	13, 18
<u>High Tides, LLC v. DeMichele,</u> 88 A.D.3d 954, 931 N.Y.S.2d 377 (2d Dep't 2011).....	23
<u>Hillman v. City of New York,</u> 263 A.D.2d 529, 693 N.Y.S.2d 224 (2d Dep't 1999).....	14
<u>IDT Corp. v. Morgan Stanley Dean Witter & Co.,</u> 12 N.Y.3d 132, 879 N.Y.S.2d 355 (2009).....	17
<u>Jacobs v. Cartalemi,</u> 156 A.D.3d 605, 67 N.Y.S.3d 63 (2d Dep't 2007).....	22
<u>Lefkowitz v. Appelbaum,</u> 258 A.D.2d 563, 685 N.Y.S.2d 461.....	12, 14
<u>Leider v. Amalgamated Dwellings, Inc.,</u> 2009 WL 2984839 (Sup. Ct. New York Co. Sept. 9, 2009).....	16
<u>Lucas-Plaza Housing Development Corp. v. Corey,</u> 23 A.D.3d 217, 805 N.Y.S.2d 9 (1st Dep't 2005).....	15
<u>Mamoon v. Dot Net Inc.,</u> 135 A.D.3d 656, 25 N.Y.S.3d 85 (1st Dep't 2016).....	24
<u>Matter of Cheng Ching Wang,</u> 114 A.D.3d 939, 981 N.Y.S.2d 439, (2d Dep't 2014).....	18
<u>Matter of Weinroth,</u> 1993 WL 13715515 (Sur. Ct. New York Co. 1993).....	13
<u>O'Neill v. Warburg, Pincus & Co.,</u> 39 A.D.3d 281, 833 N.Y.S.2d 461 (1st Dep't 2007).....	21
<u>Pappas v. Tzolis,</u> 20 N.Y.3d 228, 958 N.Y.S.2d 656 (2012).....	19

Rite Aid Corp. v. Grass,
48 A.D.3d 363, 854 N.Y.S.2d 1 (1st Dep’t 2008)..... 16

Salerno v. Pandick, Inc.,
144 A.D.2d 307, 534 N.Y.S.2d 179 (1st Dep’t 1988).....24

Sargiss v. Magarelli,
12 N.Y.3d 527, 881 N.Y.S.2d 651 (2009).....13

Siegel v. Dakota, Inc.,
173 A.D.3d 515, 104 N.Y.S.3d 604 (1st Dep’t 2019).....16

Spinale v. Tag’s Pride Produce Corp.,
44 A.D.3d 370, 844 N.Y.S.2d 255 (1st Dep’t 2007).....16

Squitieri v. Trapani,
2012 WL 8677707 (Sup. Ct. Westchester Co. 2012) aff’d, 107 A.D.3d 688,
966 N.Y.S.2d 204 (2d Dep’t), lv. denied, 22 N.Y.3d 852, 975 N.Y.S.2d 385 (2013).....13

Warner v. Heath,
2020 WL 2095654 (Sup. Ct. New York Co. 2020)..... 22

PRELIMINARY STATEMENT

Plaintiff, brings the instant action against her uncle, the President of the United States, Donald J. Trump in his personal capacity; her aunt, the Honorable Maryanne Trump Barry, a retired federal judge who served sixteen years on the District Court and twenty years on the 3rd Circuit Court of Appeals, and the estate of her uncle, Robert S. Trump. Plaintiff filed a Summons and Complaint on or about September 24, 2020 (**Exhibit “A”**), alleging eight separate causes of action for fraud, conspiracy and breach of fiduciary duty based on alleged conduct dating back 40 years. Plaintiff’s Complaint should be dismissed in its entirety pursuant to **CPLR § 3211(a)(5)** as: (a) Plaintiff’s claims are time barred under the statute of limitations; and (b) Plaintiff previously litigated and settled claims with Defendants in 2001, executing General Releases which released Defendants from the claims she now asserts. To the extent that Plaintiff is attempting to assert claims for breach of fiduciary duty and fraud, fraudulent concealment and negligent misrepresentation prior to the sale of her Trump interests, Defendants seek dismissal pursuant to **CPLR § 3211(a) (7)** because Plaintiff lacks standing and she has failed to state a cause of action for each of her claims of fraud and negligent misrepresentation. Plaintiff’s claims of civil conspiracy to commit fraudulent misrepresentation and concealment and civil conspiracy to commit fraudulent inducement should be dismissed because there is no cause of action for “civil conspiracy” independent of the underlying fraud allegations.

Plaintiff makes outlandish and incredulous accusations in her Complaint, which is laden with conspiracy theories more befitting a Hollywood screenplay than a pleading in a legal action. Plaintiff even uses the thematic structure of a play to contrive a decades-long sinister plot in which she claims her aunt and uncles conspired with reputable lawyers, appraisers and other

professionals to defraud her. According to Plaintiff, the evil plan unfolded in three acts or parts she dubs the “Grift”, the “Devaluing” and the “Squeeze Out”. Neatly packaging the conspiracy as such, Plaintiff casts herself as the unknowing and unsophisticated victim. Quite the contrary, from her very public appearances this past year, it is apparent that Plaintiff has orchestrated a sophisticated plan to exact retribution for decades old, previously litigated family grievances to further her own political agenda and cash in on her family name. To borrow Plaintiff’s own thematic structure, her “First Act” commenced in December 2017 when, in blatant and willful violation of the confidentiality and non-disclosure agreement she had entered into with Defendants in 2001, she gave the *New York Times* nineteen boxes of her file from a protracted lawsuit she brought against Defendants for fraud when she filed Objections in the Queens County Surrogate’s Court to the probate of her grandfather, Fred C. Trump’s Will in 2000.¹ Plaintiff’s “Second Act” followed when she contracted with Simon & Schuster to publish her tell all book in July this year.² A month later, in an act of astonishing duplicity, she released to the press secretly recorded, private conversations she had with her aunt, Defendant Maryanne Trump Barry.³ Now for her “Third Act”, Plaintiff has commenced this lawsuit with the aid of a law firm that has all but admitted on its web site the true purpose and goal of this litigation- to weaken the President’s political influence during his post- presidency by preoccupying him with the defense of innumerable lawsuits.⁴

Plaintiff herself articulates no direct or specific evidence to substantiate her claims of fraud and conspiracy. Instead, she simply refers to a *New York Times* story published on October

¹ *Mary Trump Reveals How She Became a Top Source for The New York Times*, CNN July 7, 2020, <https://www.cnn.com/2020/07/07/media/mary-trump-book-new-york-times/index.html>

² Mary L. Trump, Ph.D., *Too Much and Never Enough: How My Family Created the World’s Most Dangerous Man*, New York, Simon & Schuster 2020 <https://users.monash.edu.au/~kallan/papers/mtrump.pdf>

³ *Mary Trump’s Secret Recordings of Aunt Knocking POTUS Slammed a “Rotten”, “Disgusting”*, Fox News August 24, 2020 <https://www.foxnews.com/media/mary-trump-blasted-for-secretly-recording-aunt-knocking-potus>

⁴ See <https://www.kaplanhecker.com/newsroom/post-presidency-con-man>

2, 2018 which purported to demonstrate that Defendant, Donald J. Trump, inherited wealth from his parents and was not totally self-made, a narrative the authors and, no doubt, the *New York Times* itself were eager to push.⁵ The *Times* article suggested that the estate planning techniques employed by the Trumps were “suspect”, notwithstanding the fact that the planning was performed under the advice, guidance and execution of experienced attorneys, accountants and other professionals in the field and notwithstanding the fact that the estate and trust tax returns survived an intense audit by the IRS. On its mission to prove that the President was not self-made, the *Times* took full advantage of the libel protections afforded it to make unsubstantiated claims that Defendants formed “sham” companies and engaged in fraud and a conspiracy to transfer vast sums of monies to themselves from their father’s companies. Seizing the opportunity to re-litigate her case and piggy back on a wave of political bias against Defendants, Plaintiff now runs with this unsubstantiated narrative, albeit with an added self-serving twist—that it was all done to defraud her. Unlike newspapers stories, claims made in lawsuits must be substantiated by admissible evidence, not speculation and conjecture about double hearsay statements from anonymous sources. Plaintiff proffers no direct evidence to support her claims of fraud or conspiracy. She paints in broad strokes and just repeatedly characterizes alleged conduct and transactions as fraudulent and conspiratorial, hoping the mantra will have a transformative effect.

Plaintiff alleges that, starting almost forty years ago, Defendants engaged in three fraudulent schemes to defraud her. First, that Defendants, through the formation and use of a purchasing and contracting company called All County Building Supply & Maintenance Corp.

⁵ See David Barstow, Susan Craig & Russ Buettner, *Trump Engaged in Suspect Tax Schemes as He Heaped Riches From His Father* *N.Y. Times*, Oct 2, 2018, <https://www.nytimes.com/interactive/2018/10/02/us/politics/donald-trump-tax-schemes-fred-trump.html>.

(“All County”) and a management company called Apartment Management Associates, Inc., (“AMA”), fraudulently siphoned value from Trump family entities in which she had a minority interest to entities Defendants owned and controlled, while disguising those transfers as legitimate business transactions (the so called “Grift”); second, that Defendants fraudulently depressed the value of her interests and the net income they generated through fraudulent appraisals and financial statements (the so called “Devaluing”); and third, that Defendants forced Plaintiff to the negotiating table to settle her lawsuit against her will by threatening her. With dramatic flair, Plaintiff alleges that when she got to the negotiating table, she was presented with a stack of fraudulent valuations and financial statements and forced to sign a written agreement against her interests (the so called “Squeeze Out”).

To get a second bite at the apple and toll the statute of limitations for fraud, Plaintiff claims that she was kept “in the dark” about the alleged fraud until *The New York Times* published its aforementioned article on October 2, 2018, despite the fact that the very documents used by the *Times* to write the article were given to it by Plaintiff a year earlier. Indeed, all of the information Plaintiff now claims forms the basis of fraud (which Defendants vehemently deny) was made known to her twenty years ago after she filed Objections to the probate of her grandfather’s Will in 2000. At that time, she retained an experienced and highly regarded trusts and estate litigator named John Barnoski, Esq., a partner of the law firm, Farrel Fritz. Plaintiff engaged in protracted litigation with two separate lawsuits in two courts, which involved significant discovery, including the exchange of tax returns, financial statements, banking statements, appraisals and other financial information regarding the testamentary and non-testamentary assets of her grandfather as well as other Trump family assets in which she shared a minority ownership interest with her aunts and uncles. Her attorney took [SCPA § 1404](#)

examinations of the attorney draftsman and witnesses to the will as well of Defendants/Executors. Eighteen months into the litigation, Plaintiff made an informed decision to settle her claims for a significant sum of money. Plaintiff admitted in her own book that she should have investigated further when she settled in 2001 but made a conscious decision to do nothing.⁶ She wasn't dragged to a negotiating table and at the last minute presented with a stack of fraudulent valuations and financial statements. On the advice of her very competent and experienced attorney, she ultimately signed a carefully worded twenty page settlement agreement, that had gone through several modifications and revisions between her attorney and attorneys for the estate and memorialized and finalized global settlement negotiations that had taken place over months, which included a termination of her Trust and a buyout of her interests in the family businesses. At no time was Plaintiff forced to relinquish her interests in the family businesses during this litigation. At any time, she could have simply withdrawn her Objections to the probate of her grandfather's Will and maintained the status quo.

FACTS MADE KNOWN TO PLAINTIFF IN THE PRIOR LITIGATION

The decedent Defendant Robert S. Trump testified at his §1404 hearing (*See Exhibit "N"*) that he began working with his father in the fall of 1991, while his father (then in his mid-eighties) was convalescing from hip replacement surgery. In view of the age of the buildings in the portfolio, Robert helped begin a campaign to perform major capital improvements which included the installation of new roofs, new boilers, elevator equipment, windows, sidewalks et cetera. (Page 44:11-24) Robert also observed that his father had an

⁶ Mary L. Trump, Ph.D., *Too Much and Never Enough: How My Family Created the World's Most Dangerous Man*, New York, Simon & Schuster 2020 <https://users.monash.edu.au/~kallan/papers/mtrump.pdf> at page 187

antiquated and inefficient system (ripe for theft) where the building superintendents controlled the purchase of supplies and equipment. Therefore, in 1992, Robert, along with his three siblings and a cousin, on the advice and blessing of their lawyers and outside accountants, formed All County to become the central purchasing agent and contractor for the Trump properties. (Page 135:10-17; Page 137:6-11) Robert testified that All County was set up “to acquire goods, services, sort of combining the purchasing power of the whole company. Rather than the system of having each individual building order individually its particular building needs, we started buying on a wholesale basis, and then--- from vendors, from suppliers, and then selling that off to the entities.” (Page 135: 2-9) Robert freely admitted that All County was a “for profit” venture. Plaintiff’s attorney had the following exchange with Robert:

- Q. And so was one of the purposes of--- All County Building Supply in addition to having the business purpose of centralized purchasing power, if you will, could mark up and generate a profit on its own. ?
- A. That’s correct.
- Q. And that was one of the other purposes?
- A. It was a purpose also, yes.
- (Page 135:24-Page 136:8)

Robert testified that, in many cases, the mark-up charged by All County was offset by the savings wholesale bulk purchasing afforded. (Page 143:5-13) Plaintiff’s attorney also observed that the markup had the effect of decreasing Fred C. Trump’s estate, which Robert acknowledged, while clarifying that the performance of major capital improvements allowed for the lawful increase in rents under New York City law which ultimately increased the profitability of his father’s companies. (Page 136:9-Page 137:7) Plaintiff’s attorney probed deeper into All County, marking and identifying cash disbursements to All County for Beach Haven Management in January and September, 1993 and entering the following exchange:

- Q. “Would it be fair to say that once you established All County as the purchasing agent, that the purchases or all of the entities would have been

through All County....? And I am going to find the same kind of entries in all of those other entities to the extent they had purchasing requirements?

A. "I believe so"

Q. And I'm going to find the same kind of entries in all of those other entities to the extent that had purchasing requirements?

A. Right

(Page 145: 3-12)

Plaintiff requested and, upon information and belief, received records from Defendants regarding All County, including its consulting contract with Fred Trump's entity, Trump Management, Inc., and letters from Fred Trump with regard to purchase orders. (Page 165: 19-166:2) Robert further testified that in 1994, he and his siblings replaced their father's company, Trump Management Inc, with their own management company, AMA. The company had a management agreement with Fred C. Trump and charged a management fee. (See Exhibit "J") This was made clear and obvious to plaintiff's attorney, when he had the following exchange with Robert:

Q. What did that (Apartment Management Associates) do?

A. It created, I believe, later, but it's in the business of managing the individual developments. What Trump Management, Inc. had really done we shifted the focus over to Apartment Management Associates.

Q. So, in effect, you took the money that was being paid from the entities to Trump Management, which was owned by your father, and that money went to a company controlled by people other than your father?

A. That's correct.

(Page 139:17- 140:5)

Not only was Plaintiff's attorney made keenly aware of All County and AMA and their business purposes, he conceded that they made for "good estate planning" by getting money out of Fred Trump's estate. (Page 141: 2-8)

Defendant's cousin, John W. Walter testified at his §1404 hearing (See Exhibit "O") that All County was formed in 1992 to have a central purchasing agent. Prior to All

County, there was an inefficient system where no one in the central office was responsible for purchasing and where the supers would order supplies for the individual buildings. (Page 257: 2-20) In questioning Mr. Walter, Plaintiff's attorney again was advised that All County made a profit through a mark-up, which he observed had the ancillary benefit of sending money "downstream" and not subject to estate taxes..." (Page 262:18-21)

Plaintiff was provided voluminous financial records, which she admits in her Complaint included years that pre-dated and postdated All County and AMA. (Complaint ¶ 92, 93) Plaintiff was given discovery with regard to loans taken by Midland Associates and elicited deposition testimony from Mr. Tosti with regard to the loans. (See Exhibit "L") In fact, plaintiff had legal access to all of Midland's financial records prior to settling her claim. Plaintiff was provided the appraisals used for the Estate and Gift tax returns and was certainly free to obtain her own valuations.

To feign ignorance and attempt to create an issue of fact, Plaintiff conjures up conspiracy theories starting with her own attorney, John Barnosky, Esq. whom she alleges may have left her in the dark due to "conflicting loyalties". (Complaint ¶ Id) Plaintiff alleges that her now deceased and silenced Trustee, Irwin Durben conspired to commit fraud with no substantive facts to support the allegation. (Complaint ¶ 78, 91) Plaintiff also alleges that, Robert Von Ancken, a licensed appraiser who worked for Grubb & Ellis, one of the nation's leading commercial real estate service firms, conspired with Defendants to produce fraudulent appraisals to devalue her interests. (Complaint ¶ 80-84) Von Ancken's company performed valuations for the two GRATs that Fred C. Trump and his wife funded in 1995 as well as valuations of Fred's Estate as of 1999. Von Ancken's work was certified by two other appraisers. (See Exhibit "U") In addition, a second valuation company, Management Planning Inc., ("MPI") had been retained

by Defendants to value the Estate and GRAT assets. The reports generated were also certified by two valuation experts. (See [Exhibit “V”](#)) To the extent that Plaintiff alleges a conspiracy to obtain fraudulent appraisals, the conspiracy must include these three other people, which is absurd.

Plaintiff alleges that Defendants ducked sales of Co-op apartments, selling only three sponsor owned apartments in 1998 and 1999 which prevented evidence of sales price information from being generated which, in turn, precluded her from adequately valuing her interests. This is patently false. Defendants provided Plaintiff detailed information on the sales of almost forty sponsor *and* non-sponsor owned apartments in the buildings in 1999 and 2000. (See [Exhibit “K”](#))

With respect to her Land Interests, Plaintiff claims they were misrepresented to her simply as rights to cash streams from ground leases and that she wasn't informed that, in addition, she had a reversion interest in the buildings themselves not just the ground leases. ([Complaint ¶ 51-52](#)) Plaintiff claims that the alleged fraudulent appraisals and alleged fraudulent maintenance and management fees lowered the net income of the buildings that stood on the land, which in turn devalued her reversion interest. Plaintiff claims that the ground leases in question were created in 1948 and were for a duration of 99 years and that she would have an ownership interest in the buildings when they reverted back to the lease owners in 2047. ([Complaint ¶ 50](#)) This is demonstrably false. First the ground leases commenced in 1950. (See [Exhibit “E”](#)) and were for an initial term of 99 years but they gave the building owners an automatic right of renewal for an *additional 99 years*. So in fact, plaintiff can only claim a minority ownership interest in the buildings in the year 2148, when she will be 183 years old. Moreover, the reversion interest in a ground lease is an obvious fact. If Plaintiff was

misinformed or misadvised with regard to it, she would have a grievance with regard to the quality of her legal representation, not a claim of fraudulent misrepresentation against Defendants.

Plaintiff alleges that she was misinformed with regard to Midland's interest in Starrett City (through Park Briar Associates, LLC) claiming that, while Defendants reported the value to her attorney as "nominal" ([Complaint ¶ 123,124](#)), it sold for \$900 Million seventeen years later in 2018. ([Complaint ¶ 123,124](#)) Plaintiff's interest would have been 1/10th of 1.4583% of the "net sale amount" after the mortgage was paid off, discounted to present value back in 2001. Of course, Defendants were not clairvoyant in 2001, and could not have predicted that a buyer would come along nearly two decades later to overcome the regulatory hurdles and community and political resistance that accompanied any attempt to sell the property.⁷ Plaintiff's complaints now don't constitute fraud, they constitute "buyer's remorse". Moreover, Plaintiff had a duty to make further inquiry in 2001 (see [Point II, infra](#)).

In April 2000, Plaintiff commenced a second lawsuit in Nassau Supreme Court, suing Defendants to compel them to continue to pay her and her family's health insurance premiums. (See [Exhibit "P"](#)) While plaintiff was litigating the second action against Defendants in Supreme Court, she had been made aware of the following facts: that Defendants, along with their cousin, formed All County and used it as the exclusive purchasing agent and general contractor for the Trump buildings as a means to take purchasing control away from the supers and to use the power of bulk purchasing; that All County was a "for profit" venture that marked up the goods and services it purchased in consideration for the legitimate business purposes it served; that All County performed extensive major capital improvements for the Trump

⁷ See Oksana Miranova. *The Lesson of Starrett City* Feb 6, 2014 <https://www.bklynr.com/the-lesson-of-starrett-city/> Discussing how a buyer's market only developed in the Mid 2000's

buildings throughout the 1990's; that AMA was formed by Defendants as the managing agent for the portfolio of real estate properties in 1994 and that it received a management fee which amount was disclosed to Plaintiff. She was aware that Midland Associates had loans on the books. She was aware of the GRATs that were created in 1995 as well as the values assigned to them. She was aware of the appraised value of the estate. If all of this smelled of fraud to Plaintiff, she could have added causes of action to her Supreme Court lawsuit in 2000.

ARGUMENT

POINT I

PLAINTIFF'S CLAIMS ARE BARRED BY THE STATUTE OF LIMITATIONS

A. Plaintiff's Fraud Claims are Untimely

Under [CPLR §213\(8\)](#) the time within which an action alleging fraud must be commenced “shall be the greater of six years from the date the cause of action accrued or two years from the time the plaintiff ... discovered the fraud, or could with reasonable diligence have discovered it.” A fraud claim accrues upon the “commission of the fraud.” See, e.g., [Armstrong v. Peat, Marwick, Mitchell & Co.](#), 150 A.D.2d 189, 191, 540 N.Y.S.2d 799, 802 (1st Dep’t 1989) (“[A]n action based upon fraud must be commenced within six years from the commission of the fraud or two years from its actual or imputed discovery”); [Lefkowitz v. Appelbaum](#), 258 A.D.2d 563, 685 N.Y.S.2d 460, 461 (2d Dep’t 1999) (a “cause of action based upon actual fraud must be commenced within six years of the commission of the fraud, or two years from the date the fraud could reasonably have been discovered, whichever is later”).

Where, as here, a claim is made that a person was fraudulently induced to enter into a contract, the time of the “commission of the fraud” is the time the person entered into the

agreement. [Carbon Capital Management, LLC v. American Express Co.](#), 88 A.D.3d 933, 939, 932 N.Y.S.2d 488, 495 (2d Dep't 2011) (fraud claim accrued at time plaintiff entered into contract with investment company in reliance on defendant's alleged misrepresentations); [Squitieri v. Trapani](#), 2012 WL 8677707 (Sup. Ct. Westchester Co. 2012), aff'd, 107 A.D.3d 688, 966 N.Y.S.2d 204 (2d Dep't), lv. denied, 22 N.Y.3d 852, 975 N.Y.S.2d 385 (2013) (claim that plaintiff was fraudulently induced to enter into agreement to swap interests in properties with defendant accrued on date of agreement); [Goldberg v. Manufacturers Life Ins. Co.](#), 242 A.D.2d 175, 672 N.Y.S.2d 39 (1st Dep't), lv. dismissed in part and denied in part, 92 N.Y.2d 1000, 684 N.Y.S.2d 186 (1998) (claim that insurer misrepresented premium payment terms of insurance policy accrued on date plaintiffs purchased policy).

The fraud is also held to have been committed when the plaintiff, or his decedent, is alleged to have parted with his or her property as a result of the defendant's misrepresentations. See [D. Penguin Brothers Ltd. v. City National Bank](#), 158 A.D.3d 432, 70 N.Y.S.3d 192 (1st Dep't 2018) (fraud cause of action accrued when plaintiff was induced to provide \$1.5 million investment based on defendants' misrepresentations); [Matter of Weinroth](#), 1993 WL 13715515 (Sur. Ct. New York Co. 1993) (claims for return of decedent's real property, funds in Keogh plan and proceeds of sale of professional cooperative apartment, alleged to have been procured by surviving spouse by fraud, coercion and undue influence, accrued at time of transfer to surviving spouse).

The "inquiry as to whether a plaintiff could, with reasonable diligence, have discovered the fraud turns on whether the plaintiff was 'possessed of knowledge of facts from which [the fraud] could be reasonably inferred'". [Sargiss v. Magarelli](#), 12 N.Y.3d 527, 532, 881 N.Y.S.2d 651, 654 (2009). If a plaintiff had "knowledge of the operative facts underlying [its]

fraud claim” more than two years before the commencement of its action, “at which time, with due diligence, [it] could have discovered the alleged fraud,” her claim is time-barred. [Brock v. Brock](#), 229 A.D.2d 457, 458, 645 N.Y.S.2d 536, 537 (2d Dep’t 1996). The “burden of establishing that the fraud could not have been discovered before the two-year period before the commencement of the action rests on the plaintiff, who seeks the benefit of the exception.” [Hillman v. City of New York](#), 263 A.D.2d 529, 693 N.Y.S.2d 224, 225 (2d Dep’t 1999), [lv. denied](#), 94 N.Y.2d 759, 706 N.Y.S.2d 80 (2000); [Lefkowitz v. Appelbaum](#), [supra](#), 258 A.D.2d at 563, 685 N.Y.S.2d at 461.

Here, Plaintiff’s claim accrued, at the latest on April 10, 2001, the date on which she entered into the Settlement Agreement. To the extent that she is attempting to assert fraud claims based on the Defendants’ actions during the twenty-year period preceding her entry into the Settlement Agreement, those claims are time-barred because they accrued earlier than April 10, 2001. Plaintiff cannot meet her burden of establishing that she was unaware of the alleged fraud and could not, with reasonable diligence, have discovered it within two years of commencing this action, which she filed on September 24, 2020.

On February 24, 2000, nearly a year before entering into the Settlement Agreement, Plaintiff’s counsel, Mr. Barnosky, questioned Defendant-Decedent, Robert Trump extensively concerning All County’s operations. Robert testified that All County was a central purchasing company set up by him, his siblings and his cousin in 1992, to acquire goods and services and combine the bulk purchasing power of the Company and to buy wholesale from vendors and suppliers and then to sell those products and services to the Company, which would also effectively take control away from the supers by removing them from the purchasing process. (See [“Exhibit N” Page 134:20- 135:17](#)) Robert freely admitted that All County was a

“for profit” venture that made money by marking up prices for the valuable business purposes it served. (Page 135:24-136:6) Robert testified that All County was formed in consultation with the Company’s lawyers and outside auditors. (Page 145:21- 146:12)

Robert Trump also testified concerning AMA, testifying that “it’s in the business of managing the individual developments” and indicating that it had taken over what Trump Management had done (Page 139:15-22). Mr. Barnosky stated that he had seen “lots of checks going out to Trump Management from the various [Trump family] entities (Page 132:22--133:2), and that he had “records of all these entities for the three years [prior to Fred’s September 18, 1991 Will] (Page 133:16-20), and that “I can assure you there are checks during the two-year period [September 1991 – September 1993] to All County Building Supply” (Page:134:20-23). Mr. Barnosky also demanded production of “the documents on All County Management, its shareholders’ agreement, and any contractual arrangements between entities in which [Fred] had an interest” during the period from September 1988 through September 1993. Such questioning put Plaintiff on notice of the alleged fraud she now claims. [Lucas-Plaza Housing Development Corp. v. Corey](#), 23 A.D.3d 217, 805 N.Y.S.2d 9 (1st Dep’t 2005) (suit alleging fraud in connection with reissuance and defeasance of long-term tax- exempt bonds untimely where plaintiff’s counsel had questioned defendants concerning the bonds’ defeasance over ten years before bringing suit).

Plaintiff admits that, since signing the Settlement Agreement, she was in possession of or had control over the 19 boxes containing these records from her file on which the New York Times based its investigation. Those documents, which Plaintiff sat on for twenty years, included the transcripts of Robert Trump and John Walter’s deposition testimonies which disclosed the existence of All County and AMA, their ownership structure and their legitimate

business purposes. Defendants did not fraudulently conceal any of this information. To the contrary, they admitted openly to it. Plaintiff was perfectly free to examine those records, or to ask counsel to do so. Under similar circumstances, the courts have consistently held that the discovery exception to the six-year fraud statute is unavailable. See, e.g., Siegel v. Dakota, Inc., 173 A.D.3d 515, 104 N.Y.S.3d 604 (1st Dep't 2019), lv. Denied 35 N.Y. 3d 902, 124 N.Y.S. 3d 309 (2020) (no basis to apply two-year discovery provision to plaintiff's fraud claim against former co-op board members where "plaintiff admits he discovered this alleged new evidence by reviewing board minutes from more than a decade ago that were available to him at that time"); Spinale v. Tag's Pride Produce Corp., 44 A.D.3d 570, 844 N.Y.S.2d 255 (1st Dep't 2007) (summary judgment properly granted dismissing complaint alleging fraudulent inducement of sale of stock where "any documents that might have been necessary for plaintiff to discover the fraud alleged ... were in his possession"); Leider v. Amalgamated Dwellings, Inc., 2009 WL 2984839 (Sup. Ct. New York Co. Sept. 9, 2009) ("it has been generally held that when the documents necessary for a claimant to discover the alleged fraud were in his possession, the discovery exception does not apply"); Rite Aid Corp. v. Grass, 48 A.D.3d 363, 364, 854 N.Y.S.2d 1 (1st Dep't 2008) (corporation "had notice of operative facts that should have prompted further inquiry as to the ... transaction, where the "key proof – financial records and internal company correspondence – had been in plaintiff's possession" since before the expiration of the two-year discovery period).

Plaintiff simply feigns ignorance of all the information that put her on notice for the alleged fraud, claiming she wasn't made aware of any of this information and that her very qualified and experienced attorney was possibly duped. (Complaint ¶ 20) Plaintiff's claim that

she was misinformed by counsel might form the basis for a legal malpractice claim but it doesn't toll the statute of limitations for fraud.

It is thus obvious that all of the information that Plaintiff claims was unknown to her until 2018 and which forms the basis of her alleged fraud claims, was plainly made known to her and her lawyer twenty years ago. Plaintiff's counsel had all the information she needed to pursue the present claims, or at the very least to pursue more intensive discovery in Plaintiff's probate contest concerning All County's billing of the Trump operating entities and the management and consulting fees, and salaries, or any loans to or from Midland which Plaintiff now claims were fraudulent. Furthermore, to the extent that any discovery was limited in the probate proceeding, Plaintiff could have pursued direct claims for fraud unrelated to the Estate when she filed the second action against Defendants in Supreme Court.

B. Plaintiff's Claims for Breach of Fiduciary Duty and Aiding and Abetting Breach of Fiduciary Duty Are Time-Barred

Plaintiff's claims for breach of fiduciary duty and aiding and abetting breach of fiduciary duty are barred by [CPLR 214\(4\)](#)'s three-year Statute of Limitations, because Plaintiff seeks money damages only, and because Plaintiff's allegations of fraud are not essential for those claims. [IDT Corp. v. Morgan Stanley Dean Witter & Co.](#), 12 N.Y.3d 132, 139, 879 N.Y.S.2d 355, 359 (2009). A review of Plaintiff's allegations supporting her claim for breach of fiduciary duty shows that they are premised on Defendants' alleged siphoning and devaluing of her interests ([Complaint](#), ¶226), which as is argued in Point III, *infra*, are derivative claims⁸

⁸ If Plaintiff could assert these claims, they would be governed by [CPLR 213\(7\)](#), which applies to actions on behalf of a corporation against an officer, director or shareholder to recover damages for waste or an injury to property. No discovery period is provided for those claims.

which she has no standing to assert. Moreover, by the time the parties entered into the Settlement Agreement, their fiduciary relationship had terminated (see [Point II, infra](#)).

Even if [213\(8\)](#)'s six-year Statute of Limitations were applicable, Plaintiff's breach of fiduciary duty claim is time barred for the same the reasons her fraud claims are time barred.

POINT II

PLAINTIFF'S CLAIMS ARE BARRED BY THE GENERAL RELEASES SHE EXECUTED IN CONNECTION WITH THE SETTLEMENT AGREEMENT

It "is well established that a valid release constitutes a complete bar to an action on a claim which is the subject of the release." [Global Minerals and Metals Corp. v. Holme](#), 35 A.D.3d 93, 98, 824 N.Y.S.2d 210, 214 (1st Dep't 2006), lv. denied, 8 N.Y.3d 804, 831 N.Y.S.2d 106 (2007); accord, [Matter of Cheng Ching Wang](#), 114 A.D.3d 939, 940, 981 N.Y.S.2d 439, 441 (2d Dep't 2014). If "the language of a release is clear and unambiguous, the signing of a release is a 'jural act' binding on the parties," [Centro Empresarial Cempresa S.A. v. America Movil, S.A.B.](#), 17 N.Y.3d 269, 276, 929 N.Y.S.2d 3, 8 (2011) (quoting [Booth v. 3669 Delaware](#), 92 N.Y.2d 934, 935, 680 N.Y.S.2d 899 (1998)), which "will be enforced as a private agreement." [Appel v. Ford Motor Co.](#), 111 A.D.2d 731, 732, 490 N.Y.S.2d 228, 229 (2d Dep't 1985).

That Defendants are alleged to have been co-partners with Plaintiff in Midland or are otherwise alleged to have been acting as fiduciaries when entering into the Settlement Agreement, does not affect the enforceability of the release. It is well-settled that where, as here, "the fiduciary relationship is no longer one of unquestioning trust," [Centro Empresarial Cempresa S.A.](#), supra, 17 N.Y.3d at 278, 929 N.Y.S.2d at 9, a sophisticated principal or one represented by sophisticated counsel, is able to release her fiduciary from all claims. Id.; accord

[Arfa v. Zamir](#), 17 N.Y.3d 737, 738, 929 N.Y.S.2d 11, 12 (2011); [Pappas v. Tzolis](#), 20 N.Y.3d 228, 233, 958 N.Y.S.2d 656, 659 (2012). When Plaintiff agreed to relinquish her interest in Midland and her Land Interests, the parties were already in an adversarial relationship – she had filed her objections contesting Fred’s Will and had brought her action against Defendants to require them to reinstate insurance coverage for Fred III’s son, William, which she alleges was discontinued out of spite by the Defendants. In addition, her complaint alleges that Robert attempted to force her to sell her interests, by threatening that Defendants would put Midland into bankruptcy and put her in a position where she would pay income taxes for the rest of her life, without receiving any further income. The First Department in [Arfa v. Zamir](#), [supra](#), found that a similar threat to damage a co-shareholder’s interest evidenced such an adversarial relationship. 76 A.D.3d at 60, 905 N.Y.S.2d at 80.

Moreover, in the adversarial context, a “heightened degree of diligence [was] required of [Plaintiff] and [she cannot] reasonably rely on [Defendants’] representations without making additional inquiry to determine their accuracy” [Arfa](#), 76 A.D.2d at 60, 905 N.Y.S.2d at 80 (quoting [Global Mins. & Metals Corp. v. Holme](#), [supra](#), 35 A.D.3d at 100, 824 N.Y.S.2d at 216 (1st Dep’t 2006), [lv denied](#), 8 N.Y.3d 804, 831 N.Y.S.2d 106 (2007)). Plaintiff did not exercise such diligence, notwithstanding that she was plainly on notice, through her counsel’s questioning of Robert Trump concerning the ‘fraud’ of which she now complains. “There is no prerequisite to the settlement of a fraud case that the (fiduciary) defendant must come forward and confess to all his wrongful acts in connection with the subject matter.” [Centro Empresarial Cempresa S.A.](#), [supra](#), 17 N.Y.3d at 278, 929 N.Y.S.2d at 9.

The release is also enforceable under the well-settled rule that “a party that releases a fraud claim may later challenge the release as fraudulently induced only if it can

identify a separate fraud from the subject of the release.” [Centro Empresarial Cempresa S.A.](#), [supra](#), 17 N.Y.3d at 276, 929 N.Y.S.2d at 8. Plaintiff has not done so here. There can be no dispute that the release executed by Plaintiff encompasses fraud claims, including any fraud claims that were allegedly unknown at the time of the settlement. In [Centro Empresarial Cempresa S.A.](#), where, like here, the Plaintiffs alleged that the defendants had fraudulently induced them to sell their minority investment in a telecom company (which they owned through a limited liability company), the Plaintiffs executed a release in connection with the sale releasing the defendants from:

all manner of actions ... whatsoever ... whether past, present or future, actual or contingent, arising under or in connection with the Agreement Among Members and/or arising out of ... the ownership of membership interests in [TWE]....

17 N.Y.3d at 274, 929 N.Y.S.2d at 60. The Court of Appeals held that the phrase “all manner of actions” in conjunction with the reference to “future” and “contingent” actions “indicates an intent to release defendants from fraud claims, like this one, unknown at the time of the contact.”

[Id.](#)

The general releases Plaintiff signed are even broader, releasing Defendants from:

all actions ... whatsoever, in law, admiralty or equity, which against the RELEASEE ... the RELEASOR ever had, now have or hereafter can, shall or may, have for, upon, or by reason of any matter, cause or thing whatsoever, from the beginning of the world to the day of the date of this RELEASE.

All of Plaintiff’s current claims are within the terms of the Releases she executed in 2001.

POINT III

PLAINTIFF LACKS STANDING TO ASSERT ANY CLAIM TO RECOVER FOR DEFENDANTS’ ALLEGED BREACH OF FIDUCIARY DUTY PRIOR TO THE APRIL 10, 2001 SETTLEMENT

Plaintiff claims that, for some twenty years prior to relinquishing her Midland Interests in the April 10, 2001 settlement, Defendants engaged in various schemes to diminish the value of her investment, by siphoning profits from the two corporations and two limited liability companies in which she held her interests.⁹ These include her allegations concerning the markups taken by All County as a middleman, Defendants' alleged charging of "exorbitant management fees, consulting fees and salaries" to these entities through Trump Management and AMA, and by causing these entities to make loans to other Trump entities they controlled, at preferential rates or which did not require repayment.

All of these claims are classic derivative claims which do not accrue to a shareholder individually. As the Court of Appeals held in the leading case of [Abrams v. Donati](#), 66 N.Y.2d 951, 953, 498 N.Y.S.2d 782, 783 (1985):

[A]llegations of mismanagement or diversion of assets by officers or directors to their own enrichment, without more, plead a wrong to the corporation only, for which a shareholder may sue derivatively but not individually.

This rule applies to claims that such diversion and self-dealing caused the "diminution of the value of [a shareholder's] stock holdings." [O'Neill v. Warburg, Pincus & Co.](#), 39 A.D.3d 281, 281-282, 833 N.Y.S.2d 461, 462 (1st Dep't 2007).

Because the heart of the alleged injury is the diminution of the value of shares of QoS Networks Limited, a start-up company in which plaintiffs were minority shareholders, the argument that plaintiffs are entitled to bring a direct action against Warburg, the majority shareholder, is unavailing under New York Law.

⁹ Highlander Hall, Inc. and Coronet Hall, Inc., and Midland Associates, LLC and Park Briar Associates, LLC ([Complaint ¶¶55](#)).

Id. at 282, 833 N.Y.S.2d at 462. Accord Elghanian v. Harvey, 249 A.D.2d 206, 207, 671 N.Y.S.2d 266 (1st Dep't 1998) (“The motion court correctly determined that plaintiff’s claim for diminution of the value of his stock holdings in defendant Artra was a derivative cause of action belonging to that corporation and not to plaintiff individually”). The same rules apply to claims for self-dealing and diminution in value brought by members of a limited liability company. See, e.g., Jacobs v. Cartalemi, 156 A.D.3d 605, 608, 67 N.Y.S.3d 63, 66-67 (2d Dep’t 2007); Warner v. Heath, 2020 WL 2095654, at *13-14 (Sup. Ct. New York Co. 2020).

It is equally well settled that when a shareholder or member of a limited liability company disposes of her shares or membership interest, she no longer has standing to sue derivatively. See Ciullo v. Orange and Rockland Util. Inc., 271 A.D.2d 369, 706 N.Y.S.2d 428 (1st Dep’t 2000) (“Plaintiffs lack standing to challenge dismissal of their complaint since they are no longer shareholders in defendant corporation, having tendered their shares for cash in the merger of defendant corporation into another corporation”); Jacobs v. Cartalemi, supra.

Thus, as Plaintiff is not a shareholder or member of any of the Midland entities, she has no standing to prosecute her claim for breach of fiduciary duty on behalf of any of those entities.

POINT IV

PLAINTIFF’S PRE-SETTLEMENT CLAIMS FOR FRAUD, FRAUDULENT CONCEALMENT AND NEGLIGENT MISREPRESENTATION MUST BE DISMISSED BECAUSE SHE HAS NOT PLEADED THAT SHE JUSTIFIABLY RELIED ON DEFENDANTS’ ALLEGED MISREPRESENTATIONS AND CONCEALMENT

To plead claims for fraud and fraudulent concealment, Plaintiff must plead the element of justifiable reliance. Similarly, Plaintiff must plead reasonable reliance to sustain her

claim for negligent misrepresentation. [High Tides, LLC v. DeMichele](#), 88 A.D.3d 954, 959, 931 N.Y.S.2d 377, 383 (2d Dep't 2011).

Although Plaintiff claims that Defendants misrepresented and concealed that they were allegedly siphoning money from the Trump entities in which she was interested and depressing the value of her interests for years prior to the April 2001 settlement, she does not plead that she took any action in reliance on such alleged misrepresentation and concealment before she tendered her shares in connection with the Settlement Agreement.

The First Department recently affirmed this Court's dismissal of a similar claim for fraudulent concealment in [Brawer v. Lepor](#), 188 A.D.3d 482 (1st Dep't 2020), holding that the complaint failed to allege how plaintiff relied to his detriment on a limited liability company's president and vice president's concealment of the company's 43.5% member's self-dealing and their own self-dealing by causing the company to pay their personal expenses. The plaintiff (the company's other 43.5% member) did not allege that their concealment caused him to retain his membership interest or to take any other action in reliance on such concealment to his damage.

Here, too, Plaintiff fails to allege that she took any action in reliance over the 20-year period on Defendants' alleged fraud and fraudulent concealment, or their alleged negligent misrepresentations. Accordingly, her claims for fraud, fraudulent concealment and negligent misrepresentation, to the extent that they rely on actions allegedly taken by the Defendants prior to the April 10, 2001 settlement, should be dismissed.

POINT V

PLAINTIFF'S CONSPIRACY CAUSES OF ACTION MUST BE DISMISSED

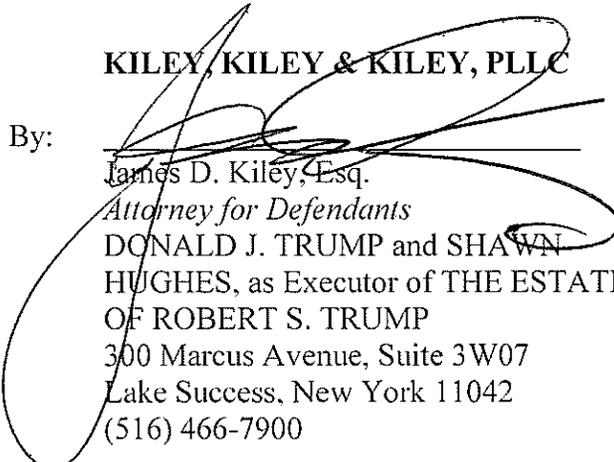
Plaintiff's claims of "civil conspiracy to commit fraudulent misrepresentation and fraudulent concealment" (Count 5) and "civil conspiracy to commit fraudulent inducement" (Count 6) must be dismissed, because "New York does not recognize an independent cause of action in tort for conspiracy." EVEmeta LLC v. Siemens Convergence Creators Corp., 173 A.D.3d 551, 553, 104 N.Y.S.3d 607, 610 (1st Dep't 2019); accord Mamoon v. Dot Net Inc., 135 A.D.3d 656, 658, 25 N.Y.S.3d 85, 88 (1st Dep't 2016); Salerno v. Pandick, Inc., 144 A.D.2d 307, 308, 534 N.Y.S.2d 179, 180 (1st Dep't 1988). In any event because the underlying fraud claims are time-barred, any such conspiracy claims are unsustainable.

CONCLUSION

For all of the foregoing reasons, Plaintiff's complaint should be dismissed as against Defendants Donald J. Trump and Shawn Hughes, as Executor of the Estate of Robert S. Trump pursuant to CPLR§ 3211(a)(5)& (7).

Dated: Lake Success, NY
December 22, 2002

KILEY, KILEY & KILEY, PLLC

By: 

James D. Kiley, Esq.

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EXHIBIT "N"

ORIGINAL

SURROGATE'S COURT:

QUEENS COUNTY

-----x

PROBATE PROCEEDING,

WILL OF

File No.

FRED C. TRUMP,

3949-99

Deceased.

-----x

February 24, 2000

9:53 a.m.

Examination of ROBERT S. TRUMP, taken by respondent, held at the offices of Stephen J. Schwartz, P.C., 3000 Marcus Avenue, Lake Success, New York, pursuant to Section 1404, before Lisa Stein, a Shorthand Reporter and Notary Public within and for the State of New York.

TRISTAR COURT REPORTING SERVICE, INC.
(212) 922-9144

1 R. Trump

2 death?

3 A. You want to relate it to the five-year
4 period; yes?

5 Q. Yeah.

6 A. He owned it.

7 Q. He owned it, okay.

8 Did you ever come to get an ownership
9 position in any of the family -- his entities
10 during the three years after October 1991?

11 A. The only ownership I had was what we
12 called the Midland Group.

13 MR. LAURINO: Two years.

14 MR. BARNOSKY: Two years.

15 A. The Midland Group properties, which I
16 had been a partner in for years with my brothers
17 and my sisters.

18 Q. So you --

19 A. And during that period of time I had no
20 ownership in anything. I was merely an employee.

21 Q. And your ownership position at Midland
22 stayed the same?

23 A. That's correct.

24 Q. You said there were, I thought you said,

1 R. Trump
2 a number of things that were tax driven that were
3 on the table. Was there anything else that was in
4 any way estate tax driven, that you recall, when
5 you came there?

6 A. Again, I don't think of it -- I'm not a
7 lawyer and I'm not an accountant. I don't think
8 of that as an estate tax per se. I think of that
9 as enhancing the value of the company, enhancing
10 the value of the underlying company.

11 And I mentioned the capital improvements
12 that were required to be done on those two
13 buildings, the Trump Village buildings, because it
14 was really typical of the rest of the portfolio.
15 Those buildings were sort of the approximate age
16 of many of the other buildings in the company's
17 portfolio. And a lot of those buildings did need
18 substantial amounts of capital improvement.

19 So it really became, if you will, the
20 next phase of, you know, moving the company, the
21 succession planning, if you will, of the company,
22 to upgrade the quality of the portfolio in terms
23 of physical plant things like roofs, boilers,
24 sidewalks, elevator equipment.

1 R. Trump

2 A. Yes, he owned Beach Haven and Shore
3 Haven.

4 Q. But you don't think Fred and Mary, my
5 Fred and Mary, had an interest in that?

6 A. I believe they're part -- I believe they
7 inherited from their father part of the ground
8 lease underlying those developments along with my
9 brothers and sisters. And that's the ground lease
10 with the tenant being Beach Haven and Shore Haven.

11 Q. So the ground lease is not something
12 your father had an interest in?

13 A. That's correct.

14 Q. So you think it is a correct statement
15 that there were no entities in which your father
16 had an interest simultaneously with Fred and Mary
17 having an interest?

18 A. I believe that's correct.

19 Q. Are there any Trump family entities or
20 partnerships, corporations that are payees of any
21 of the partnerships which we've seen the documents
22 on? In other words, you know what I'm saying, I
23 saw, for example, there are lots of checks going
24 out to Trump Management from the various entities,

1 R. Trump
2 Trump Management obviously is the management
3 company, and that was owned by your father; right?

4 A. That's correct.

5 Q. So that's just going from one pocket to
6 the other?

7 A. Uh-huh.

8 Q. Is that right?

9 A. That's correct.

10 Q. There was something called Trump
11 payroll, same sort of thing, going from your
12 father's money to other pockets of your father's
13 money?

14 A. That was the payroll disbursement arm,
15 if you will.

16 Q. But was there any monies, and I've got
17 records of all these entities for the three years,
18 are there any monies going from the entities in
19 which your father owned to other entities in which
20 other Trump family members have an interest?

21 A. I don't believe during the two-year
22 period. I don't believe during the first two-year
23 period.

24 Q. Do you know that for a fact?

1 R. Trump

2 A. I don't know it for a fact.

3 Q. There are entities within -- that other
4 Trump family members have an interest that there
5 were checks coming from the various partnership
6 interests?

7 A. Which I believe were created later after
8 the two-year period.

9 Q. What are the names of those entities?

10 A. One is Apartment Management Associates,
11 which manages the apartment --

12 MR. LAURINO: Is this beyond the
13 two-year period?

14 MR. BARNOSKY: He said he wasn't sure.

15 THE WITNESS: I believe it is.

16 Q. Well, if I can just get the names, I can
17 then check the checkbooks. I won't pry. Just
18 give me the names.

19 A. The other is All County Building Supply.

20 Q. Well, I can assure you there are checks
21 during the two-year period to All County Building
22 Supply. Tell me about All County Building
23 Supply.

24 A. It's a purchasing -- in essence, a

1 R. Trump
2 purchasing company set up to acquire goods,
3 services, sort of combining the purchasing power
4 of the whole company. Rather than the system of
5 having each individual building order individually
6 its particular building needs, we started buying
7 on a wholesale basis, and then -- from vendors,
8 from suppliers, and then selling that off to the
9 entities.

10 Q. And that's a corporation, All County
11 Building -- it's actually All County Building
12 Supply and Maintenance?

13 A. I don't know if it's a corporation or a
14 partnership. I'm not sure.

15 Q. Who owns that?

16 A. My two sisters, my brother, myself, and
17 my cousin John Walter.

18 Q. And did you have anything to do with the
19 setting up of that corporation?

20 A. I was -- yes, I was involved.

21 Q. Were there attorneys involved?

22 A. Yeah, there likely were, but I can't
23 tell you who it was. I wouldn't know who it was.

24 Q. And so was one of the purposes of -- All

1 R. Trump

2 County Building Supply in addition to having the
3 business purpose of centralized purchasing power,
4 if you will, could mark up and generate a profit
5 on its own?

6 A. That's correct.

7 Q. And that was one of the other purposes?

8 A. It was a purpose also, yes.

9 Q. So to the extent that that markup was
10 created at a level outside of your father's
11 entity, in effect it had the effect of decreasing
12 his estate; right?

13 A. Possibly to some extent offsetting that
14 is the fact that by buying through a third-party
15 vendor items of supply, plumbing fixtures, things
16 like kitchen cabinets, et cetera, my father's
17 company was able to increase the rents that he
18 charges for the apartment units under what they
19 call MCI, major capital improvement. And if you
20 do renovations through an outside third-party
21 company, you can then increase the rent on a
22 particular unit one-fortieth the cost of the
23 improvement; and then over the first 40 months you
24 could receive back the amount that was paid in the

1 R. Trump
2 form of rent. After that 40-month period, the
3 rent stays at the same level, it doesn't get
4 rolled back, so really the estate at that point
5 is ~~is~~^{the} beneficiary of having done that transaction.

6 Q. Who initiated the idea of this All
7 County building?

8 A. I would say probably it was my idea.
9 Mine, I think, in consultation with our lawyers,
10 with our outside auditors. I know John Walter was
11 involved as well.

12 Q. We're going to go over -- I have a
13 statement for September of '93, and there were
14 payments being made then. The entity was
15 obviously then created prior to that.

16 Did Mr. Sheehan have anything to do with
17 this?

18 A. No, he didn't.

19 Q. Mr. Durben, to your knowledge?

20 A. I would say, yes, they were probably
21 involved. I don't know if it was Mr. Durben or
22 Mr. Tosti.

23 Q. Involved in the mechanics of the
24 creation?

1 R. Trump

2 A. The creation and also the discussion
3 leading up to the creation of that, of the entity.

4 Q. Are there any agreements that exist for
5 the shareholders of All County, any shareholder
6 agreements, to your knowledge?

7 A. There probably are. I don't know where
8 they would be.

9 Q. Are there contractual agreements between
10 All County and the Trump Organization, if you
11 will, as to being the exclusive purchasing agent
12 and the level of markups, that sort of thing?

13 A. There would be agreements back and
14 forth, but I don't recall what those agreements
15 contained.

16 Q. Was this done as part of the project
17 that you were talking about, one of the projects
18 were these capital improvements on many of the
19 buildings?

20 A. In part, it was done in part to do
21 that. And we found that by each individual
22 building buying its own supplies, its own
23 maintenance, there was no centralized control;
24 there was nobody telling the building

1 R. Trump
2 superintendent what he could order or could not
3 order. So we felt the large combined purchasing
4 power, which we were not taking advantage of, so
5 we decided to take advantage of it.

6 It also relates to some of the capital
7 improvements to the extent we could increase the
8 cost of items and then get higher rents within the
9 various entities.

10 Q. Is McFar -- did you ever hear of that,
11 M-c-f-a-r, is that another family-owned entity?

12 A. No, it's not.

13 Q. That's a third party?

14 A. A third-party contractor.

15 Q. The other name that you gave?

16 A. Apartment Management Associates.

17 Q. What did that do?

18 A. It created, I believe, later, but it's
19 in the business of managing the individual
20 developments. What Trump Management, Inc. had
21 really done we shifted the focus over to Apartment
22 Management Associates.

23 Q. So, in effect, you took the money that
24 was being paid from the entities to Trump

1 R. Trump

2 Management, which was owned by your father, and
3 that money went to a company controlled by people
4 other than your father?

5 A. That's correct.

6 Q. Are those the only two names you can
7 think of?

8 A. I believe so, yes.

9 Q. When was it that -- I'm sorry, that
10 other name was Apartment?

11 A. Management Associates.

12 Q. Did this All County Building also act as
13 the purchasing agent for Midland?

14 MR. LAURINO: Excuse me, we're going
15 back again to something that does not belong
16 in the estate. You know, I didn't object.
17 This is a probate proceeding, not an
18 accounting proceeding.

19 MR. BARNOSKY: I understand that.

20 MR. LAURINO: You may understand it, but
21 you keep diverting back to Midland and he's
22 not going to answer any questions about
23 Midland.

24 MR. BARNOSKY: You have estate assets,

1 R. Trump
2 what was at one point estate assets, being
3 diverted, if you will, to entities not
4 controlled by the decedent; and to that
5 extent, in effect, this is part of an overall
6 testamentary plan. I would submit, may be
7 good estate planning, but it got money out of
8 Fred Trump's estate and someplace else.

9 MR. LAURINO: And at the appropriate
10 time when you prevail at that time you can
11 start an action for a judicial accounting.

12 MR. BARNOSKY: I'm not looking for
13 numbers. I'm looking to find --

14 MR. LAURINO: Or you can dissolve the
15 partnership.

16 MR. BARNOSKY: I think I'm allowed to
17 inquire as part of a pattern of what was
18 happening here. This is the pattern of the
19 planning; whose idea was it and who set it up
20 and everything.

21 DI MR. LAURINO: I'm going to object and
22 I'm going to direct that he not answer.

23 MR. BARNOSKY: Let's mark --

24 MR. LAURINO: This is not a judicial

1 R. Trump

2 accounting.

3 MR. BARNOSKY: I told you I was aware of
4 that.

5 Let's mark -- and I apologize, I don't
6 have multiple copies of some of these because
7 I wasn't sure I was going to use them. This
8 is from the documents that were produced.
9 It's called cash disbursements for an entity
10 called Beach Haven Management for September
11 1993. Let's mark it, and I'm just going to
12 refer to it.

13 (Respondent's Exhibit 86, cash
14 disbursements for Beach Haven Management for
15 September 1993, marked for identification, as
16 of this date.)

17 Q. You'll see on the first page there are
18 three entities to that All County. That's the All
19 County we're talking about; right?

20 A. Yes.

21 Q. And those are payments made from -- I
22 just randomly picked one entity -- to All County?

23 A. That's correct.

24 Q. Prior to the establishment of All

1 R. Trump
2 County, those payments -- the purchasing was being
3 done directly to the vendors?

4 A. Yeah, albeit a higher price.

5 Q. Albeit a higher price, but here
6 presumably All County would buy what you say is a
7 lower price, then there would be a markup on its
8 charge to the various Trump entities; right?

9 A. Yes, but I'm not sure the Trump entities
10 wound up paying more. The purchasing power, as I
11 said, more than offset in many cases, if not all
12 cases, certainly many of the cases, offset the
13 markups that All County was receiving.

14 Q. I understand.

15 A. And, again, in some cases it was
16 beneficial; the higher the markup would be, the
17 higher the rent that might be charged on
18 particular apartments, or the greater the tax
19 reductions could be on the development under the
20 City's J-51 plan.

21 Q. But All County could have been set up
22 with your father owning it and achieved the same
23 purpose?

24 A. Theoretically. No, it actually could

1 R. Trump
2 not because then you could not take advantage of
3 the rent increases nor could you take advantage of
4 the tax reductions. It had to be a third-party
5 entity doing the work.

6 Q. Do you know -- you said you didn't know
7 exactly when All County was created.

8 MR. BARNOSKY: I'm going to mark as the
9 next exhibit cash disbursements for the same
10 Beach Haven for January '93.

11 (Respondent's Exhibit 87, cash
12 disbursements for Beach Haven for January
13 '93, marked for identification, as of this
14 date.)

15 Q. This is January '93. You'll see again
16 on the first page some disbursements to All
17 County.

18 A. Okay.

19 Q. Suggesting that All County was in
20 existence at least as early as January of '93;
21 right?

22 A. That would be correct, yes.

23 Q. I'm going to -- I'm not going to burden
24 you with going through every document.

1 R. Trump

2 A. Thank you.

3 Q. Would it be fair to say that once you
4 established All County as the purchasing agent,
5 that the purchases for all of the entities would
6 have been through All County just as we're now
7 seeing happened with Beach Haven?

8 A. I believe so.

9 Q. And I'm going to find the same kind of
10 entries in all of those other entities to the
11 extent they had purchasing requirements?

12 A. Right.

13 Q. Tell me about -- and I'm going to go
14 through and see if we can find out exactly when
15 that started.

16 A. We can look it up for you, in all
17 fairness.

18 Q. I think I have it here. I just didn't
19 know that that was relevant when I was going
20 through it, so I have to find the earliest entry.

21 Did your father participate in the
22 discussions about the creation of this All County
23 mechanism?

24 A. Yes.

1 R. Trump

2 relationship, to the extent it existed, between
3 himself and Fred and Mary's mother?

4 A. Not during this five-year period, no.

5 Q. Did your father provide, to your
6 knowledge, any financial benefits to my clients'
7 mother?

8 A. I believe he did, yes.

9 Q. Apartment?

10 A. There were a variety of benefits.

11 Q. Did he have any relationship with her,
12 to your knowledge?

13 A. He did not.

14 Q. Did your mother?

15 A. She did not.

16 MR. BARNOSKY: Why don't you just give
17 me five minutes.

18 (Recess taken.)

19 RQ Q. I'm through. I would just like to, on
20 the record, request the documents on All County
21 Management, its shareholders' agreement, and any
22 contractual arrangements between entities in which
23 your father had an interest, and to the extent
24 that they exist during the five-year period on

1 R. Trump

2 both of those corporations.

3 MR. LAURINO: We'll furnish you with the
4 dates. And I think one of them is in '94.
5 And that's essentially the reason why you
6 don't have any records on that one. And if
7 it's '94, we'll give you the date, but
8 nothing more than that.

9 MR. BARNOSKY: I understand.

10 MR. LAURINO: But if my records are
11 correct, you were going to furnish me with
12 copies of '85 through '89.

13 MR. BARNOSKY: Yeah, we can either do
14 that right now or send it to you.

15 MR. LAURINO: You can send it to me.

16 (Continued on the following page.)

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24

C E R T I F I C A T E

STATE OF NEW YORK)

: SS.

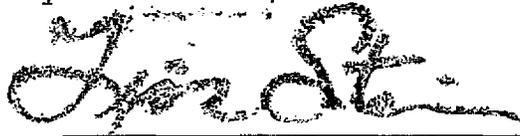
COUNTY OF NEW YORK)

I, LISA STEIN, a Shorthand Reporter and a Notary Public within and for the State of New York, do hereby certify that the foregoing deposition of ROBERT S. TRUMP was taken before me on the 24th day of February, 2000;

That the said witness was duly sworn before the commencement of his testimony; that the said testimony was taken stenographically by me and then transcribed.

I further certify that I am not related by blood or marriage to any of the parties to this action nor interested directly or indirectly in the matter in controversy; nor am I in the employ of any of the counsel in this action.

IN WITNESS WHEREOF, I have hereunto set my hand this 6th day of March, 2000.



LISA STEIN

TRISTAR COURT REPORTING SERVICE, INC.
(212) 922-9144

EXHIBIT "O"

COPY

SURROGATE'S COURT:

QUEENS COUNTY

-----X

PROBATE PROCEEDING,

WILL OF

File No.

FRED C. TRUMP,

3949-99

Deceased.

-----X

Surrogate's Court, Queens County

88-11 Sutphin Boulevard

Jamaica, New York

March 7, 2000

9:55 a.m.

Examination of JOHN W. WALTER, taken by respondent, held at the above-noted time and place, pursuant to Section 1404, before Lisa Stein, a Shorthand Reporter and Notary Public within and for the State of New York.

TRISTAR COURT REPORTING SERVICE, INC.
(212) 922-9144

1 J. Walter

2 Q. A person named Sam Goldman at one
3 point?

4 A. Sam Goldman was a bookkeeper who
5 worked for Bill Price.

6 Q. Did he leave?

7 A. He left at 78 or something.

8 Q. At age 78?

9 A. Yes. I mean, he's well in his
10 seventies. Didn't look it, but.

11 You have to understand that we're
12 mostly computerized now and in the earlier years
13 everything was hand-posted in ledger papers and
14 that work subsided.

15 Q. Was there someone in charge of
16 purchasing?

17 A. No, but during that time frame after
18 the will, not before, I guess 1992 probably,
19 Mr. Trump had, after I had come back, had said
20 that he wanted me to reinitiate a purchasing
21 system that I had done in the '60s and stopped
22 when I went with Teleprompter, and so he had
23 liked that program but there was nobody to run
24 it while I was gone, so he said we should do
25 that again and take advantage of purchasing.

1 J. Walter

2 Q. Is that what led to the creation of
3 this All County Building?

4 A. Yes.

5 Q. And that was sometime in '92?

6 A. Yes. I started writing the computer
7 program for it in August of '92.

8 Q. That was your idea to do that?

9 A. It was his idea. And I said, well,
10 this time let's computerize it. Doing it by
11 hand is going to take forever.

12 Q. In '91 who was doing the purchasing?

13 A. In '91 it was the supers. The same
14 way as it always had been. The supers would
15 order supplies.

16 Q. There was no one in central office
17 whose responsibility was purchasing?

18 A. No. It was basically decentralized
19 for each building ordered their own and then Mr.
20 Trump would.

21 Q. Are the names you gave me pretty much
22 all of the people that are at the top of the
23 pecking order? Was there anyone that was in any
24 way viewed higher than any of the people you
25 named that you didn't mention?

1 J. Walter

2 A. I don't think there's anyone higher.
3 I think that's probably it, unless you have some
4 other names to refresh my memory.

5 Q. No, that's why I'm asking you.

6 So All County, that was a
7 corporation --

8 A. Yes.

9 Q. -- that was formed?

10 A. Yes.

11 Q. Were you instrumental in instructing
12 some lawyer to incorporate the business?

13 A. Yes.

14 Q. Who that was lawyer?

15 A. Durben probably or Tosti, one of the
16 two.

17 Q. It was set up to serve as a central
18 purchasing organization?

19 A. Correct.

20 Q. And it would do purchasing, and the
21 cost would then be allocated to the various
22 entities that owned various properties; right?

23 A. It would be allocated to the entity
24 that needed it specifically, yes.

25 Q. And who were the shareholders of All

1 J. Walter

2 County?

3 A. Myself, Robert, Donald, Maryanne and
4 Elizabeth.

5 Q. In equal shares?

6 A. Yes.

7 Q. And that's a Sub-S Corporation?

8 A. Yes.

9 Q. And when did it start doing business,
10 do you know?

11 A. Well, I think we were incorporated in
12 August of '92. We probably started doing test
13 business, if you understand that, because I'm
14 designing a computer system as the company is
15 starting to function, so we did test purchases
16 just to get it through the system probably in
17 September or October. There was really no
18 significant business of consequence in 1992, and
19 as the computer system could carry it, we
20 started doing more business in '93.

21 Q. It was intended that this business
22 was going to do some markups so that it could
23 make a profit; right?

24 A. Well, what was intended was there
25 were a lot of reasons why All County made

1 J. Walter
2 sense. First of all, Mr. Trump was very
3 concerned about the price of what we charged,
4 what we could use to establish a capital --
5 major capital improvement for rent increase
6 purposes.

7 Because of the rent stabilization
8 program, a landlord in New York City, New York
9 State, is allowed to increase the rent by a
10 specific percentage, which is set each year by
11 the Rent Stabilization Board. The only way a
12 landlord can increase the rent over and above
13 that amount is to make some significant capital
14 improvement to its property. The idea being,
15 the State will acknowledge if you improve your
16 property, will allow you to pass the cost of
17 that on to the tenant in an increased rent that
18 is one-fortieth the cost of the improvement.

19 So if Mr. Trump, in his expert
20 negotiation ability, gets a refrigerator from
21 P.C. Richard's for \$200, that a normal person
22 could go and buy for \$350, he then delivers that
23 refrigerator, has P.C. Richard deliver that
24 refrigerator for \$200, or whatever, to the
25 building, has his staff, Mr. Trump's staff,

1 J. Walter
2 carry it up to the building because there's no
3 -- the delivery charge will only be made to the
4 building, A, if a tenant did that, the cost
5 would be 350 plus 25 delivery, he's only getting
6 250 plus no delivery.

7 He said, that makes no sense. I
8 should be able to get the same benefit that it
9 would cost the tenants. So he said, devise a
10 method -- you have to understand the thinking
11 that went behind this.

12 Q. I understand.

13 A. So All County would then charge the
14 \$25 and then, therefore, he could get credit for
15 it, and that was with a markup. You asked about
16 a markup.

17 Q. My question started, and so it was
18 intended that the corporation make a profit;
19 right?

20 A. It was intended that the family make
21 a profit.

22 Q. The corporation make a profit and
23 distribute it to its shareholders?

24 A. Okay.

25 Q. And, in fact, it did make a profit?

1 J. Walter

2 A. It did.

3 Q. And that was a Sub-S Corporation and
4 that profit went out to the shareholders?

5 A. That's correct.

6 Q. And do you recall how much profit was
7 distributed to the shareholders in 1993?

8 A. To each shareholder, a few thousand
9 dollars.

10 Q. And Mr. Trump was not a shareholder?

11 A. That's correct, he didn't choose to
12 be one.

13 Q. And why was that?

14 A. He said it didn't make much sense.

15 Q. Why is that?

16 A. He said because he would have to pay
17 a death tax on it.

18 Q. So one of the ancillary benefits was
19 to the extent that the money went downstream, it
20 wasn't going to be subject to estate taxes?

21 A. Correct. He loved to save taxes.

22 Q. How did it come to pass that you were
23 one of the shareholders?

24 A. He asked me to do it and said I
25 should be a shareholder.

C E R T I F I C A T E

STATE OF NEW YORK)

: SS.

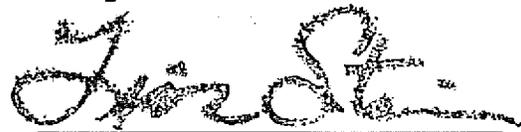
COUNTY OF NEW YORK)

I, LISA STEIN, a Shorthand Reporter and a Notary Public within and for the State of New York, do hereby certify that the foregoing deposition of JOHN W. WALTER was taken before me on the 7th day of March, 2000;

That the said witness was duly sworn before the commencement of his testimony; that the said testimony was taken stenographically by me and then transcribed.

I further certify that I am not related by blood or marriage to any of the parties to this action nor interested directly or indirectly in the matter in controversy; nor am I in the employ of any of the counsel in this action.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of March, 2000.



LISA STEIN

TRISTAR COURT REPORTING SERVICE, INC.
(212) 922-9144