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STATE OF NEW JERSEY  
CASINO CONTROL COMMISSION  
May 28, 1987 - 10:00 a.m.  
3131 Princeton Pike  
Lawrenceville, New Jersey

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NEW JERSEY  
CASINO CONTROL COMMISSION

In Regard to the Matter of: x TRANSCRIPT OF  
: PROCEEDINGS  
Application of Trump's Castle :  
Associates for renewal of its : VOLUME I  
casino license. :  
: Pgs. 1 through 139  
----- x

BEFORE:

- WALTER N. READ - Chairman
- CARL ZEITZ - Vice-Chair
- W. DAVID WATERS - Commissioner
- E. KENNETH BURDGE - Commissioner
- VALERIE H. ARMSTRONG - Commissioner

ALSO PRESENT:

- KAREN BIACHE - Senior Procedures Analyst
- THOMAS FLYNN - Public Information Officer

On Behalf of the Commission Staff:

- JOHN ZIMMERMAN - Legal
- BARBARA LAMPEN - Affirmative Action & Planning
- JOYOTI FLEMING - Legal
- STEVEN INGIS - Legal

On Behalf of the Division of Gaming Enforcement:

- FREDRIC GUSHIN - Deputy Attorney General
- MICHAEL VUKCEVICH - Deputy Attorney General
- JOHN ADAMS - Deputy Attorney General

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A P P E A R A N C E S:On Behalf of Trump's Castle Associates:

NICHOLAS RIBIS, ESQ.  
BRIAN SPECTOR, ESQ.

RIBIS, McCLUSKEY, GRAHAM &  
DeCOTIIS  
Short Hills Plaza  
636 Morris Turnpike  
Short Hills, NJ 07078

On Behalf of Trump Organization:

HARVEY FREEMAN, ESQ.

General Counsel and Vice-  
President of Trump Organization

On Behalf of Trump's Castle Casino:

ROBERT PICKUS, ESQ.

General Counsel of  
Trump's Castle Casino

On Behalf of the Public Advocate:

DAVID SCIARRA, ESQ.  
Assistant

Office of the Public Advocate  
Hughes Justice Complex  
CN 850  
Trenton, NJ 08625

ALSO PRESENT:

IVANA TRUMP  
DONALD TRUMP  
ROBERT TRUMP  
ROBERT FIORI  
BUCKY HOWARD  
FRANK MILLER  
SR. AGENT MARC SIVETZ



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New Jersey Casino Control Commission  
Hearing in the Matter of  
The Application of Trump's Castle Associates  
For Renewal of their Plenary Casino License  
May 28, 1987  
Stipulation

<u>Number</u>	<u>Entered</u>	<u>Description</u>	<u>Evd.</u>
S-1		Stipulation dated 5/27/87 between the Division of Gaming Enforcement and Trump's Castle Associates	15

New Jersey Casino Control Commission  
Hearing in the Matter of  
The Application of Trump's Castle Associates  
For Renewal of their Plenary Casino License  
May 28, 1987  
Division of Gaming Enforcement Exhibits

5

<u>Number</u>	<u>Entered</u>	<u>Description</u>	<u>Evd.</u>
D-1		Report dated 5/13/87 by Deputy Attorney General Michael Vukcevich	16
D-2		Report dated 5/6/87 on Trump's Castle Associates' Operations	16
D-3		Division of Gaming Enforcement Supplemental Report to Casino Control Commission dated 12/30/86 re: Marina Roadway Issue	16
D-4		Deposition of Marc S. Intriligator dated 7/11/86	16
D-5		Division of Gaming Enforcement Memorandum dated 8/5/86 from Deputy Attorney General Patricia Wild and Agent Mark Sivetz to file re: Interview of Kathleen M. Vyborny	16

New Jersey Casino Control Commission  
Hearing in the Matter of  
The Application of Trump's Castle Associates  
For Renewal of their Plenary Casino License  
May 28, 1987  
Applicant Exhibits

<u>Number</u>	<u>Entered</u>	<u>Description</u>	<u>Evd.</u>
A-1		Correspondence dated 6/17/86 from Nicholas L. Ribis to Stephen Brower, Deputy Attorney General, Environmental Protection Section regarding commencing discussions with CAFRA to modify CAFRA permit	18
A-2		Correspondence dated 6/19/86 from Nicholas L. Ribis to John R. Zimmerman enclosing 6/17/86 correspondence from Nicholas L. Ribis to Stephen Brower	18
A-3		Correspondence dated 7/8/86 from Nicholas L. Ribis to Walter N. Read updating Trump's Castle's efforts to seek modification of the transportation requirement of its CAFRA permit	18
A-4		Status Report I dated 8/5/86 submitted on behalf of Trump's Castle Associates and Exhibits A through E	18
A-5		Correspondence dated 8/25/86 from Nicholas L. Ribis to Chair Read enclosing 8/20/86 Joint Application for modification of CAFRA Permits submitted on behalf of Marina Associates , GNAC, Corp. and Trump's Castle Associates	18
A-6		Correspondence dated 9/24/86 from Nicholas L. Ribis to Chair Read enclosing 9/4/86 correspondence from John R. Weingart and 9/2/86 Order of Judge L. Anthony Gibson extending inactive status of litigation	18
A-7		Status Report II dated 10/6/86 submitted on behalf of Trump's Castle Associates	18
A-8		Correspondence dated 10/14/86 from Nicholas L. Ribis to Chair Read enclosing final Edwards & Kelcey report submitted to CAFRA	18
A-9		Correspondence dated 10/30/86 From Nicholas L. Ribis to Chair Read enclosing 10/17/86 correspondence from CAFRA, and 10/27/86 correspondence from Michael Fichera, DAG, to Judge L. Anthony Gibson	18



Trump's Castle Associates  
Applicant Exhibits

7

<u>Number</u>	<u>Entered</u>	<u>Description</u>	<u>Evd.</u>
A-10		Correspondence dated 11/18/86 from Nicholas L. Ribis to Chair Read enclosing 11/7/86 correspondence from John R. Weingart to John W. Daniels	18
A-11		Status Report III dated 12/12/86 submitted on behalf of Trump's Castle Associates	18
A-12		Correspondence dated 1/7/87 from Nicholas L. Ribis to Chair Read enclosing 12/5/86 correspondence from Karl Braun, Supervisor, ASLA, Shore Mainland Region to John W. Daniels and 12/2/86 Order of Judge L. Anthony Gibson extending inactive status of litigation	18
A-13		Correspondence dated 1/14/87 from Nicholas L. Ribis to Chair Read enclosing 1/12/87 report of Edwards and Kelcey, Inc. in response to comments contained in 11/7/86 correspondence from John R. Weingart	18
A-14		Correspondence dated 1/29/87 from John R. Weingart to John W. Daniels	18
A-15		Status Report IV dated 2/4/87 submitted on behalf of Trump's Castle Associates enclosing 1/27/87 correspondence from John W. Daniels to John R. Weingart enclosing 1/23/87 letter from Walter H. Kraft to Mr. Daniels	18
A-16		Correspondence dated 2/13/87 from Steven C. Whitney to John W. Daniels	18
A-17		Order of Judge L. Anthony Gibson dated 2/17/87 extending inactive status of litigation	18
A-18		CAFRA denial of request for modification of CAFRA Permits dated 4/10/87	18
A-19		Status Report V dated 4/15/87 submitted on behalf of Trump's Castle Associates enclosing Proposal submitted by casinos to Donald R. Belsole	18
A-20		Correspondence dated 4/24/87 from Nicholas L. Ribis to Chair Read enclosing 4/21/87 Counterproposal of State and 4/15/87 Appeal from CAFRA denial of modification request submitted on behalf of casinos	18

Trump's Castle Associates  
Applicant Exhibits

8

<u>Number</u>	<u>Entered</u>	<u>Description</u>	<u>Evd.</u>
A-21	5/28/87	Transcript dated 5/4/87 of Christopher D. Whitney, Esq.'s opening statement in regard to the matter of hearing on the applications of Marina Associates and Harrah's Atlantic City, Inc. for renewal of their plenary casino licenses	18
A-22	5/28/87	Correspondence dated 5/6/87 from Nicholas L. Ribis to Chair Read enclosing 5/5/87 correspondence from John W. Daniels, Esq., to Donald R. Belsole, enclosing response to Counterproposal on behalf of casinos	18
A-23	5/28/87	Correspondence dated 5/13/87 from John M. Van Dalen, DAG, to John W. Daniels confirming DEP's postponement of deciding whether to grant an administrative appeal of the decision to deny CAFRA permit modification	18
A-24	5/28/87	Correspondence dated 5/26/87 from Nicholas L. Ribis to Chair Read enclosing 5/13/87 correspondence from J.M. Van Dalen, DAG to John W. Daniels, 5/19/87 correpondence from John W. Daniels to Joint Venture participants and 5/21/87 settlement proposal	18
A-25	5/28/87	Letter from Robert M. Pickus to Deputy Attorney General Michael Vukoevich and attached memoranda pertaining to compliance with <u>N.J.A.C. 19:41-11.1</u>	18
A-26	5/28/87	Trump's Castle Associates Response dated 5/15/87 to the Division of Gaming Enforcement's Operational Report (D-2)	18
A-27	5/28/87	Rendering of exterior expansion of Trump's Castle - View from Brigantine Boulevard	109
A-28	5/28/87	Rendering of Proposed Phase 3 Ballroom and Tower Expansion - 3rd level	109
A-29	5/28/87	Rendering of Proposed Phase 3 Ballroom and Tower Expansion - Longitudinal Section	109
A-30	5/28/87	Rendering of Proposed Ballroom and Tower Expansion - Fourth Floor Plan Quadrant 6	109
A-31	5/28/87	Rendering of exterior view of 2 story addition to Farley State Marina	109

New Jersey Casino Control Commission  
Hearing in the Matter of  
The Application of Trump's Castle Associates  
For Renewal of their Plenary Casino License  
May 28, 1987  
New Jersey Casino Control Commission Exhibits

<u>Number</u>	<u>Entered</u>	<u>Description</u>	<u>Evd.</u>
C-1		Report dated 5/19/87 of the Facilities Review Section by Senior Applications Analyst Lisa Michelini	20
C-2		Report dated 5/19/87 of the Entities and Qualifiers Section by Senior Assistant Counsel E. Dennis Kell	22
C-3		Report dated 4/16/87 of the Employee Licensing Bureau by Applications Analyst Laurie A. Brent	25
C-4		Report dated 4/19/87 of the Enterprise Licensing Bureau by Supervising Applications Analyst Sharon L. Hand	25
C-5		Report dated 5/14/87 of the Division of Affirmative Action and Planning by Acting Director Claire Frank	27
C-6		Report dated 5/14/87 of the Division of Financial Evaluation and Control by Deputy Director John Trzaka	25

1 P-R-O-C-E-E-D-I-N-G-S

2 (Commencing at 11:10 a.m.)

3 (All five Commissioners are present.)

4 MS. BIACHE: I would like to read  
5 an opening statement.

6 "This is to advise the general  
7 public and to instruct that it be recorded  
8 in the Minutes that in compliance with  
9 Chapter 231 of the Public Laws of 1975,  
10 entitled the 'Open Public Meetings Act', the  
11 New Jersey Casino Control Commission at  
12 11:13 a.m. on April 23, 1987 hand-delivered  
13 to the Office of the Secretary of State and  
14 caused to be posted on the bulletin board  
15 located outside the Secretary of State's  
16 Office at the State House, Trenton, New  
17 Jersey and at 2:00 p.m. on April 23, 1987  
18 mailed to the Press of Atlantic City and to  
19 the Newark Star Ledger and to the Office of  
20 the Clerk of Atlantic City a meeting notice  
21 setting forth the time, date and location of  
22 this meeting.

23 "Members of the press will be  
24 permitted to take photographs of today's  
25 meeting. We would ask, however, that this

1 be done in a manner which is not disruptive  
2 of the meeting or distracting to the  
3 Commission and which does not interfere with  
4 the public's right to observe the meeting."

5 CHAIRMAN READ: Thank you.

6 Call the meeting to order. Note  
7 the presence of all five Commissioners.

8 In connection with the Trump's  
9 Castle Associates' 1987 casino license  
10 renewal hearing, might we start by having  
11 the appearance of counsel entered.

12 MR. RIBIS: Yes. Nicholas L.  
13 Ribis, Brian Spector and Robert Pickus,  
14 along with Harvey Freeman, general counsel  
15 at Trump organization.

16 I also would like to introduce  
17 several people in the audience, if I could.  
18 We have Ivana Trump, chief executive officer  
19 of Trump's Castle; Donald Trump, Robert  
20 Trump, Robert Fiori, if you could stand.  
21 Robert Fiori is vice-president, he's in  
22 charge of finance; Nancy Bower,  
23 vice-president; Bucky Howard, executive  
24 vice-president and we have Frank Miller who  
25 is an architect who has his own company

1 which does work in Atlantic City for the  
2 Trump properties.

3 MR. VUKCEVICH: Good morning.  
4 Michael Vukceovich, Deputy Attorney General  
5 on behalf of the Division of Gaming  
6 Enforcement. Also present are Assistant  
7 Director, Fredric Gushin and Deputy Attorney  
8 General, John Adams.

9 I would like to introduce Senior  
10 Agent, Marc Sivetz who is present.

11 Thank you.

12 MR. SCIARRA: Mr. Chairman, David  
13 Sciarra, Assistant Deputy Public Advocate,  
14 appearing on behalf of Alfred Slocum, the  
15 Public Advocate of New Jersey.

16 CHAIRMAN READ: Thank you all.

17 The matter before us today, as I've  
18 indicated, is the application of Trump's  
19 Castle Associates for renewal of its casino  
20 license and casino hotel alcoholic beverage  
21 license. Trump's Castle Associates is the  
22 holder of plenary licenses which were issued  
23 effective June 19th, 1986, and will expire  
24 on June 19th of this year.

25 In order to expedite this hearing,

1 we've engaged in two pre-hearing  
2 conferences, in which we provided for an  
3 exchange of discovery, we've identified many  
4 of the issues to be decided, and established  
5 the procedures for this hearing.

6 In addition, in the first  
7 pre-hearing order we set forth the criteria  
8 for renewal of the casino license. The  
9 Division of Gaming Enforcement is, of  
10 course, engaged in a continuing  
11 investigation of the applicant and will  
12 present evidence at this hearing in  
13 discharging its legal obligation of  
14 providing this Commission with all necessary  
15 information to determine this license  
16 renewal application

17 In addition, the Public Advocate  
18 has been granted leave to intervene in the  
19 present hearing with respect to the issues  
20 surrounding the applicant's obligation to  
21 construct road improvements in the Marina  
22 district.

23 During the pre-hearing conferences,  
24 it was agreed that the applicant would join  
25 the Division in a good-faith effort to

1 identify undisputed factual matters. Any  
2 such undisputed matters were to be stated at  
3 this hearing and if approved by the  
4 Commission, factual stipulations shall be  
5 deemed established for the purpose of this  
6 hearing.

7 However, the Commission retains the  
8 right to request any party to present  
9 evidence or testimony for the purpose of  
10 clarifying or supplementing any stipulated  
11 matter.

12 In addition, if the evidence  
13 presented at this hearing indicates to the  
14 Commission that a particular stipulation is  
15 not accurate or adequate, the Commission  
16 may, on fair notice to the parties, reject  
17 the particular stipulation and require proof  
18 in this matter.

19 I would now ask counsel for the  
20 applicant and the Division if they request  
21 that any stipulations be approved by the  
22 Commission, subject to these conditions that  
23 I've just stated?

24 MR. GUSHIN: Yes. Mr. Chairman,  
25 you have a document which has been marked as



1 S-1, which represents a stipulation between  
2 the Division and Trump Castle Associates on  
3 various operational issues which emanated  
4 from the Division's operational report.

5 The stipulation has been executed.  
6 We would ask that it be accepted by the  
7 Commission at this time.

8 CHAIRMAN READ: That has been  
9 executed by both parties?

10 MR. GUSHIN: That's correct.

11 CHAIRMAN READ: Being no objection  
12 to that, and executed by both parties, S-1  
13 will be received.

14 (Exhibit S-1 received in evidence.)

15 CHAIRMAN READ: Any other  
16 stipulations?

17 Mr. Vukceovich?

18 MR. VUKCEVICH: Yes, Mr. Chairman.  
19 It is my understanding that the applicant is  
20 willing to stipulate to the admission into  
21 evidence of the five Division exhibits, that  
22 is D-1 through and including D-5.

23 MR. RIBIS: That is correct, Mr.  
24 Chairman.

25 CHAIRMAN READ: No objection to

1           those?

2                     D-1 through D-5 will be received in  
3 evidence.

4                     (Exhibits D-1 through D-5 received  
5 in evidence.)

6           MR. VUKCEVICH:   Mr. Chairman, I  
7 would also --

8                     CHAIRMAN READ:   I guess we're  
9 getting ahead of ourselves by talking about  
10 documentary exhibits.  I think with respect  
11 to those items -- let me go back to the  
12 question of stipulations.

13                     Are there any further stipulations  
14 we have other than S-1?

15                     MR. RIBIS:   I don't believe so.

16                     MR. VUKCEVICH:   No.

17                     CHAIRMAN READ:   If not, then  
18 documentary exhibits which we've just  
19 addressed, those of course may be submitted  
20 into evidence during the course of the  
21 hearing.  Once marked into evidence, such  
22 exhibits, unless they are sealed, will be  
23 available to the public for review.

24                     I would ask counsel for the  
25 applicant and the Division whether there are

1 any premarked and stipulated exhibits to  
2 which there are no admissibility objections.  
3 D-1 through D-5 we have received.

4 Are there other exhibits?

5 Mr. Ribis?

6 MR. RIBIS: I believe that the  
7 applicant's Exhibits A-21 through A-26 are  
8 exhibits that the Division does not have any  
9 objection to. I just want to note, A-25 is  
10 a letter from Mr. Pickus to Mr. Vukceвич  
11 regarding compliance with 19:41-11.1, and  
12 A-26 was the Trump Castle Associates'  
13 response to the Division of Gaming  
14 Enforcement audit which we have now marked  
15 as A-26.

16 CHAIRMAN READ: No objection to  
17 those?

18 MR. VUKCEVICH: The Division has no  
19 objection.

20 CHAIRMAN READ: We started with an  
21 unusual number, Mr. Pickus. What happened to  
22 one to 20?

23 MR. RIBIS: A-1, I'm sorry. I  
24 apologize. I was looking at the twenties.  
25 I meant A-1 through A-26.

1 CHAIRMAN READ: Fine. A-1 through  
2 A-26.

3 MR. VUKCEVICH: No objection.

4 CHAIRMAN READ: No objection to any  
5 of those. A-1 through A-26 will all be  
6 received on that basis.

7 (Exhibits A-1 through A-26 received  
8 in evidence.)

9 CHAIRMAN READ: Are there any other  
10 exhibits that we have at this time?

11 If not, let's turn then to the  
12 Commission staff reports. The Commission  
13 staff has prepared various reports covering  
14 certain of the prerequisites to the renewal  
15 of a casino license. Pursuant to the  
16 pre-hearing conference orders, these reports  
17 have been distributed to the parties.  
18 Accordingly, the parties may be willing to  
19 stipulate to these staff reports and to  
20 accept the conditions and recommendations  
21 set forth therein.

22 Ms. Fleming, what's the status of  
23 the Facility's report?

24 MS. FLEMING: Mr. Chairman, the  
25 report of the Facility Review Section dated

1           May 19th, 1987, which has been premarked as  
2           C-1, addresses all the statutory and  
3           regulatory criteria related to the approved  
4           facility and contains recommended  
5           conditions. It also contains the  
6           casino-hotel alcoholic beverage license.  
7           The report has been distributed to the  
8           parties.

9                     At this time, I would ask the  
10           parties if they are willing to stipulate to  
11           the contents of this report and the proposed  
12           license conditions contained in the report?

13                    CHAIRMAN READ: Mr. Ribis?

14                    MR. RIBIS: I have no objection. I  
15           would just note portions of this report, the  
16           blueprints, we will request sealing,  
17           pursuant to what we've done in the past.

18                    CHAIRMAN READ: Referring it to  
19           staff for sealing.

20                    MR. VUKCEVICH: The Division has no  
21           objection.

22                    CHAIRMAN READ: C-1 will be  
23           received, subject to the request for  
24           reference to the Legal Division for review  
25           for sealing in part.

1 (Exhibit C-1 received in evidence.)

2 CHAIRMAN READ: Next item then I  
3 guess is the status of the Entities and  
4 Qualifiers Report.

5 Ms. Fleming, where do we stand with  
6 respect to that?

7 MS. FLEMING: Mr. Chairman, the  
8 Entities and Qualifiers Report, dated May  
9 19, 1987, has been premarked as C-2 and has  
10 also been distributed to the parties. It  
11 identifies the natural person qualifiers,  
12 qualifying business entities, and financial  
13 sources, and contains recommended  
14 conditions.

15 In a letter report dated February  
16 5th, 1987, the Division reported on the  
17 financial source status of Westinghouse  
18 Pension Investments Corporation and  
19 interposed posed no objection to it's  
20 suitability.

21 At this time I would ask Mr. Pickus  
22 to address the status of First Interstate  
23 Bank of Denver.

24 CHAIRMAN READ: Mr. Pickus?

25 MR. PICKUS: Yes, Mr. Chairman,

1 Commissioners.

2 As I discussed with the Division  
3 and the Commission staff earlier today, I  
4 spoke last night with a James Cogill  
5 (phonetic), who is a senior vice-president  
6 with the First Interstate Bank of Denver,  
7 who represented to me, and therefore I'm  
8 representing to this Commission, that the  
9 holdings of First Interstate Bank are held  
10 by the Oppenheimer High Yield Fund, a freely  
11 traded mutual fund traded by tens of  
12 thousands of different investors.

13 Therefore, I believe the Division  
14 has been satisfied as to the qualification  
15 of that institution.

16 CHAIRMAN READ: Mr. Vukceovich?

17 MR. VUKCEVICH: Mr. Chairman, based  
18 upon the representation of Mr. pick, the  
19 Division is in fact satisfied.

20 CHAIRMAN READ: Thank you.

21 MS. FLEMING: Mr. Chairman, I would  
22 move that the Commission's determinations as  
23 to the qualifications or requalifications of  
24 the listed business entities, natural person  
25 qualifiers and financial sources, may all

1 properly be included in the Commission's  
2 final vote.

3 I would now ask counsel to indicate  
4 whether or not they agree with the list of  
5 qualifiers and financial sources that are  
6 contained in the report?

7 MR. RIBIS: On behalf of Trump  
8 Castle Associates, we have no objection and  
9 we do agree.

10 Thank you.

11 MR. VUKCEVICH: The Division has no  
12 objection.

13 CHAIRMAN READ: Fine. That will be  
14 received.

15 (Exhibit C-2 received in evidence.)

16 MS. FLEMING: I would also note  
17 that the applicants have requested a waiver  
18 of qualification of all Trump's Castle  
19 funding incorporated bondholders pursuant to  
20 Section 85(d)1 of the Act, and a ruling that  
21 with the exception of Westinghouse, no  
22 bondholder is a financial source.

23 I would ask for the Division's  
24 concurrence in the waivers.

25 MR. VUKCEVICH: On behalf of the



1 Director, the Division so concurs.

2 CHAIRMAN READ: Thank you.

3 MS. FLEMING: I would now ask  
4 counsel if they are willing to stipulate to  
5 the remainder of this report and the  
6 proposed license conditions contained in the  
7 report?

8 MR. RIBIS: Yes, I am, Mr.  
9 Chairman.

10 MR. VUKCEVICH: The Division has no  
11 problem, Mr. Chairman.

12 CHAIRMAN READ: Fine. Based on  
13 what's just been placed on the record, I  
14 would now accept a motion to grant the  
15 request for the waiver of qualification  
16 pursuant to Section 85(d)1 of the Act, and  
17 that all Trump's Castle funding bondholders,  
18 and a ruling that except for Westinghouse  
19 Pension Investment Corporation, no  
20 bondholder is presently a financial source.

21 Do I hear such a motion?

22 COMMISSIONER WATERS: So you moved.

23 COMMISSIONER BURDGE: Second.

24 CHAIRMAN READ: Duly moved and  
25 seconded.

1 Any discussion?

2 All those in favor?

3 (All Commissioners present voted in  
4 favor of the motion.)

5 CHAIRMAN READ: Unanimously

6 carried.

7 Then, Ms. Fleming, what's the  
8 status of the Enterprise License Bureau, and  
9 Employee License Bureau reports?

10 MS. FLEMING: The Employee License  
11 Bureau report, dated April 16th, 1987, has  
12 been premarked as C-3. The Enterprise  
13 License Bureau report dated March 19th,  
14 1987, has been premarked as C-4.

15 These reports have also been  
16 distributed to the parties.

17 I would now ask the parties to  
18 indicate their position with respect to  
19 these reports?

20 MR. RIBIS: I have no objection to  
21 the reports.

22 MR. VUKCEVICH: The Division has no  
23 objection.

24 CHAIRMAN READ: C-3 and C-4 will be  
25 then be received on that basis.

1 (Exhibits C-3 and C-4 received  
2 in evidence.)

3 CHAIRMAN READ: Then, Ms. Fleming,  
4 what's the status of the Financial  
5 Evaluation and Control Division's report in  
6 the matter?

7 MS. FLEMING: Mr. Chairman, this  
8 report is dated May 14th, 1987, and has been  
9 premarked as C-6. I would ask the parties  
10 to indicate their position with respect to  
11 this report.

12 MR. RIBIS: I have no objection.  
13 Again, I'll request that general counsel  
14 seal those portions which are confidential.

15 MR. VUKCEVICH: The Division has no  
16 objection.

17 CHAIRMAN READ: C-6 will be  
18 received with reference to counsel's office  
19 for appropriate sealing.

20 (Exhibit C-6 received in evidence.)

21 CHAIRMAN READ: Then, Ms. Lampen,  
22 on behalf of the Division of Affirmative  
23 Action, are you prepared to indicate where  
24 we stand with respect to the report of the  
25 Affirmative Action and Planning Division?

1 MS. LAMPEN: Mr. Chairman, the  
2 report of the Division of Affirmative Action  
3 and Planning, dated 5/14/1987 has been  
4 premarked C-5 for evidence.

5 The reports contained therein  
6 address the compliance of Trump's Castle  
7 Associates limited partnership with respect  
8 to affirmative action requirements of the  
9 statute, and as well as Section 84(e) of the  
10 statute.

11 With respect to the planning  
12 report, the staff has recommended that the  
13 licensee be directed to address in detail  
14 it's compliance with and intended future  
15 actions concerning the Marina district road  
16 improvement, specifically addressing those  
17 actions it has taken and is taking in regard  
18 to the DEP order of April 13, 1987.

19 These reports have been distributed  
20 to the parties and I would ask now if all  
21 parties agree to stipulate to the reports  
22 and accept the conditions contained therein?

23 MR. RIBIS: I have no objection.

24 MR. VUKCEVICH: Mr. Chairman, the  
25 Division has no objection.

1 CHAIRMAN READ: C-5 then will be  
2 received in evidence on that basis, subject  
3 to those conditions stated.

4 (Exhibit C-5 received in evidence.)

5 CHAIRMAN READ: Are there any  
6 further procedural, evidential or other  
7 matters that counsel wish to address at this  
8 time?

9 All housekeeping has been taken  
10 care of on that?

11 If that's the case, then the order  
12 of proof as is usual and as stated in the  
13 pretrial order will be, first, the  
14 applicant, and then the Division and then,  
15 finally, the Public Advocate may present  
16 opening statements if, they choose. The  
17 applicant will then present its case; the  
18 Division may then present any evidence it  
19 deems appropriate, and the Public Advocate  
20 may then do likewise.

21 After all of the parties have  
22 rested, first the Advocate, then the  
23 Division, and finally the applicant will be  
24 permitted to make closing statements.

25 The Commission will then deliberate

1                   and decide the licensure renewal  
2                   application.

3                   Mr. Ribis, do you have an opening  
4                   statement for us?

5                   MR. RIBIS: I do.

6                   Good morning, Mr. Chairman,  
7                   Commissioners.

8                   I would like to make a short  
9                   opening statement, specifically addressing  
10                  the conditions contained in the section of  
11                  the resolution on Page 13, captioned "Marina  
12                  District Road Improvements," Paragraphs 35,  
13                  36, and 37 of the resolution, and, also, in  
14                  response to the request of the Division of  
15                  Planning's request for an update as to the  
16                  status of the matters which are pending as  
17                  to the CAFRA permit and the roadway  
18                  improvements.

19                  As the Commission knows, at the  
20                  conclusion of the 1986 license renewal  
21                  hearing, Trump Castle Associates was  
22                  required to report to the Commission on a  
23                  bi-monthly basis as to its efforts to  
24                  obtain modification of its CAFRA permit and  
25                  generally as to its activities relating to

1           the roadway improvements.

2                   Paragraph 36 of the resolution also  
3           required that TCA devote all available  
4           resources to obtaining a prompt  
5           determination from CAFRA as to its  
6           obligations.

7                   I have marked into evidence on  
8           behalf of the applicant documents A-1  
9           through A-24 which specifically address  
10          those conditions.

11                   As the Commission is aware,  
12          commencing almost immediately after the  
13          licensing hearing in June of 1986, in fact  
14          it was late the same week as the Commission  
15          ruled, I personally was instructed by Mr.  
16          Harvey Freeman, general counsel of Trump  
17          organization, to immediately take steps with  
18          CAFRA to apply for a modification of the  
19          roadway conditions.

20                   I spoke with Mr. Brower, counsel to  
21          CAFRA, immediately after the hearing,  
22          corresponding with him on June 17th, 1986  
23          regarding commencing discussions with CAFRA  
24          to modify the CAFRA permit roadway  
25          improvement conditions.

1                   Therafter, conferences were held in  
2                   early July regarding the efforts, regarding  
3                   efforts to seek modification.

4                   At the request of CAFRA, the  
5                   modification process commenced with the  
6                   preapplication hearing in early July, at  
7                   which time all of the joint venture  
8                   participants, meaning Harrah's Marina and  
9                   Golden Nugget, that were requested to  
10                  participate in the meeting, which was  
11                  chaired by First Assistant Attorney General  
12                  Donald Belsole.

13                  At that meeting Director Weingart  
14                  attended, representatives of Trump Castle  
15                  Associates, including Mr. Freeman, Donald  
16                  Trump and Robert Trump attended, and also a  
17                  representative from the Department of  
18                  Transportation.

19                  The meeting outlined the procedures  
20                  which were requested to be followed by CAFRA  
21                  as to the modification process, and those  
22                  conditions, those requirements were detailed  
23                  to the Commission in the initial status  
24                  report which outlined the request of CAFRA.

25                  Therafter, filings were made with



1 CAFRA in August of 1987 by the joint  
2 venture, by their counsel, Mr. John Daniels,  
3 who represented the three entities in this  
4 application process.

5 At the request of the Department of  
6 Transportation, a new consultant was  
7 retained to review the roadway conditions in  
8 the Marina area.

9 The joint venture participants  
10 received three suggested consultants, in  
11 particular the consultant which was hired,  
12 Edwards and Kelcey, was hired after the  
13 recommendation from the Department of  
14 Transportation.

15 During the CAFRA process, the final  
16 application was made in October of 1987,  
17 only because the initial application was  
18 deferred pending the submission of a  
19 detailed report by Edwards and Kelcey.

20 The process proceeded, as is noted  
21 in my status reports, and I would note note  
22 for the record that status reports have been  
23 filed on a bi-monthly basis. There have  
24 been five status reports. In addition,  
25 there has been numerous continuing

1           correspondence to the Commission and the  
2           Division by me updating the Commission and  
3           the Division, as to all of the activities  
4           regarding the modification process.

5                     In January of this year, initial  
6           discussions commenced regarding the  
7           potential of settling the entire matter with  
8           the joint venture participants. These  
9           discussions concluded with an initial  
10          meeting of all of the participants,  
11          including Commissioner Gluck and Mr. Belsole  
12          and his staff, other legal representatives  
13          from the Department of Transportation, and  
14          representatives of CAFRA on March 25th, at  
15          which time a settlement was proposed by the  
16          joint venture participants.

17                    That settlement has been detailed  
18          for the Commission in the status reports  
19          which have been filed with the Commission.

20                    Those settlement talks have, and I  
21          am happy to report, have concluded as  
22          recently as some final language of changes  
23          in a settlement agreement of this morning.  
24          I'm happy to report to the Commission that  
25          the settlement terms and conditions have

1           been approved by counsel, meaning myself and  
2           Mr. Freeman, for Trump Castle Associates,  
3           and the principle of Trump Castle, meaning  
4           Mr. Donald Trump, Ivana Trump and Robert  
5           Trump, and the terms of the settlement have  
6           been made available to the Division of  
7           Gaming Enforcement and the Casino Control  
8           Commission.

9                     The settlement has been approved by  
10           counsel for both Marina, Harrah's Marina and  
11           Golden Nugget. Obviously since some of the  
12           changes were only made this morning to the  
13           document by the Attorney General's Office,  
14           technical type changes, they were going to  
15           meet with their clients regarding the final  
16           approval as to that document.

17                    However, it can be stated, and I  
18           believe the Division of Gaming Enforcement  
19           can address this, also, that the terms of  
20           the settlement have been agreed to, and that  
21           Trump Castle Associates has agreed, not only  
22           to the terms, but to the specific document  
23           called the Settlement Agreement. It is  
24           anticipated that document which has to be  
25           executed by the Department of



1           this is settlement agreement. It took a  
2           long time. It was complex. It was  
3           difficult because of the number of parties,  
4           agencies and the various members of the  
5           joint venture.

6                       Further, Commissioner Gluck, who  
7           attended settlement conferences and Director  
8           Weingart were also essential to the ultimate  
9           resolution and on behalf of Trump Castle  
10          Associates we would like to publicly thank  
11          them.

12                      Suffice it to say that  
13          representatives of the Division of Gaming  
14          Enforcement, including Director Parrillo,  
15          and the Casino Control Commission, including  
16          Chairman Read, have been kept apprised, have  
17          been involved from the standpoint of  
18          interest, and have been of assistance to  
19          the, at least Trump Castle Associates, since  
20          I handled this matter on behalf of Trump  
21          Castle Associates, over the course of the  
22          past several months.

23                      I would note that the conditions  
24          which are in the CAFRA permit, in the casino  
25          license resolution specifically,

1 specifically Paragraphs 36 and 37, relate to  
2 the request for modification of the CAFRA  
3 permit.

4 That was done by Trump Castle  
5 Associates immediately subsequent to the  
6 licensing hearing of last year. The bi and  
7 monthly reports were submitted to the  
8 Commission on a timely basis, including  
9 interim reports, so that the Commission  
10 could be up to up to date as to every event  
11 that took place.

12 Specifically, as to the ruling by  
13 CAFRA on April 13th that the modification  
14 request was denied, an administrative appeal  
15 has been taken from that matter. In fact,  
16 John Van Dalen as counsel to CAFRA, has held  
17 in abeyance taking any steps regarding that  
18 administrative appeal, and the stay is  
19 requested in that administrative appeal,  
20 well knowing that the settlement  
21 negotiations were reaching a conclusion. So  
22 that the status of that matter is in  
23 abeyance. The settlement agreement  
24 specifically addresses the CAFRA permit, and  
25 I would suggest that the CAFRA permit which

1 is going to be continuing into the future  
2 has been complied with, and I believe that  
3 the condition has been complied with.

4 As to Paragraph 35, as to the  
5 contributions to the roadway, I would just  
6 like to state for the record what is already  
7 known and what Mr. Whitney submitted to this  
8 Commission in his statement on May 4th  
9 during the licensing hearing of Harrah's  
10 Associates; that is, that the joint venture  
11 has already contributed in excess of \$14  
12 million to roadway improvements, in  
13 conjunction with the other joint venture  
14 participants, that is, Golden Nugget and  
15 Trump Castle Associates.

16 Further, the settlement agreement  
17 requires a substantial amount of money, in  
18 addition to that 14 million, and, again, I  
19 won't discuss specifically what that is. I  
20 believe you're aware of that. I believe  
21 there is no question that the Condition 35  
22 as to the contribution has been complied  
23 with.

24 During the statement made by Mr.  
25 Whitney, he spoke of the desire to commence

1           the roadway improvements, and it is has  
2           always been our desire to do that. There  
3           has been a coupling of interest here. There  
4           was the interest of the joint venture  
5           parties and there was the interest of the  
6           State of New Jersey.

7                        The interest required that all of  
8           the issues which are on the table be  
9           resolved, and that was, that took  
10          approximately four to six months. It has  
11          been done. I'm happy it's been done. I  
12          submit to the Commission that Trump  
13          Castle Associates has complied with the Marina  
14          Marina district roadway improvements.

15                        Thank you.

16                        CHAIRMAN READ: Thank you, Mr.  
17          Ribis.

18                        Mr. Vukceovich?

19                        MR. VUKCEVICH: Thank you. Before  
20          I begin, if I may, I would like to introduce  
21          the Director of the Division, Anthony J.  
22          Parrillo, who is now present.

23                        CHAIRMAN READ: Thank you.

24  
25                        MR. VUKCEVICH: Members of the



1 Commission, we are here today on the license  
2 renewal, as everyone knows, of Trump's  
3 Castle Associates.

4 In view of this proceeding, the  
5 Division on May 13th, 1987, filed with this  
6 Commission a comprehensive and detailed  
7 report concerning the activities over the  
8 past license renewal year of Donald Trump,  
9 Trump Castle Associates, as well as the  
10 individuals and entities related to the  
11 licensee.

12 The Division's submission, among  
13 other things, reported upon the  
14 reconstitution of the audit committee of the  
15 licensee; the adoption by the licensee of a  
16 retirement savings plan for its employees;  
17 and Mr. Trump's proposed renovation of the  
18 Frank S. Farley Marina area in Atlantic  
19 City.

20 As concerns the Frank S. Farley  
21 Marina, Mr. Trump was selected by the New  
22 Jersey State Department of Environmental  
23 Protection through a public bid process to  
24 enter into a 25-year lease to renovate,  
25 improve and maintain the Marina as a public

1 marine facility. The Division has learned  
2 that Mr. Trump, as part of the \$11 million  
3 plus project, plans to build a pedestrian  
4 bridge from the Trump's Castle hotel  
5 facility to the Marina, as well as to make  
6 various improvements to the Marina itself;  
7 that would include dredging, the  
8 construction of additional boat slips, as  
9 well as the construction of new structures  
10 and landscaping.

11 The Division has been monitoring  
12 the proposed plan to insure that the  
13 regulatory implications of the Casino  
14 Control Act are addressed.

15 The Division's report, as concerns  
16 this license renewal hearing, was, however,  
17 substantially devoted to the obligations of  
18 Trump Castle Associates with respect to  
19 roadway improvements in the Marina area.

20 The Division has in detail reported  
21 upon the events which occurred both before  
22 and during the 1986 license renewal  
23 proceeding of Trump's Castle Associates.  
24 Indeed, as it did at the recent license  
25 renewal proceeding of Trump Plaza

1 Associates, the Division has marked as an  
2 exhibit and introduced into evidence in this  
3 proceeding, its supplemental report with  
4 respect to certain events surrounding Trump  
5 Castle Associates' roadway obligations,  
6 which were the subject of testimony at last  
7 years license renewal hearing of Trump's  
8 Castle Associates.

9 In its report, filed with the  
10 Commission in connection with this  
11 proceeding, the Division has also set forth  
12 a detailed chronology of the events which  
13 have occurred since the time of that 1986  
14 renewal hearing.

15 Clearly, the licensee has been  
16 involved in intense negotiations concerning  
17 its obligations with respect to this matter,  
18 although the negotiations as of this time  
19 have not resulted from a signed and final  
20 agreement.

21 However, it is the Division's  
22 understanding, that the lawyers for all of  
23 the relevant parties have agreed to the  
24 wording of the language of a final  
25 settlement agreement with the, with the

1           exception of minor and technical language.

2                       It is, further, the understanding  
3           of the Division of Gaming Enforcement, that  
4           the parties, including the Department of  
5           Environmental Protection, the Department of  
6           Transportation, and the three casino-hotels,  
7           that is, Harrah's Marina, the Golden Nugget  
8           and the Trump's Castle Hotel and Casino,  
9           have agreed to the principles of a  
10          settlement agreement and are at this time in  
11          the process of reviewing the language  
12          changes to the final settlement agreement.

13                      It is, also, the Division's  
14          understanding that the signing of that final  
15          settlement agreement within the next couple  
16          of days is a likely event, and we expect to  
17          be in a position to report to the Commission  
18          as to that agreement within that time  
19          period.

20                      Of course, in the event this time  
21          frame is not met, we will immediately report  
22          back to the Commission on this matter.  
23          Additionally, during the course of the past  
24          year, the Division has continued to monitor  
25          the compliance record of Trump's Castle

1 Associates as concerns the Casino Control  
2 Act and related regulations.

3 The Division, in doing so, has when  
4 appropriate kept the licensee abreast of its  
5 findings, so that any problems which were  
6 discovered could be corrected by Trump's  
7 Castle Associates. This is evidenced by the  
8 Division's investigation of the licensees  
9 compliance record with N.J.A.C. 19:41-11.1,  
10 which requires the licensee to file with the  
11 Commission a completed vendor registration  
12 form no later than 10 days after an  
13 agreement is reached between the casino and  
14 any vendor.

15 Upon noticing an increase in  
16 non-compliance with that regulation,  
17 representatives of the Division met with  
18 representatives of the licensee in April of  
19 this year. During that April 1987 meeting,  
20 the representatives of Trump's Castle  
21 Associates assured the Division that the  
22 licensee would implement appropriate  
23 measures to insure compliance with this  
24 regulation.

25 The licensee, in response to the

1 Division's request, has recently submitted a  
2 written procedure it intends to institute  
3 which procedure it views as a means to  
4 insure compliance with that regulation.

5 The Division has, also, been in  
6 communication with the licensee to insure  
7 compliance of the Trump organization with  
8 respect to a license condition imposed at  
9 the recent license renewal proceeding of  
10 Trump's Plaza Associates. At that  
11 proceeding, as a condition of relicensure,  
12 the Trump organization was required to  
13 cooperate with the Division and the  
14 Commission staffs to arrive at appropriate  
15 procedures under which Donald Trump and  
16 any of the entities which he controls will  
17 investigate persons and entities with whom  
18 they enter into continuing business  
19 relations; that is, conduct an appropriate  
20 due diligence search.

21 In the Division's report of May  
22 13th, 1987, as concerns the instant license  
23 renewal proceeding, the Division recommended  
24 that at this license renewal proceeding, Mr.  
25 Trump ought to be prepared to present a



1 detailed formal investigative procedure for  
2 consideration by the Commission and  
3 Division. On May 21st, 1987, in response  
4 thereto, the Division received a two-page  
5 proposed investigative procedure on behalf  
6 of the Trump organization. Accompanying  
7 that proposal was a request for the  
8 Division's comments regarding same, in the  
9 hope that the procedures could be finalized  
10 prior to the instant license renewal  
11 proceedings of Trump's Castle Associates.

12 On May 22nd, 1987, the Division  
13 responded to that request, noting that the  
14 proposed investigative procedures needed  
15 substantial revision in terms of content,  
16 scope, applicability and definitiveness. In  
17 its May 22nd, 1987 letter, the Division of  
18 Gaming Enforcement offered to both meet with  
19 representatives of Trump, the Trump  
20 organization, and to review any revised  
21 investigative procedure submitted to it in  
22 an expeditious manner.

23 The Division's representatives in  
24 fact met with representatives of the Trump  
25 organization on May 27th, 1987, in reference

1           to this matter. At that meeting, the  
2           Division and Trump's representatives engaged  
3           in meaningful discussion concerning this  
4           matter. It was agreed to both the  
5           satisfaction of the Division and the Trump  
6           organization that a revised proposal would  
7           be submitted for Division comment within 30  
8           days.

9                        The Division during the course of  
10           the license renewal year, has further  
11           monitored other activities of Mr. Trump.  
12           These have involved certain areas of  
13           litigation, that is referred to in our  
14           report, and it has also included Trump's  
15           recent sale of one 1,229,300 shares of  
16           United Airline stock for a profit before  
17           margin account interest of approximately  
18           \$10,988,000.

19                      Further, as addressed at the recent  
20           license renewal proceeding of Trump's Plaza  
21           Associates, Trump's acquisition and sale of  
22           stock of other gaming related entities, has  
23           also been monitored and investigated on  
24           behalf of the Division.

25                      As concerns the latter area, the



1           Division would note that it has recently  
2           filed a comprehensive report with the  
3           Commission concerning the ramifications of  
4           the intended purchase of Mr. Trump of the  
5           Class B. common stock of Resorts  
6           International Inc., which purchase would  
7           give Mr. Trump overwhelming voting control  
8           of that corporation.

9                     This matter, as the Commission is  
10           aware, is the subject of a separate  
11           proceeding to be heard before you on June  
12           10th of this year.

13                    The Division will be prepared to  
14           state its position as concerns the license  
15           renewal of Trump's Castle Associates at the  
16           conclusion of the hearing.

17                    Thank you.

18                    CHAIRMAN READ: Thank you, Mr.  
19           Vukcevich.

20                    Mr. Sciarra?

21                    MR. SCIARRA: Mr. Chairman, members  
22           of the Commission. On May 6th the Public  
23           Advocate appeared before you and sought  
24           intervention once again in the renewal  
25           proceedings involving Trump's Castle

1 Associates to raise certain objections with  
2 respect to this licensee's activities  
3 regarding the Marina roadway improvement  
4 project.

5 On May 6th the facts, as we know  
6 them, were as follows: The Commission in  
7 it's renewal of Trump's Castle Associates'  
8 license last year indicated, after lengthy  
9 hearings, that it was requiring this  
10 licensee to immediately seek and attempt  
11 modification of the transportation  
12 requirements in their CAFRA permit in good  
13 faith and with all reasonable speed.

14 On October 14, 1986, four months  
15 after the Commission's decision, Trump's  
16 Castle Associates, Associates, along with  
17 Golden Nugget, and Harrah's, did file an  
18 application for modification of the roadway  
19 improvements with CAFRA; a completed  
20 application.

21 On November 7, 1986, the Division  
22 the of Coastal Resources, within the  
23 Dep[artment of Environmental Protection,  
24 notified the Trump organization and other  
25 casinos that the application for

1           modification had been reviewed by the  
2           Division of Coastal Resources and the  
3           Department of Transportation. The Division  
4           advised Trump's Castle Associates and the  
5           other casinos that additional information  
6           was needed to determine whether the modified  
7           roadway plan submitted by the casinos would  
8           be adequate to serve existing and future  
9           development in the Marina area. The  
10          Division also forwarded to these casinos a  
11          DOT analysis of the modification proposal,  
12          which concluded that the application was  
13          deficient in several important respects.

14                 On January 12, 1987, these casinos,  
15          including Trump, submitted to the Division a  
16          response to the Department of  
17          Transportation's analysis of the  
18          modification proposal. What happened then  
19          is that in February, March and April, 1987,  
20          these agencies, the Division and the  
21          Department of Transportation, attempted to  
22          resolve their serious concerns about the  
23          application directly with Trump's Castle  
24          Associates and the other casinos.

25                 The agencies attempts at resolving

1           these disputed issues were unsuccessful.  
2           Finally, on April 10, 1987, the Division of  
3           Coastal Resources issued a denial of these  
4           casinos request to modify the roadway  
5           improvement plan. In addition, the Division  
6           of Coastal Resources directed that Trump and  
7           the two other casino participants commence  
8           construction of the improvements contained  
9           in the roadway improvement contract of 1984,  
10          in accordance with the timetable established  
11          by the Division. Under this directive, the  
12          Trump organization and the other casinos  
13          were required to commit adequate funds for  
14          the acquisition of stage two improvements by  
15          May 10, submit a construction schedule for  
16          stages one and two by May 10, and  
17          construction, commence construction of stage  
18          one by September '87.

19                 Those were the facts as we new them  
20                 at the time we applied for intervention in  
21                 this matter.

22                 It is our understanding that since  
23                 our application to intervene in this matter  
24                 was granted on May 6th, since that time  
25                 activity has been undertaken of a serious

1 nature to resolve this dispute.

2 I only know what Mr. Ribis has  
3 represented here this morning and  
4 information that I've been able to gain from  
5 the Department of Transportation and  
6 representatives of the Division. It is my  
7 understanding that there is a proposal to  
8 settle this matter. It is my understanding  
9 that it has been agreed to by the Trump  
10 organization, but that it is being reviewed  
11 by the other agencies, and the other  
12 principles in the other two casinos; and  
13 that only until that review process is  
14 completed and finalized, will there been an  
15 agreement.

16 At this juncture, frankly, given  
17 the history of this matter and the history  
18 of the representations that have been made  
19 by the Trump organization with respect to  
20 the roadway improvements in the past,  
21 concerning this matter, representations of  
22 counsel or representations of principles of  
23 the Trump organization are simply not  
24 enough. What is needed to meet the burden,  
25 given the history of this matter before this

1 Commission, to meet their burden to satisfy  
2 this license condition, is a signed  
3 agreement; nothing shorter of a signed  
4 agreement with the details on paper, with  
5 the details agreed to by the principles of  
6 these organizations, with the details, with  
7 those principles fully signing and the  
8 agencies fully agreeing to all of the  
9 pertinent details, nothing short of this  
10 would this applicant meet this burden.

11 If the Trump organization needs a  
12 few days to iron out the final details of  
13 this settlement, to get all of the principle  
14 to agree, to get the agencies to agree what  
15 has been termed here as final technical  
16 language, of this agreement, then we have no  
17 objection to holding this hearing in  
18 abeyance for a few days until that agreement  
19 can be produced.

20 But it is our position that, given  
21 the nature of this matter and given the  
22 nature of the types of representations that  
23 have been made, the promises and the  
24 commitments that have been made in the past  
25 and broken in the past by the Trump

1 organization, nothing short of a signed  
2 agreement with all of these principles and  
3 the agencies involved would satisfy the  
4 burden to meet this license condition.

5 So with that, we would have no  
6 objection, if there is indeed, as the  
7 Division says, the need for a couple of days  
8 to get all of the details signed out, so  
9 that the Trump organization can bring into  
10 the Commission and we can all see a signed  
11 agreement with all of these disputes  
12 resolved and with a clear, so that we can  
13 have a clear and confident understanding  
14 that the improvements that have been  
15 promised, promised us, promised the people  
16 of New Jersey and the residents of  
17 Brigantine in the past, will in fact and  
18 indeed be accomplished, and this license  
19 would not be granted without those kinds of  
20 specific representations; and with that  
21 kind of specific signed documentation.

22

23

24

25

1                   CHAIRMAN READ: With that, I assume  
2 we're ready for the commencement of some  
3 testimony. Before that begins, I would like  
4 to call the attention of the licensee,  
5 particularly, in comments that I made last  
6 year at the time of the final license  
7 hearing on June 11th of 1986.

8                   I point out a couple of things I  
9 said at that time.

10                   After discussing the background of  
11 where we've gotten to, in respect to the  
12 hearing, I said and I quote from Page 1262  
13 of last years transcript. "However, I still  
14 find its, the licensees, handling of the  
15 roadway improvement matter perplexing and  
16 unsatisfactory, and I anticipate that from  
17 this day forward the licensee will give the  
18 matter all necessary attention and will  
19 devote all available resources to obtaining  
20 a prompt determination from CAFRA as to its  
21 obligations in constructing the road  
22 improvements which CAFRA determines is  
23 necessary to serve the public interest. I  
24 will accept the licensees pledge, given the  
25 testimony before us, that cost is not a



1 primary concern and that the licensee will seek to  
2 construct whatever road improvements are mandated in  
3 the Marina district. I will await with great  
4 interest a demonstration that this is the case."

5 I conceive that this is the time  
6 for us to have that demonstration.

7 I went on further with comments  
8 about that, indicating that I expected to  
9 see performance of that over a period of  
10 time. I've heard of representations, in the  
11 course of counsel's opening, which I  
12 consider oral argument. I'm aware of the  
13 exhibits that have been submitted to us and  
14 I would like to have the questions that I  
15 raised at that time supported, explained and  
16 substantiated with testimony at this time.

17 Mr. Ribis?

18 MR. RIBIS: Mr. Freeman, please.

19 THE REPORTER: Raise your right  
20 hand, please.

21 Do you solemnly swear that the  
22 testimony you are about to give in this  
23 matter will be the truth, the whole truth  
24 and nothing but the truth, so help you God?

25 MR. FREEMAN: I do.

1 THE REPORTER: Please state your  
2 full name and spell your last name.

3 MR. FREEMAN: Harvey I. Freeman,  
4 F-R-E-E-M-A-N.

5 DIRECT EXAMINATION

6 BY MR. RIBIS:

7 Q. Mr. Freeman, what is your position  
8 with the Trump organization?

9 A. I am Executive Vice-President of the Trump  
10 organization.

11 Q. Calling your attention to Trump  
12 Castle Associates and last year's licensing hearing,  
13 and a comment just made by the Chairman, at the  
14 conclusion of last year's licensing hearing, could  
15 you explain to the Commission what steps were taken  
16 regarding the question of the roadway improvements  
17 and the resources of the Trump organization, in  
18 particular, which were put to use regarding this  
19 matter?

20 A. Mr. Chairman, members of the Commission, the  
21 matter of the roadway improvements took our highest  
22 priority from the moment that our license hearing was  
23 concluded, until now. It has been at the absolute  
24 top of our list for everything we've been doing.  
25 Immediately following the hearing last year, we

1       approached the representatives of CAFRA and sought  
2       with them a meeting as to how we could go about  
3       modifying, seeking the modification of the CAFRA  
4       conditions that had been requested to the extent that  
5       we wished the CAFRA transportation condition was  
6       modified. What the procedure would be and how best  
7       to approach them. We had an immediate meeting. They  
8       insisted, and correctly so, that we join with the  
9       other members of the joint venture, the other Marina  
10       developers in this area, so that whatever conditions  
11       were about to be changed would be changed for all  
12       consistently and uniformly, and whatever improvements  
13       were intended to be built or were found likely and  
14       properly to be built could indeed be built by all.  
15       Since that time, sir, and madam, we have moved  
16       totally expeditiously. We have hired consultants,  
17       the most professional transportation consultants that  
18       we could find. Indeed, it was at the recommendation  
19       of the Department of Transportation that that Edwards  
20       and Kelcey were chosen. Edwards and Kelcey's results  
21       from their transportation study indicated that no,  
22       nothing other than at-grade improvements would be  
23       necessary for the next 20 years. in order to satisfy  
24       what they perceive to be the development over the  
25       next 20 years in the Marina area. We submitted that

1 study to CAFRA and to DOT. We worked with them in  
2 trying to understand their questions about the  
3 Edwards and Kelcey results. We submitted, further,  
4 additional information and studies from Edwards and  
5 Kelcey and from other professional consultants in  
6 this area, as requested by DOT and the Department of  
7 Environmental Protection, as well. At each turn,  
8 while pursuing this process of seeking  
9 administratively our CAFRA modification, we, at the  
10 same time together with the other members of the  
11 joint venture, were in discussions with the  
12 Department of Transportation and with CAFRA in an  
13 effort to settle the overall dispute. There were  
14 some disagreement, and I think Mr. Ribis has pointed  
15 it out, and I think Mr. Sciarra has pointed it out,  
16 as to whether or not the findings of the Edwards and  
17 Kelcey study were accepted by DOT. Indeed, they  
18 raised questions. My guess is that continuously you  
19 put two experts in a room of transportation  
20 professionals and they will indeed probably find  
21 different solutions. And it became very clear during  
22 this period that a settlement was probably the proper  
23 way to proceed. And we have, together with the other  
24 members of the joint venture, whose obligations are  
25 equal to our own in this area, and from whom we have

1     obtained cooperation and understanding that their  
2     problems and ours are identical, we have now finally  
3     achieved the settlement that everyone has sought. It  
4     has been long and hard and difficult. And we're very  
5     pleased to come to the hearing together with that  
6     under our belt. I certainly agree with Mr. Sciarra,  
7     that the paper has not yet been signed; but everyone  
8     has agreed to the paper, and it will be signed. It  
9     certainly will be signed by us and my understanding  
10    from the other two joint venturers is that, it will  
11    be signed by them as well.

12           Q.       Mr. Freeman, calling your  
13    attention, specifically, addressing the Chairman's  
14    recent comments about devoting all available  
15    resources to obtain a prompt determination from  
16    CAFRA, could you just describe for the Commission  
17    other than yourself, who and how often this matter  
18    was attended to over the course of the last licensing  
19    year?

20           A.       Yes. This matter was attended to, frankly,  
21    almost on a daily basis. This matter has been a  
22    matter of urgent priority. We have asked Mr. Ribis  
23    to follow it on a full-time basis from our sole point  
24    of view, as well. We, together with the other  
25    members of the joint venture, hired the firm of Horn,

1 Kaplan to represent the joint venture. And they,  
2 too, have been following this on a daily basis.

3 Meetings have gone on, I would say,  
4 I would say there probably have been just on  
5 our side, in order to formulate a joint  
6 position between the three venturers,, there  
7 had to have been 10 meetings during this  
8 period, to communicate and negotiate back  
9 and forth with members of DOT and DEP, there  
10 probably have been five or six or seven or  
11 eight meetings.

12 We have hired Edwards and Kelcey.  
13 We have hired other transportation  
14 professionals. We have gotten the opinions  
15 of investment bankers in terms of  
16 development. We have worked, meeting with  
17 other agencies of the state and counties and  
18 the city who had an interest in these  
19 matters, and we have sought very hard to  
20 come to the conclusion that happily I can  
21 announce today we have reached.

22 Q. Beside yourself, Mr. Freeman, and  
23 the Trump organization, what other representatives  
24 were involved over the course of the last year?

25 A. Mr. Donald Trump and Mr. Robert Trump have

1 taken part in the meetings, in several of the  
2 meetings we've had. Primary responsibility for the  
3 matter has been mine and, working with you, as  
4 counsel, Mr. Ribis, and with counsel for the joint  
5 venture, Mr. Daniels.

6 Q. Specifically calling your attention  
7 to the question of the information which was  
8 submitted to the Commission, do you recall your  
9 instructions to me about a year ago, aside from the  
10 required bi-monthly reports regarding the continuous  
11 nature of the factual presentation to the Commission  
12 and the division over the course of the year?

13 A. Well, I had thought that, and I continue to  
14 believe, that a part of the difficulty had been that  
15 there had been insufficient communication during the  
16 period. I asked Dick, in addition to the reports, if  
17 he would continue to keep the Commission advised as  
18 to everything that was going in that connection with  
19 this matter; what the joint venturers, all three of  
20 them were doing, what we were doing, in an effort to  
21 stimulate the completion of the negotiations. I  
22 trust that he did. I mean, he's advised me that he  
23 did. I would hope that he had done so  
24 satisfactorily.

25 Q. Regarding the question of the

1 settlement agreement, has the Trump organization  
2 agreed to the settlement, its principles and lawyers?

3 A. Yes.

4 Q. Is it your understanding that the  
5 settlement agreement that was drafted by Mr. Belsole  
6 and Ms. Poritz of the Attorney General's Office, was  
7 prior to its submission to us, reviewed and accepted  
8 by representatives of the Department of  
9 Transportation and CAFRA?

10 A. That is my understanding.

11 Q. Further, is it your understanding  
12 that counsel for Golden Nugget and Harrah's Marina  
13 have also reviewed prior drafts and the most current  
14 comments to this draft and have approved the language  
15 as it presently is drafted?

16 A. That is my understanding.

17 Q. And that both Mr. Luciani and Mr.  
18 Daniels were reviewing the last versions of it with  
19 their clients as recently as today?

20 A. My understanding is that the lawyers have  
21 approved the language and the principles are now in  
22 the proper position to sign off. That's my  
23 understanding.

24 Q. Is there any intention on behalf of  
25 the Trump organization or, as far as you know, the



1 joint venturers to do anything other than settle this  
2 matter as soon as possible?

3 A. Absolutely not.

4 Q. You heard the comments of Mr.  
5 Sciarra regarding representations. Is there any  
6 desire on the part of the Trump organization or Trump  
7 Castle Associates to perpetuate this matter any  
8 longer, any further?

9 A. No, not at all. Mr. Sciarra's comments of  
10 waiting for it to be signed, I think thatt could lead  
11 to some other questions of timing. I know we've all  
12 approved it. We're prepared to sign it and we're  
13 here today announcing that to anyone. My  
14 understanding is that everyone else is prepared to  
15 sign it, too.

16 Q. Specifically addressing the  
17 question touched upon in the Chairman's recent  
18 comments and the comments he made last year regarding  
19 action as to roadway improvements in the Marina area,  
20 specifically, the Brigantine improvements, could you  
21 explain for the Commission why that could not be  
22 uncoupled, your understanding as to why those  
23 improvements today have not been made?

24 A. Well, I think the question, Mr. Chairman, of  
25 improvements had to be addressed as a totality. It

1 had to be addressed as a totality between the  
2 obligations of all three venturers. It had to be  
3 addressed from the point of view of the Department of  
4 Transportation, of Transportation, who at one point,  
5 when we had offered to make some interim  
6 improvements, indicated we could only do that in the  
7 context of an overall agreement to perform what they  
8 contended was our full obligation. The three  
9 venturers have met continuously with both  
10 departments, and the separation because of the legal  
11 concerns and because of the positions of the agencies  
12 and the three venturers combined made it impossible  
13 to separate out any particular aspect of roadway  
14 improvements without bringing into question, I think,  
15 the viability and validity of the entire overall  
16 settlement. I think that was the position that  
17 certainly the other lawyers had taken.

18 Q. Was there any intent on the part of  
19 the Trump organization to delay, to defer any of the  
20 matters which were discussed at last year's licensing  
21 hearing?

22 A. I think not. I think the report is very  
23 clear as to the very short time between response,  
24 between request and response in each instance of the  
25 ongoing CAFRA modification syndrome from our point of

1 view. There is no question that we responded  
2 expeditiously, and the request for further  
3 information sought by CAFRA was delivered within the  
4 shortest possible reasonable time; any action as to  
5 us by CAFRA was taken forthwith.

6 MR. RIBIS: I have no further  
7 question. Thank you.

8 CHAIRMAN READ: Mr. Adams?

9 MR. ADAMS: Thank you, Mr.

10 Chairman.

11 CROSS-EXAMINATION

12 BY MR. ADAMS:

13 Q. Mr. Freeman, if you could, I just  
14 want to make sure I'm clear on the role that John  
15 Daniels has played in the representation of, I  
16 assume, at least your interest, as well as the  
17 interest of the other venturers, versus your role and  
18 Mr. Ribis' role in this whole process.

19 Could you be a little bit more  
20 definitive on that?

21 A. Yes. Certainly. We have joined with the  
22 other two developers in the area, Golden Nugget and  
23 Harrah's, and the CAFRA modification as, as requested  
24 by CAFRA and by DOT, was a combined and joint  
25 application for modification, both as to the

1 individual CAFRA permits of each of the entities and  
2 as to the overall joint venture CAFRA permit for the  
3 development of the roadway.

4 The so-called joint venture of  
5 which, I guess we have nominally succeeded  
6 to Hilton's position, then employed Horn,  
7 Kaplan, Mr. Daniels as its counsel. He has  
8 been lead counsel. Each of the parties, of  
9 course, and I being full time with the Trump  
10 organization, and Nick representing the  
11 interests of the Trump organization, have  
12 kept their eye on that. Harrah's has had  
13 Mr. Whitney and Mr. Kozlof; Golden Nugget  
14 has had Mr. Luciani to represent  
15 specifically their individual interests in  
16 the event they were separate from the  
17 interests of the whole.

18 Q. But is it fair to say then that,  
19 and I think it's reflected in some of the papers, the  
20 status reports and some of the exhibits, that Mr.  
21 Daniels really represented you as well as the two  
22 other developers in the modification process with the  
23 Department of Transportation and the Department of  
24 Environmental Protection?

25 A. Yes, sir, that would be correct, Mr. Adams.

1 Q. Now, when did he first get into the  
2 picture, do you recall?

3 A. Almost immediately.

4 Q. So was this something that maybe --

5 A. We went to CAFRA and my recollection, Mr.  
6 Adams, we sought from CAFRA the procedure by which we  
7 should now approach the modification that was  
8 discussed at our last hearing. And CAFRA said it  
9 should only be done in the context of a joinder with  
10 the other developers.

11 At that point we joined with the  
12 other developers and select a counsel for  
13 that venture.

14 Q. That happened at one of the first  
15 meetings you had with CAFRA; is that correct?

16 A. That is my recollection; yes.

17 Q. As a result of, in part, at least,  
18 their recommendation?

19 A. Yes, sir, that's correct.

20 Q. Now, I would assume, in response to  
21 some of the questions you've been asked generally,  
22 Mr. Daniels has had an opportunity to review the  
23 latest proposed terms of the settlement and discuss  
24 them with you, or Mr. Ribis, or someone on your  
25 behalf?

1 A. Mr. Ribis has, at the last several days that  
2 Mr. Ribis has been getting copies as quickly as Mr.  
3 Daniels has, and so I've been getting my copies from  
4 Mr. Ribis.

5 Q. All I'm trying to focus in on is  
6 the fact that, when you said all lawyers involved in  
7 it, from your perspective, have had a chance to  
8 review the latest language and agree it to, that  
9 includes Mr. Daniels; is that correct?

10 A. It is my understanding, yes.

11 Q. With respect to the hiring of  
12 Edwards and Kelcey --

13 A. Let me clarify the last point. There was,  
14 Ms. Poritz of the Attorney General's Office, made one  
15 or two minor changes this morning, which were  
16 technical in nature and really language, and they  
17 were submitted to Mr. Daniels. I have not yet spoken  
18 to him this morning. I don't foresee as having any  
19 difficulty with that whatsoever.

20 Q. You view them as technical in  
21 nature; is that correct?

22 A. They are insubstantial and minor, that's  
23 correct.

24 Q. With respect to Edwards and Kelcey  
25 again, just to get it all in procedural perspective,

1 did their hiring by you emanate also as a result of  
2 these initial meetings that you had with CAFRA and  
3 DOT?

4 A. Yes, sir.

5 Q. Is that correct?

6 A. That is correct.

7 Q. Now, have you attended --

8 A. May I put that in perspective for a moment,  
9 Mr. Adams?

10 Q. Yes, go ahead.

11 A. We had theretofore, you'll recall, prior to  
12 our last licensing hearing, employed Wilbur Smith and  
13 Associates. The work performed by Wilbur Smith and  
14 Associates was asked to be reviewed and supplemented  
15 and replaced, in fact, by another professional, and  
16 the choices given to us by DOT included a list of  
17 three respectable transportation consultants, and we  
18 chose, without knowing them, Edwards and Kelcey.

19 Q. And this was, as you said, again, I  
20 want to indicate on the record in my question,  
21 emanated as a result of these initial meetings that  
22 you had with the Department of Transportation and  
23 Department of Environmental Protection?

24 A. That is correct.

25 Q. Now, there are various meetings

1 referenced in the exhibits and the bi-monthlies and  
2 the communications between Mr. Ribis and various  
3 parties that we have been supplied copies of.

4 Have you been in attendance or has  
5 Mr. Ribis to your knowledge been in  
6 attendance at each and everyone of those  
7 meetings?

8 A. There have been meetings -- I would, I think  
9 all of the meetings referenced have had a  
10 representative of either myself, Nick or both, or  
11 possibly Mr. Trump.

12 Q. How many meetings to your knowledge  
13 has Mr. Donald Trump been involved in personally?

14 A. I don't recall.

15 Q. More than one?

16 A. More than one.

17 Q. And how about Robert Trump?

18 A. More than one, two or three, maybe.

19 Q. But, nevertheless, it's your  
20 testimony that you were the primary person put in  
21 charge of this as a result of what happened at last  
22 year's renewal hearing?

23 A. I have been, I was designated by the Trump  
24 organization to handle this matter, take primary  
25 responsibility of this matter, on the side of the



1 Trump organization; Mr. Ribis on side of the legal.

2 Q. You gave some testimony in response  
3 to one of Mr. Ribis' last questions about the fact  
4 that no improvements, actual improvements had been  
5 made, and the reason for the fact that no actual  
6 improvements had been made.

7 Would you say that it is your  
8 testimony that was in part based on advice  
9 from your counsel, either Mr. Daniels or Mr.  
10 Ribis, not to do so?

11 A. I would say it was in part based on legal  
12 advice.

13 Q. Legal advice that you received?

14 A. Yes.

15 Q. And you discussed that with Donald  
16 Trump; is that correct, that legal advice?

17 A. I don't recall whether I discussed that  
18 legal advice with Donald Trump.

19 Q. But if you had to give your legal  
20 opinion, you would have agreed with that; is that  
21 correct?

22 A. I would have shared in that legal opinion;  
23 yes, sir.

24 Q. You gave some testimony to your  
25 knowledge all parties and/or principles, including

1 the Department of Transportation, and the Department  
2 of Environmental Protection, have agreed to a  
3 settlement of this matter; is that correct?

4 A. That is my understanding, Mr. Adams, that is  
5 correct.

6 Q. Is that as a result of meetings you  
7 actually attended?

8 A. It's as a result of a meeting I attended  
9 that had their counsel there, and I assume counsel  
10 could speak for their principles. Yes.

11 Q. So you're making that statement  
12 based on your meetings with their counsel, their  
13 lawyers; is that correct?

14 A. I am making that statement based on my  
15 meetings with their lawyers; yes.

16 Q. What do you foresee happening by  
17 way of this matter, if by some chance no settlement  
18 agreement is executed on behalf of the Trump  
19 organization?

20 A. I really don't want to get hypothetical. I  
21 believe the settlement has been achieved. I don't --  
22 I really can't think beyond that. The settlement has  
23 been achieved as far as I'm concerned. That's really  
24 all I can focus on.

25 Q. Let me ask it this way then. Would

1     you consider that the matter would then principally  
2     evolve as opposed to what's going to happen by way of  
3     legal proceedings you may take back to Mr. Daniels  
4     who's representing you and the other developers?

5     A.           I don't follow your question. I'm sorry.

6           Q.           Would you refer to him for advice  
7     as to how to further proceed in this matter?

8     A.           I believe the settlement agreement will  
9     terminate the matter entirely.

10          Q.           Well, assuming, let's say, the  
11     settlement agreement for some reason is not executed  
12     and signed, would you go back to Mr. Daniels, is what  
13     I'm getting at?

14     A.           I would certainly seek the advice of Mr.  
15     Daniels and Mr. Ribis. But I just can't foresee or  
16     conceive the fact of the settlement agreement, which  
17     has been signed off by everyone responsible for it,  
18     is not completed. I treat it as completed.

19                   MR. ADAMS: I have no further  
20     questions at this time.

21                   CHAIRMAN READ: Thank you.

22                   Mr. Sciarra?

23     CROSS-EXAMINATION

24     BY MR. SCIARRA:

25

1           Q.           Mr. Freeman it is your testimony  
2 here today that you are or have been directly  
3 involved on behalf of the Trump organization with the  
4 activities that have occurred this past year with  
5 regard to the roadway improvement contract; is that  
6 correct?

7           A.           Yes.

8           Q.           You've also testified that Edwards  
9 and Kelcey was retained by the joint venturer to  
10 perform another traffic study; is that correct?

11          A.           It was retained by three developers acting  
12 in concert. I don't know, when you mention joint  
13 venture, I don't want to confuse anyone as to whether  
14 it was done in a venture format or by three  
15 developers acting together in unison for this  
16 purpose; the Golden Nugget, Harrah's and ourselves.

17          Q.           And what did Edwards and Kelcey do  
18 for these three companies?

19          A.           Edwards and Kelcey performed, and I hope you  
20 have it, a full traffic and transportation study and  
21 projection and analysis, together with  
22 recommendations for the types of improvements  
23 necessary to handle all anticipated traffic through  
24 the year, I think, two thousand and five or so; the  
25 study year that was agreed upon by the state.

1 Q. Was that the study dated October 8,  
2 1986, do you recall?

3 A. I'm sorry, I don't know the date of it, sir.

4 Q. Did Edwards and Kelcey in their  
5 study conclude that the two intersections could  
6 accommodate future traffic volumes at an at-grade,  
7 with simply at-grade improvements, do you recall?

8 A. Yes, I believe they did.

9 Q. Is that basically the same  
10 conclusion that the Trump organization itself had  
11 reached was needed and as was testified here by  
12 yourself and other members of the Trump organization  
13 last year?

14 A. It was our belief at that time to it, yes.

15 Q. So in other words, Edwards and  
16 Kelcey's study confirmed what your organization had  
17 indicated to the Commission last year was the  
18 traffic, the traffic, level of traffic improvements  
19 needed at those intersections?

20 A. I believe what we indicated to the  
21 Commission, and I don't have my prior testimony in  
22 front of me, may have been slightly different, since  
23 the at-grade improvements suggested by Edwards and  
24 Kelcey were slightly different from what we had  
25 anticipated would be required; theirs was a more

1 thorough approach. Ours was a kind of guess based  
2 upon Wilbur-Smith which hadn't done quite as thorough  
3 a study as Edwards and Kelcey eventually did, in my  
4 view. They did a very professional study.

5 Q. They were essentially of the same  
6 nature and of the same extent; is that true?

7 A. Insofar as neither one suggest suggested  
8 that separated improvements were required.

9 Q. Do you recall the cost, was there  
10 any cost that Edwards and Kelcey gave for their  
11 improvements?

12 A. I don't recall the cost.

13 Q. Now, can you tell the Commission  
14 what the response of the Department of Environmental  
15 Protection and the Department of Transportation was  
16 to the Edwards and Kelcey study?

17 A. I believe that the response was that Edwards  
18 and Kelcey, having been designated by the Department  
19 of Transportation, initially, as one of the  
20 professional firms that we should use in this area,  
21 their response was that, it was an excellent study  
22 but had certain questions as to anticipated  
23 development and certain other questions that they  
24 gave us back in specific fashion for further  
25 information to be submitted by Edwards and Kelcey,

1 which was submitted.

2 Q. Do you recall whether or not you're  
3 familiar with a, do you recall having reviewed a  
4 memorandum from the Department of Environmental  
5 Protection that contained an analysis of the Edwards  
6 and Kelcey study and that concluded -- this is from a  
7 Mr. Harff (phonetic), of the Department of  
8 Transportation -- and he concluded that, "We have  
9 reason to seriously doubt the adequacy of the  
10 applicant's improvement proposals." Do you recall  
11 that?

12 A. Yes.

13 Q. Do you recall Mr. Harff in his  
14 memorandum indicated that the application suffers a  
15 number of deficiencies?

16 A. I do recall that he so stated.

17 Q. Do you recall that he detailed a  
18 series of deficiencies in his response?

19 A. Those were subjective deficiencies, if I  
20 may.

21 Q. They were, excuse me?

22 A. Subjective deficiencies. Edwards and Kelcey  
23 does not believe that their study was deficient and  
24 disagrees totally with Mr. Harff.

25 Q. What do you mean by subjective

1 there? Just simply Mr. Harff's?

2 A. Yes, they are certainly Mr. Harffs. I am  
3 saying they disagree theirs is subjective as well,  
4 sir.

5 Q. I don't understand that. Can you  
6 explain what you mean by subjective?

7 A. Yes. I'm saying that two experts in this  
8 area, assuming Mr. Harff is an expert -- I don't know  
9 him, I met him once or twice -- are disagreeing as to  
10 the adequacy of the proposed improvements.

11 Q. So essentially what happened is  
12 that the Department of Transportation, once again,  
13 had serious problems with the proposal for simply  
14 at-grade improvements for these intersections; isn't  
15 that correct?

16 A. I believe Mr. Harff's letter which you have  
17 would so indicate; yes. I'm not sure, by the way, if  
18 that's clear as to all intersections and all work. I  
19 don't want to testify on behalf of, as a professional  
20 traffic engineer; I am not. The better understanding  
21 would have to come from Edwards and Kelcey and  
22 perhaps Department of Transportation as to what  
23 extent they disagreed. In all fairness, I'm not sure  
24 I understood totally some of the very technical  
25 things that were referred to back and forth between



1 Department of Transportation and Edwards and Kelcey.  
2 In fact, I'm sure I didn't understand them.

3 Q. What happened after Mr. Harff's  
4 criticisms were received?

5 A. My recollection is, Mr. Sciarra, that  
6 Edwards and Kelcey submitted further information in  
7 an effort to respond to some of the questions raised  
8 by Mr. Harff.

9 Q. Do you know whether or not the  
10 effort to respond by Edwards and Kelcey was  
11 successful?

12 A. They certainly did respond. It was  
13 successful in that sense. Whether or not they have  
14 convinced Mr. Harff, I don't think they did. I think  
15 eventually the Department of Transportation did not  
16 agree with the findings of Edwards and Kelcey, and  
17 that resulted in the decision by CAFRA to deny our  
18 modification request.

19 Q. When was that?

20 A. I'm sorry, I don't have the date, sir. They  
21 are on record here in evidence, somewhere.

22 Q. Does April 10th sound right to you?

23 A. Yes. It could be in that area; I don't  
24 know, sir.

25 Q. What happened is, as you're

1 describing it, led ultimately on April 10, 1987, to  
2 the Department of Environmental Protection denying  
3 the application requested?

4 A. I think the Department of Environmental  
5 Protection, relying upon the Department of  
6 Transportation, did not agree with our request for  
7 modification, which was supported by the Edwards and  
8 Kelcey study. Accordingly, denied the application.

9 Q. What action did the Trump  
10 organization take in response to the denial of the  
11 application by the Department of Environmental  
12 Protection?

13 A. Prior to the denial of the application, we  
14 had been meeting with representatives of the Attorney  
15 General's Office, DOT, CAFRA, in an effort to  
16 continue our settlement discussions. That had been  
17 going on simultaneously with the modification  
18 process. So we were proceeding along both the  
19 administrative and the settlement route.

20 After the -- and those settlement  
21 discussions continued, started before the  
22 denial and continued through the denial and  
23 thereafter, to culminate in where we are  
24 today. In order to protect legal rights, we  
25 filed an appeal of the denial by CAFRA of

1                   our modification request.

2                   That appeal was filed timely. My  
3                   understanding is that action under the  
4                   appeal, based on common and mutual  
5                   understanding between ourselves and CAFRA,  
6                   was deferred pending the conclusion of the  
7                   settlement discussions, which would have  
8                   culminated finally as recently as yesterday  
9                   to complete the settlement.

10                  Q.            I understand what you're saying is  
11                  that the appeal is held in abeyance, but it's still  
12                  pending; is that correct?

13                  A.            Yes, I believe so.

14                  Q.            Do you know whether or not if the  
15                  settlement fell through that appeal would be pursued?

16                  A.            I really don't want to speculate. I believe  
17                  the settlement is completed and will not fall  
18                  through.

19                  Q.            Who would make that decision?

20                  A.            Well, it is, there are three entities that  
21                  are involved in this; Harrah's, ourselves and Golden  
22                  Nugget. It seems more significant at these hearings  
23                  than it does at their hearings somehow, but ... I  
24                  assume the decision would be made jointly by the  
25                  three of us.

1 Q. Now, what is the, can you explain  
2 whether or not, what is the status of the litigation  
3 in court involved in this matter?

4 A. Litigation has been placed on hold  
5 essentially. It's being held in abeyance there. I  
6 don't know the technical legal word for it in New  
7 Jersey, but it's inactive, I guess is the phrase, put  
8 on kind of inactive list pending ... and will be  
9 terminated as part of the settlement.

10 Q. It has yet to be dismissed; is that  
11 correct?

12 A. Well, obviously the two go together, sir.

13 Q. It has not been dismissed?

14 A. No, it has not been dismissed. It will be  
15 dismissed, it will be dismissed upon the formal  
16 execution of the settlement agreement, which calls  
17 for the delivery of releases and stipulations and  
18 whatever, to terminate litigation.

19 Q. If the settlement agreement is not  
20 executed, do you know whether or not the litigation  
21 would be pursued?

22 A. Mr. Sciarra, I don't -- you know, I really  
23 don't wish to speculate on what will happen if a  
24 settlement which has now been agreed upon is not  
25 consummated.

1 Q. Who would make that decision?

2 A. The three partners, sir, the three joint  
3 venture parties.

4 Q. At the moment both the appeal of  
5 the CAFRA denial of the permit application and the  
6 litigation in court is technically still pending in  
7 both the court and before the agency; isn't that  
8 correct?

9 A. That is correct, sir.

10 Q. How long do you anticipate it will  
11 take to have this agreement signed?

12 A. I would say it would be signed very, very  
13 shortly. I don't know if that's three days, 22 days,  
14 24 hours, a week, but I do know that we've approved  
15 it, we're prepared to sign it right now; counsel for  
16 all, including myself and my principles. The counsel  
17 for the other side have approved it. I anticipate  
18 that could make it close very, very rapidly.

19 Q. When you say counsel for the other  
20 principles, can you be specific and give us their  
21 names?

22 A. Mr. Luciani on behalf of Golden Nugget.

23 Q. He has approved the agreement?

24 A. He has approved the agreement; concept and  
25 he's reviewing some final changes, as I indicated to

1 Mr. Adams in my testimony before, there were some  
2 changes made this morning. Mr. Luciani and Mr.  
3 Daniels and Mr. Whitney, I guess, on behalf of  
4 Harrah's.

5 Q. I'm sorry, who?

6 A. Mr. Daniels and Mr. Whitney on behalf of  
7 Harrah's.

8 Q. Mr. Daniels represents the group?

9 A. Mr. Daniels overall but Harrah's is relying,  
10 waiting on his completion which he's done, and Mr.  
11 Whitney who represents just Harrah's.

12 Q. So Mr. Daniels represents the group  
13 and Mr. Whitney represents Harrah's?

14 A. Yes, Harrah's.

15 Q. And both of those gentlemen have  
16 agreed to the proposal?

17 A. That's my understanding, yes.

18 Q. But they have not agreed to the  
19 technical language that has been, changes that you  
20 said were made this morning?

21 A. I said that there were some insubstantial  
22 changes, non-material, minor, pick any word that fits  
23 that language, changes made this morning that I  
24 cannot represent --

25 Q. What were they?

1 A. May I finish?

2 Q. I'm sorry.

3 A. -- that I cannot represent have been  
4 approved by them because I haven't spoken to them  
5 since I've been here this morning.

6 Q. What are these insubstantial  
7 changes that you're referring to?

8 A. They are insubstantial, sir, their language  
9 only.

10 Q. What are they?

11 A. Without discussing the entire document,  
12 which I would rather not do, because it is not here,  
13 it's in evidence to the Commission and the DGE. If I  
14 told you, I don't know how to respond to that  
15 question. They are merely language clarifications  
16 changing no rights of the parties, completely  
17 consistent with the understandings and anticipations  
18 of the parties.

19 Q. Now, it's your testimony here that  
20 Mr. Trump has approved this agreement; is that  
21 correct?

22 A. That is correct.

23 Q. Is there anyone else in the Trump  
24 organization who would have to approve the agreement?

25 A. Just myself, I guess on this one, because I

1 was primarily responsible for it.

2 Q. So yourself and Mr. Trump are the  
3 principles for the organization?

4 A. No, Mr. Trump is the principle.

5 Q. And he's given his approval?

6 A. He's given his approval.

7 Q. Who are the other principles? Do  
8 you know the other principles in the other two  
9 organizations that have yet to give there approval?

10 A. I believe that Mr. Whitney would submit to  
11 Dave Hanlon who has been privy to the negotiations  
12 thus far. Mr. Hanlon I believe is charged with  
13 signing off. And at the Golden Nugget, I believe  
14 it's Mr. Steve Wynn.

15 Q. Do you know, it's your testimony  
16 that Mr. Hanlon is, that neither Mr. Hanlon nor Mr.  
17 Wynn has given there approval?

18 A. No, sir, I said it's my testimony that I  
19 don't know whether they have given there approval or  
20 not, but that their approval, I believe, is what  
21 their counsel with whom I've been privy are awaiting  
22 and are submitting to them for there approval

23 Q. Well, you've talk about approval of  
24 concepts and principles versus technical language.  
25 Has either Mr. Wynn or Mr. Hanlon given there



1 approval to the principles or concepts?

2 A. It's my understanding that Mr., it is my  
3 understanding that all principles have approved in  
4 concept, sir; but I have not spoken directly to  
5 them, I've spoken only to their lawyers.

6 Q. You don't know?

7 A. Well, to the extent that one is able to to  
8 trust the response one gets from their lawyers, and I  
9 am, I believe, I believe I do know. If you ask me,  
10 do I have personal direct knowledge, I don't.

11 Q. Finally, I want to ask you a  
12 question that Mr. Adams asked, again, and that is,  
13 what would the Trump organization, what do you  
14 believe the steps the Trump organization would take  
15 in the event that this settlement is not consummated  
16 and for some reason falls through?

17 A. I really, really don't wish to speculate  
18 beyond the settlement at this point. I will say that  
19 we've worked very hard to achieve this settlement and  
20 to speculate or to even suggest that there are open  
21 items, when there are none, would be improper on my  
22 part at this point.

23 Q. One other thing. Is the settlement  
24 simply to your knowledge incorporate at-grade  
25 improvements at these intersections or are there any

1 above-grade improvements?

2 A. I would rather not discuss the terms of the  
3 settlement in a public area at this point.

4 Q. Why not?

5 A. I just don't think it's prudent to discuss  
6 the terms of a settlement in a public area at this  
7 time. We have submitted the document to the  
8 Commission and to the DGE, and I would rather let the  
9 document speak for itself.

10 MR. RIBIS: Just to interpose. We  
11 have been requested by Mr. Belsole and Ms.  
12 Portiz, in fairness to Mr. Freeman, I have,  
13 and I've passed it on to Mr. Freeman, that  
14 when we started our discussions, we agreed  
15 not to have any public discussion of any  
16 discussions, and that has carried through.  
17 As recently as yesterday and this morning,  
18 again, we were requested not to get into  
19 detailed discussions of the agreement, and I  
20 think Mr. Freeman is not trying to evade the  
21 question but is properly following the  
22 guidelines that we commenced negotiations  
23 with. Thank you.

24 BY MR. SCIARRA:

25 Q. I take it, Mr. Freeman, when the

1 agreement is signed you could come to the Commission  
2 and discuss some of these details; is that true?

3 A. We will be submitting a full copy of the  
4 agreement to the Commission, sir.

5 MR. SCIARRA: Nothing further.

6 CHAIRMAN READ: Thank you.

7 Commissioner Zeitz?

8 EXAMINATION BY VICE-CHAIR ZEITZ:

9 Q. Just to follow Mr. Sciarra's last  
10 question. Presumably, then, the agreement is  
11 perfected finally and executed. Then it's an  
12 agreement between the New Jersey Department of  
13 Transportation and the New Jersey Coastal Area  
14 Facility Review Agency and the joint venture;  
15 correct.

16 A. Yes, sir.

17 Q. Whatever it says it will say?

18 A. Absolutely.

19 Q. It is not an agreement with this  
20 Commission?

21 A. That is correct.

22 COMMISSIONER ZEITZ: Thank you.

23 CHAIRMAN READ: Commissioner

24 Burdge?

25 EXAMINATION BY COMMISSIONER BURDGE:

1 Q. Mr. Freeman, have you discussed the  
2 agreement with the attorneys for the DOT and the DEP?

3 A. Yes, sir. They have been privy. They have  
4 been fully privy to the entire drafting and  
5 negotiation and indeed the most recent drafting was  
6 done by the Attorney General's Office in conjunction  
7 with at attorneys for the DOT and DEP, sir.

8 Q. Let's talk positive. Let's say  
9 this agreement is signed by all parties. Can you  
10 tell me when construction would bein?

11 A. The construction would be undertaken by the  
12 Department of Transportation under the terms of the  
13 settlement. We would not be doing any physical  
14 construction. I think it's anticipated that the  
15 construction would begin very rapidly, but it would  
16 not be in our control, sir.

17 Q. Let's say the agreement falls  
18 through. I note that Mr. Trump moved a little faster  
19 in New York City than the government has in  
20 accomplishing a problem they had and brought it about  
21 in a shorter period of time than was estimated. Was  
22 Mr. Trump ever asked to take on the building of the  
23 roadway by the DOT?

24 A. I don't believe Mr. Trump was ever  
25 personally asked to take on the building of the

1 roadway, sir. I'm not sure I'm following your  
2 question, sir.

3 Q. My concern is that we won't have a  
4 roadway in the Summer of 1987. This matter was  
5 before us last year. We may not have a roadway for  
6 the citizens who live in that area in 1988. I want  
7 to know are we going to have one in 1989, 1988 ...  
8 this matter has just been dragging on and dragging  
9 on. Sometimes when you have private enterprise who  
10 get into these matters, they move much quicker than  
11 government does.

12 I would like to know when  
13 construction is going to start.

14 A. I believe that our discussions with the  
15 Department of Transportation, Mr. Commissioner, has  
16 indicated that they, too, are anxious to start  
17 construction. Our obligations is to fund money, are  
18 timed as rapidly as they can do and perform the  
19 construction, and indeed some of it in advance of  
20 that. It's my hope and belief that they will indeed  
21 commence construction rapidly and satisfactorily to  
22 all concerned. But it would be something that they  
23 in their expertise and design would have to determine  
24 and not us, sir.

25 COMMISSIONER BURDGE: No further

1 questions.

2 CHAIRMAN READ: Ms. Armstrong?

3 EXAMINATION BY COMMISSIONER ARMSTRONG:

4 Q. Mr. Freeman, I think you indicated  
5 that if the latest draft of the agreement is signed,  
6 that the litigation which is presently pending in the  
7 Atlantic County Superior Court will be dismissed.

8 Now, it is my understanding that  
9 the City of Atlantic City and the City of  
10 Brigantine were interveners in that  
11 litigation; is that correct.

12 A. I think you're right. Yes, I think you're  
13 correct.

14 Q. Has there been any consideration as  
15 to how those interveners will factor in terms of  
16 dismissal of the suit versus whatever the contract  
17 says?

18 A. I'm not sure that has been considered, Ms.  
19 Commissioner.

20 Q. To the best of your knowledge then,  
21 there has not been consultation with representatives  
22 of the City of Brigantine or the City of Atlantic  
23 City regarding their position on dismissal of the  
24 suit in light of this latest draft and proposal?

25 A. It has been our anticipation that the work,

1 the answer is, I do not believe that there has been  
2 direct consultation with either one; I think you're  
3 correct in that.

4                   There has been consultation  
5                   throughout the term of all this negotiation  
6                   with the city and with Brigantine, as well.  
7                   But the question that you're raising as to  
8                   whether or not there has been specific  
9                   consultation about the termination of the  
10                  lawsuit, I don't believe that has taken  
11                  place. It has been my understanding that  
12                  the work that will be performed by DOT as  
13                  part of the settlement is very consistent  
14                  with the work that has been requested  
15                  certainly by the City of Brigantine, and  
16                  that the mayor of Brigantine, Mr. Kline, has  
17                  always stated to us that he places great  
18                  reliance upon DOT's expertise in this area,  
19                  and DOT will be determining what they will  
20                  be building in that area.

21                  Q.            I think there were some questions  
22                  directed toward you which I think actually applied to  
23                  I think a need which has long been recognized, in  
24                  light of this whole controversy about the roadway,  
25                  but an undisputed need for at least one or two

1 additional righthand turn lanes out of the City of  
2 Brigantine heading over the bridge going back toward  
3 Atlantic City.

4 I think somebody posed a question  
5 to you as to why perhaps in light of the  
6 fact that there really appears to never have  
7 been a disagreement as to the need for that  
8 particular roadway improvement, as to why  
9 perhaps those improvements were not started  
10 during this past year? I think you  
11 indicated those improvements could only be  
12 done really in the context of an overall  
13 agreement or the overall course of  
14 litigation. You said that was based at  
15 least partially on legal advice..

16 My specific question is, was there  
17 any specific discussion with DOT or CAFRA  
18 concerning, and I'm saying discussion by  
19 your organization, concerning any attempt to  
20 pursue that construction independent of but  
21 simultaneously while you were attempting to  
22 pursue the modifications of the CAFRA  
23 permit?

24 A. I think all efforts were focused on an  
25 overall traffic settlement and an overall traffic



1 plan that would achieve a good level of service  
2 within the entire area.

3 I don't believe there were any  
4 specific discussions about isolating,  
5 uncoupling, if you will, one aspect of the  
6 plan, performing that, and trying to  
7 preserve rights on both sides and all sides  
8 as to the rest. I think that was the  
9 position that was probably universal among  
10 all parties at that time, Ms. Commissioner,  
11 that we couldn't focus on trying to -- we  
12 were looking for an overall traffic  
13 solution. There was dispute as to what was  
14 required, what was not, and I'm not a  
15 sufficient traffic expert to know for sure  
16 that if we do one particular lane, whether  
17 it be one or two, that it doesn't have  
18 affects on the balance of a plan that is  
19 being assembled for the overall traffic in  
20 the area. There were several traffic plans  
21 that were put forth, the Edwards and Kelcey,  
22 DOT disagreed, Wilbur-Smith had a different  
23 one as to what improvements. I don't know  
24 you can do one without affecting all of the  
25 rest physically, as well as the legal issue

1           which you alluded to.

2           Q.           I think you indicated, in response  
3           to questioning by one of the attorneys, that the  
4           settlement is achieved as far as your concerned.

5                        I appreciate what you're saying,  
6           but I think the history here requires us all  
7           to be cautious about this. I know  
8           apparently back in March it appeared as  
9           though a substantial settlement had been  
10          reached and there's an exhibit in the file  
11          which is a letter from Mr. Daniels to Mr.  
12          Belsole expressing some disstress at the  
13          fact that they thought that a substantial  
14          agreement had been arrived at and apparently  
15          it had not been. So I think that we all  
16          hope there is an agreement here, but I think  
17          it's reasonable to question what if there  
18          isn't.

19                       I think you indicated, in response  
20          to several questions that you do not wish to  
21          speculate on the "what if" the agreement is  
22          not signed.

23                       Can I take it that by that response  
24          that there is at this point in time no  
25          specific contingency plan as to as to "what

1           if" happens if this agreement is not  
2           executed.

3           A.           That is correct. I am operating on the  
4           assumption that we have settled this matter and I at  
5           the moment have no contingency plan.

6           Q.           Okay. With regard to any aspect of  
7           the roadway improvement, particularly what I'm  
8           getting at, there is no specific contingency plan to  
9           deal with the question of the roadway out of  
10          Brigantine?

11          A.           At this time, that is correct.

12                            COMMISSIONER ARMSTRONG: Thank you.

13                            COMMISSIONER WATERS: I have no  
14          questions.

15          EXAMINATION BY CHAIRMAN READ:

16          Q.           Mr. Freeman, in response to  
17          questions that Mr. Sciarra asked, you referred to the  
18          joint agreement by all parties. When he asked you of  
19          specific counsel involved and the principles who  
20          would get to review it before signing it, he named  
21          counsel for Trump organization, Harrah's and Nugget,  
22          and for the overall group, to the extent that they  
23          were also represented on separate counsel that  
24          covered all three.

25                            Could you give us similar.

1 identification of the other signatories of the  
2 the agreement?

3 A. For the Department of Transportation?

4 Q. Whoever else is involved in the  
5 agreement.

6 A. It would be the people who have signed off  
7 this agreement. They are Debra Poritz, on behalf of  
8 the Attorney General's office; Michael Fichera, on  
9 behalf of DOT; and Steve Brower, on behalf of CAFRA;  
10 and I hope I'm not leaving anyone out. I don't want  
11 to --

12 Q. We don't want to insult anybody at  
13 this moment?

14 A. I certainly don't want to insult them. Let  
15 me check with counsel.

16 MR. RIBIS: I think Mr. Belsole,  
17 also --

18 THE WITNESS: Would he like his  
19 name on that?

20 MR. RIBIS: I think so. And Mr.  
21 Van Dalen, on behalf of CAFRA, in  
22 conjunctioin with Mr. Brower.

23 THE WITNESS: Okay.

24 CHAIRMAN READ: Mr. Van Dalen would  
25 also be entered, as well as Mr. Brower for

1 CAFRA?

2 MR. RIBIS: That's correct.

3 BY CHAIRMAN READ:

4 Q. Mr. Belsole's role is for the  
5 Attorney General?

6 A. Yes, sir.

7 Q. So that the Attorney General's  
8 Office, I guess I still haven't gotten the answer,  
9 the rest of the question really; who all is involved,  
10 will be involved as signatories to the agreement and  
11 what principles have to review it for that purpose?

12 A. I believe the only principle remaining on  
13 the state side would be Commissioner Gluck of the  
14 Department of Transportation, and Director Weingart  
15 on behalf of CAFRA. I'm not sure whether he has  
16 completed his review. Those are the two principles  
17 on that side that I would be referring to.

18 Q. They would still be reviewing it.  
19 As far as you know, they have not seen the final  
20 form. They have agreed in principle but not in final  
21 writing?

22 A. My understanding is that they have agreed to  
23 all of the business terms of the settlement, and that  
24 they would like to review the final language to make  
25 sure their counsel have correctly reflected those

1 terms.

2 Q. Although I respect the request  
3 coming from counsel for the parties that we should  
4 not discuss the individual terms of this agreement,  
5 nevertheless, in response to a question Commissioner  
6 Burdge put, I gather that it is part of the agreement  
7 that the Department of Transportation is to carry  
8 forward the construction. Commissioner Burdge asked  
9 if Mr. Trump was ever asked to take on construction  
10 of the roadway. I noted you answered very carefully  
11 that to the best of your knowledge Mr. Trump was not  
12 individually personally asked.

13 Could you expand on that?

14 A. I did not believe Mr. Trump has ever been  
15 asked to perform the state's obligations on the  
16 roadway.

17 Q. I understand that. Has the Trump  
18 organization or anybody connected in any way with Mr.  
19 Trump been asked by the Department of Transportation  
20 or by anyone else in connection with this obligation  
21 to take on the actual construction? Having in mind,  
22 as Mr. Burdge quite fully pointed out, and as Mr.  
23 Trump has pointed out to us on several occasions, he  
24 did a superb job in New York, I would like to see a  
25 superb job done in the Marina, and I wondered what

1 his availability or the availability of the  
2 organization might be to beat the time and expense of  
3 a public body.

4 A. Your direct question was, has he or anybody  
5 been asked to perform that work? The answer is, not  
6 to my knowledge.

7 Q. You did indicate, I think, in your  
8 direct testimony, several times over, that the  
9 problems and solutions with respect to the  
10 construction of the roadway of the three licensees  
11 are identical. Again, without going to the question  
12 of how it may have been handled in the final draft,  
13 it's my recollection that that's not totally  
14 accurate, at least that's not the way it's been  
15 treated in some of the earlier negotiations. That  
16 Nugget has been given some sort of different  
17 treatment because, (A), they don't have any building  
18 in operation, and I think they have been treated  
19 differently with respect to the negotiations; would  
20 that be right?

21 A. I think only intersay, only among our side,  
22 I think vis-a-vis the state the problems are  
23 identical.

24 Q. They are treated all the same?

25 A. Yes, vis-a-vis the state. Intersay, and

1 without disclosing too much more of the agreement.  
2 Intersay they may not --

3 Q. I'm going back to the earlier  
4 materials and questioning the accuracy of your  
5 statement.

6 A. I'm sorry?

7 Q. I'm going back to the earlier  
8 material submitted to us and questioning the  
9 accuracy.

10 A. Certainly they do not have an extent casino.  
11 One could say that they perhaps should have some  
12 different desires and views. On the other hand,  
13 their obligations and their rights are essentially  
14 identical to ours.

15 Q. I'm not sure that I understood your  
16 answers to be consistent between the answers that you  
17 gave to Mr. Ribis on your direct testimony and the  
18 answers you gave to Commission Armstrong with respect  
19 to her questions on the severability of the work to  
20 be done.

21 I understood you to say, in  
22 response to your direct testimony, the  
23 question from Mr. Ribis, that the Department  
24 of Transportation had declined your offer to  
25 do some work earlier than the agreement



1           because of their desire to have the whole  
2           work treated in a single agreement. I  
3           understood you to say more recently to  
4           Commissioner Armstrong that it was the  
5           question of advice of counsel and really no  
6           consideration being given to severability.  
7           Those seem to be inconsistent.

8           A.           I don't intend them to be inconsistent. Let  
9           me clarify.

10                        You will recall at our last hearing  
11           a year ago there were discussions and  
12           matters put in evidence, whereby we had  
13           offered to do certain interim improvements  
14           of some kind, and the response from DOT at  
15           that point was that we could not do that  
16           without assurance that we would be doing, we  
17           would agree to do the balance of the  
18           separated improvements as well. So I think  
19           that position which preceded even our last  
20           hearing, kind of carried through. That, I  
21           think, is what I was responding to in Mr.  
22           Ribis' questioning. I think it is  
23           consistent with my answer to Commissioner  
24           Armstrong, in that it really didn't come up  
25           again during the more recent period.

1           Q.           I understand your reluctance not --  
2 I forget who was asking the question, I think  
3 possibly Mr. Adams, but I think Mr. Sciarra also  
4 asked a question -- and I understand your reluctance  
5 to try to name a specific date by which the agreement  
6 might be fully executed. I think from our point of  
7 view, it's a very important thing, because, quite  
8 frankly, until that agreement is executed, I don't  
9 conceive that we're really maybe not as well off as  
10 we were last year when we were looking back to an  
11 earlier agreement that we thought was still going to  
12 be carried out.

13                       Realistically, give us a ballpark,  
14 what do you think is the earliest it might  
15 be fully executed? I'm not talking about  
16 agreed to by everybody orally, I'm talking  
17 about a fully executed agreement, nearest  
18 date and most remote, realistically.

19           A.           Mr. Chairman, I think, my belief, my  
20 personal belief is that it will and should be done  
21 within a week. I do believe that. The document is  
22 substantially drawn. The language has been approved  
23 to the point where we're making changes, as I  
24 indicated in my response to Mr. Sciarra, that they  
25 are merely language changes and not substance at all.

1                   CHAIRMAN READ: As a lawyer I  
2 wonder about language changes.

3                   THE WITNESS: So do I. On the  
4 other hand, I'm saying that it's at that  
5 level of change and not at the level of  
6 anything more to discuss than that level of  
7 change. I personally believe it will be  
8 done within a week. I can foresee no reason  
9 why it should not be done. I know that Mr.  
10 Sciarra stood up and indicated that we  
11 should defer this hearing and licensure  
12 until indeed it is done.

13                   CHAIRMAN READ: We'll make that  
14 decision.

15                   THE WITNESS: I understand. I'm  
16 sure you will, sir. It's my fear that type  
17 of approach is the only thing that could  
18 interfere with it being done, that parties  
19 could sometimes then believe they have a  
20 different bargaining posture. Subject to  
21 that not happening, I do believe it will be  
22 done within a week.

23                   CHAIRMAN READ: Thank you. Mr.  
24 Zimmerman?

25                   MR. ZIMMERMAN: No questions.

1 CHAIRMAN READ: Any more redirect?

2 MR. RIBIS: Nothing further.

3 MR. ADAMS: No further questions,  
4 Mr. Chairman.

5 CHAIRMAN READ: Any question from  
6 any Commissioner?

7 MR. SCIARRA: I just have one more,  
8 Mr. Chairman.

9 MR. SCIARRA: Sciarra.

10 CROSS-EXAMINATION

11 BY MR. SCIARRA:

12 Q. Commissioner Armstrong, Mr.  
13 Freeman, indicated the undisputed need for the  
14 improvements to the roadways going out of Brigantine.  
15 I believe, as you'll recall, there was substantial  
16 testimony at the hearing last year about the traffic  
17 congestion and traffic problems as a result of the  
18 absence of the failure to make those improvements.

19 I wanted to know, and I'll ask you  
20 this on behalf of the Trump organization,  
21 whether or not anyone in the Trump  
22 organization, whether you are or anyone else  
23 in the Trump organization may be aware of  
24 the number of traffic accidents and injuries  
25 and deaths to motorists that have occurred

1           on the roadways going out of Brigantine in  
2           this past year.

3           A.           I personally am not aware of the number of  
4           accidents.

5           Q.           You don't know?

6           A.           The number of accidents? I'm afraid I  
7           don't, sir.

8           Q.           Do you know whether or not you or  
9           anyone in the Trump organization would know of the  
10          number of traffic accidents and injuries and/or  
11          deaths to motorists that would have occurred on those  
12          roads as a result of congested traffic conditions in  
13          that area?

14          A.           I don't know. Certainly, there has  
15          certainly been evidence and studies done as to what  
16          the needs are, and that's a part of all we've been  
17          working on thus far for the last year since I've seen  
18          you last. I certainly don't know the exact number of  
19          injuries there or particular place. I can't respond  
20          to you intelligently. I'm sorry.

21          Q.           Do you have any information related  
22          to accidents and injuries?

23          A.           I personally do not.

24          Q.           You do not?

25          A.           I personally do not.

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MR. SCIARRA: I have nothing further.

CHAIRMAN READ: Thank you.

Any further questions from anyone for Mr. Freeman?

If not, thank you, Mr. Freeman.

THE WITNESS: Thank you, Mr. Chairman.

(Witness excused.)

MR. RIBIS: I have a short witness, Mr. Miller. I would like to have a few boards I would like to bring out. If that's okay with you to do it at this time.

CHAIRMAN READ: Fine. Let's get that one out of the way then.

1 Q. Is it anticipated in the future, if  
2 Mr. Trump is successful in acquiring the Resorts B  
3 stock, what you would be focusing on at that time, in  
4 conjunction with your casino-hotel work, with Mr.  
5 Trump?

6 A. It is truly my anticipation to do so.

7 Q. Could you explain to the Commission  
8 what you'll be doing if that comes about, in addition  
9 to the work at the casinos.

10 A. With the acquisition of the Resorts?

11 Q. Yes.

12 A. I would expect, we haven't gotten into too  
13 many discussions with it yet, but I would fully  
14 expect we would get right into there to see that the  
15 project continues to move along in the proper  
16 direction for a timely completion.

17 Q. What about the housing aspects,  
18 have you discussed that element of low and  
19 middle-income housing?

20 A. Oh, yes, we've discussed that.

21 Q. Is that going to be one of your  
22 responsibilities?

23 A. Yes, it will be.

24 Q. From an in-house, working in-house  
25 for Mr. Trump?

1 A. Yes, sir.

2 Q. Specifically referring to what has  
3 been marked as A-27 in evidence, could you describe  
4 for the Commission what that rendering shows.

5 A. All right. The rendering you are looking at  
6 here is the result of about a year's planning work  
7 that we've had undergone since about this time last  
8 year, for an expansion of the -- what you see here is  
9 the present Castle facility with the tower, the  
10 rainbow and the title and the base of the tower, as  
11 you would approach it from the entrance to the  
12 project.

13 We are showing here a major  
14 expansion with a tower of about 12 stories  
15 from the ground, that would be perpendicular  
16 to the one of the high rise existing tower,  
17 that would provide somewhere approximately  
18 of about a hundred room suites.

19 Sitting below, which would be the  
20 major element of the expansion, would be a  
21 large ballroom of about 18,000 square feet,  
22 with all of the support facilities for all  
23 kinds of events, conventions, exhibits,  
24 banquets and entertainment types of  
25 functions.



1                   It would be placed exactly on the  
2                   same level as the third floor that has all  
3                   of the qualified public facilities, the  
4                   restaurants and lounges and so forth and, as  
5                   the casino is located. It comprises  
6                   something like 250,000 square feet in  
7                   expansion to the project. As you may  
8                   recall, it was a part of a master building  
9                   program when the project was originally  
10                  approved before this Commission.

11                 Q.           Have you estimated the cost of  
12                  these improvements and the construction time  
13                  schedule?

14                 A.           We have not gotten down into precise costs,  
15                  but we're talking in the area of 40 to \$50 million  
16                  dollars.

17                 Q.           And the time, when is construction  
18                  anticipated to commence?

19                 A.           Well, we just had meetings on this. We're  
20                  committed to start construction October 1st.

21                 Q.           How long would the construction  
22                  period be?

23                 A.           It would be my estimate that we would be  
24                  looking at 15 to 18 months for the total program.

25                 Q.           Now, referring to Exhibit A-28.

1       Could you just describe for the Commission what that  
2       exhibit shows?

3       A.       Yes. Just very briefly, it's hard to  
4       visualize, the graphic area you see here that is  
5       non-colored, represents the existing facility along  
6       the third level.

7                        Brigantine Boulevard runs by the  
8       rear here. Huron would be down here with  
9       the Marina facility on the other side.

10                      You are looking at the promenade  
11       along the casino and the main atrium.

12                      The blue indicates the expanded  
13       area at the rear where we have this very  
14       large flexible type of a ballroom facility  
15       that can be sub-divided with several  
16       prefunction areas, with kitchen support  
17       around it, serving off of the back of the  
18       house functions here.

19                      The tower facility would extend  
20       right over this portion where you see all of  
21       the columns, and would tie into the present  
22       cprps of service facilities, elevators and  
23       the such, of the existing tower.

24       Q.       This is Exhibit A-29. Would you  
25       explain what that is, this section of the diagram?

1 A. This is a diagramatic section, which it  
2 simply relates the areas, the blue again being the  
3 ballroom, and with the present restaurant casino  
4 floor, it would tie right out through the rear,  
5 extending about 120 feet, 20 feet in height with  
6 coffers about 24 feet in height, giving a very decent  
7 type of ballroom space. This would be the tower with  
8 the eight levels above for the guest rooms.

9 Q. Have additional meetings rooms been  
10 added to the facility as part of this expansion?

11 A. Yes. Due to the height of the ballroom,  
12 that is necessary for such a large space, we had the  
13 opportunity within the building structure to tie,  
14 also, into the fourth floor which which, as you may  
15 know, is essentially a meeting and exhibition type of  
16 floor. We would make the connection in and we would  
17 add several, five or six other meeting room areas to  
18 the meeting and exhibition category.

19 Q. Over the past year, Mr. Miller,  
20 have you been involved in the ongoing projects at the  
21 facility and the improvements made at the facility?

22 A. Yes, very much so.

23 Q. Could you quickly describe for the  
24 Commission what has been done and the type of capital  
25 expenditures that have been ongoing in the facility

1 over the past year?

2 A. Yes, I can. I would say almost immediately  
3 since the facility became licensed with Mr. Trump, we  
4 proceeded immediately, and I think within a four to  
5 six month period, completed a health facility there.  
6 I believe that facility was at a cost of between  
7 three quarters and one million dollars. We then  
8 proceeded into a a series of additional restaurant  
9 facilities, first with expansion of the coffee shop  
10 area, which is found to be very desirable. That was  
11 completed, I believe, late 1985 or early 1986.

12 The year 1986 involved several  
13 restaurant completions in the facility  
14 beginning with an ice cream parlor, which I  
15 believe was completed in the Spring or  
16 Summer of 1986. We went immediately into a  
17 sort of a quite bar and restaurant facility  
18 on the fourth floor. That necessitated and  
19 we did get approval through the Commission  
20 here for a deletion of some meeting rooms in  
21 there, and I think there was a waiver  
22 involved in that, with the promise and the  
23 commitment that we would provide a new ball  
24 room, which we did on the fourth floor,  
25 under a time schedule to have it completed



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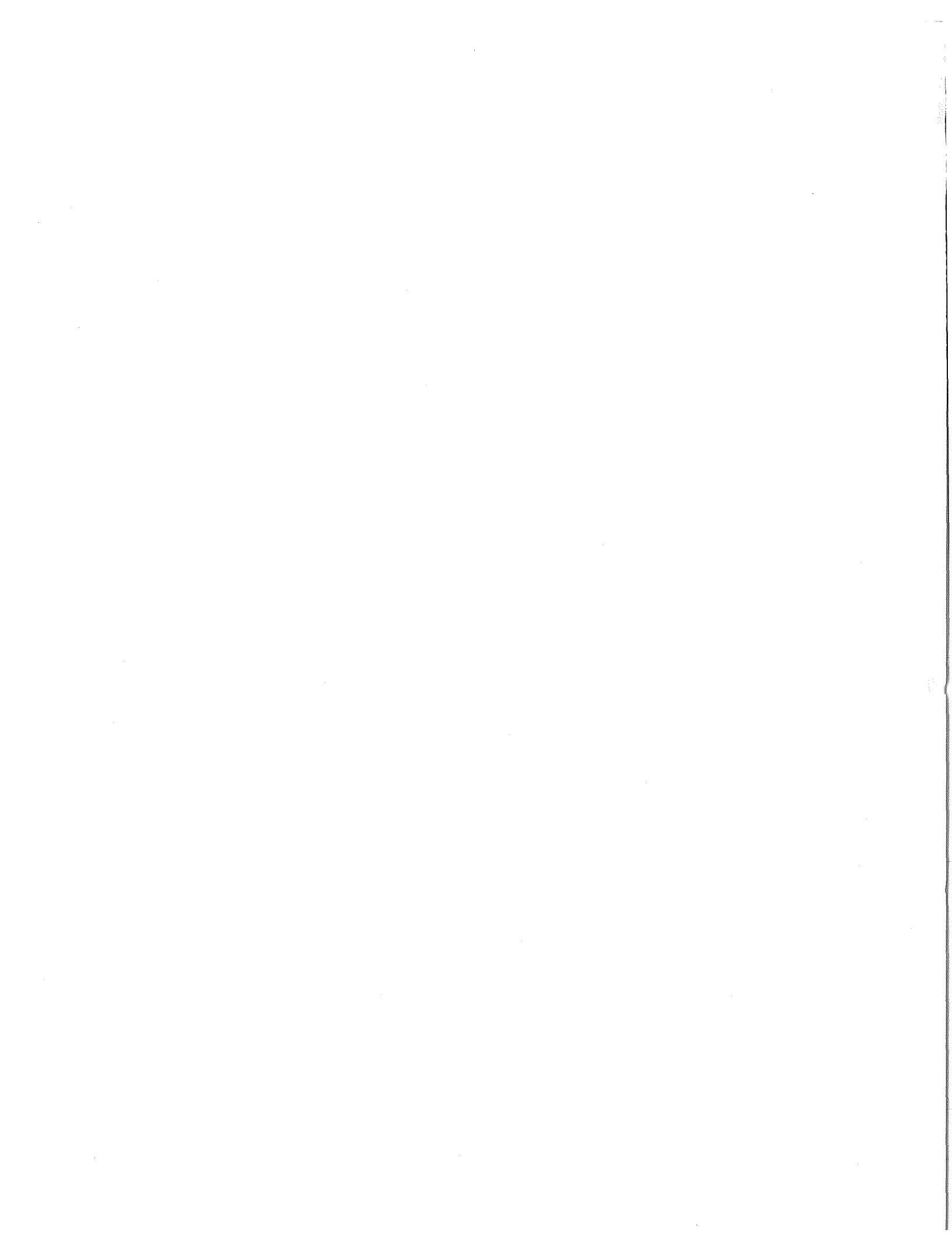
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1           A.           This is a diagramatic section, which it  
2           simply relates the areas, the blue again being the  
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5           extending about 120 feet, 20 feet in height with  
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8           the eight levels above for the guest rooms.

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12          that is necessary for such a large space, we had the  
13          opportunity within the building structure to tie,  
14          also, into the fourth floor which which, as you may  
15          know, is essentially a meeting and exhibition type of  
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17          add several, five or six other meeting room areas to  
18          the meeting and exhibition category.

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21          facility and the improvements made at the facility?

22          A.           Yes, very much so.

23          Q.           Could you quickly describe for the  
24          Commission what has been done and the type of capital  
25          expenditures that have been ongoing in the facility

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9 facilities, first with expansion of the coffee shop  
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11 completed, I believe, late 1985 or early 1986.

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18 on the fourth floor. That necessitated and  
19 we did get approval through the Commission  
20 here for a deletion of some meeting rooms in  
21 there, and I think there was a waiver  
22 involved in that, with the promise and the  
23 commitment that we would provide a new ball  
24 room, which we did on the fourth floor,  
25 under a time schedule to have it completed



1            somewhere before the end of 1986, which I  
2            believe was done, and that included a deli  
3            type of restaurant facility, also, on the  
4            fourth floor.

5                         There were some miscellaneous  
6            things done through those periods of time.  
7            The total expenditure, I think, ran  
8            approximately \$18 million for those  
9            facilities.

10            Q.            Now, we're looking at Exhibit A-31.  
11            Could you explain to the Commission what that exhibit  
12            shows?

13            A.            Yes, I would like to. This exhibit that you  
14            see here is one of the conceptual sketches that our  
15            office has been working on towards the point of  
16            getting into the program of the upgrading of the  
17            Farley S. Marina Center.

18                         We are showing here in this drawing  
19            a facility that would represent a two-story  
20            addition as a replacement to the present  
21            Marina building. As you perhaps are aware,  
22            that building is precisely on the center  
23            line with the Marina facility itself and at  
24            the entrance of Trump Castle.

25                         We think it's important to show

1           this overhead connection for the traffic  
2           flow between the facility at the third  
3           floor, where we have restaurants and lounges  
4           and so forth, directly on center line  
5           across, connecting up with the second level  
6           of the Marina, that would be a wonderful  
7           seafood type of restaurant, which would have  
8           a very good marina-type relationship.

9                        The ground floor level of this  
10           would provide for public lavatories,  
11           visitors' facilities and some retail areas,  
12           they would be interconnected with elevators  
13           and such.

14                       We think it would provide a  
15           wonderful type of gateway down Huron Avenue  
16           for both the Marina and the Trump's Castle  
17           facility.

18           Q.           In addition to those, the work you  
19           just described, is there additional work which is  
20           required in the Marina itself?

21           A.           Yes. The upgrading of the facilities, the  
22           docks, the piers, the pilings, parking facilities,  
23           lighting and some landscaping, is part of that  
24           program.

25           Q.           As part of the agreement to manage

1 the Marina that Mr. Trump has entered into with the  
2 State of New Jersey, what is the approximate amount  
3 of those improvements which will be done to the  
4 Marina?

5 A. I believe that's in the area of \$11 million.

6 Q. When do you anticipate that the  
7 construction of these improvements will commence?

8 A. Well, we're proceeding right now with the  
9 design work. It is our hope to make a major effort  
10 in the improvements of the dock facilities over the  
11 winter months. So that by the next season, there  
12 would be a substantial improvement there.

13 MR. RIBIS: Thank you.

14 I have no further questions.

15 CHAIRMAN READ: Mr. Adams?

16 MR. ADAMS: No questions Mr.

17 Chairman.

18 CHAIRMAN READ: Mr. Sciarra?

19 MR. SCIARRA: No questions.

20 CHAIRMAN READ: Mr. Zeitz?

21 EXAMINATION BY VICE-CHAIR ZEITZ:

22 Q. Mr. Miller, that expansion project,  
23 a hundred additional hotel suites and expansion of  
24 public spaces, does that include any addition to the  
25 2,900 spaces garage now part of the project?

1 A. No, I don't believe it does.

2 Q. So there won't be any addition  
3 required in terms of parking capacity for the  
4 facility to complete that?

5 A. To the best of my knowledge, this project  
6 has all of its city approvals, of which, of course,  
7 included the traffic study and so forth. It did get  
8 approval.

9 Q. You say that this phased expansion  
10 was envisioned in the original concept of the project  
11 when -- let me withdraw that and try that again?

12 This phase of the project, this  
13 expansion was contained within the concept when the  
14 project was first constructed?

15 A. Yes, it was; not in the precise context of  
16 this, there have been some adjustments, but in a  
17 general manner under Hilton there was a master plan  
18 proposed and approved by the city.

19 Q. Well, the developer of the project,  
20 which was Hilton Corporation, built a 2,900 space  
21 garage, did it not?

22 A. I believe it's around that number; yes, sir.

23 Q. And Hilton presented a phased  
24 construction program to eventually reach the peak of  
25 two thousand hotel rooms.

1 Do you know whether or not the  
2 garage was designed to handle the maximum  
3 hotel room development of the project? If  
4 you know.

5 A. No I do not.

6 COMMISSIONER ZEITZ: Thank you.

7 CHAIRMAN READ: Commissioner

8 Burdge?

9 COMMISSIONER BURDGE: No questions.

10 CHAIRMAN READ: Ms. Armstrong?

11 COMMISSIONER ARMSTRONG: No

12 questions.

13 CHAIRMAN READ: Commissioner

14 Waters?

15 COMMISSIONER WATERS: No questions.

16 CHAIRMAN READ: Mr. Zimmerman?

17 MR. ZIMMERMAN: No questions.

18 CHAIRMAN READ: Anything further

19 for anybody for Mr. Miller?

20 Mr. Miller, thank you.

21 THE WITNESS: Thank you, sir.

22 ([Witness excused.]

23 CHAIRMAN READ: That's it as far as

24 you're concerned?

25 MR. RIBIS: I have nothing further.

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We would rest.

CHAIRMAN READ: I would suggest  
then that we take a break at this time and  
come back in an hour.

(There is a luncheon recess at 1:15 p.m.)

1 A-F-T-E-R-N-O-O-N S-E-S-S-I-O-N

2 (Commencing at 2:50 p.m.)

3 (All five Commissioners are present.)

4 CHAIRMAN READ: If we can come back  
5 to order, please.

6 It is my understanding that we have  
7 finished, Mr. Ribis, with all of your  
8 witnesses. You do not anticipate calling  
9 any more?

10 MR. RIBIS: That's correct, Mr.  
11 Chairman.

12 CHAIRMAN READ: Mr. Adams?

13 MR. ADAMS: We have no witnesses at  
14 this time, Mr. Chairman.

15 CHAIRMAN READ: Mr. Sciarra?

16 MR. SCIARRA: None, Mr. Chairman.

17 CHAIRMAN READ: In that event, I  
18 would assume we are, our normal course of  
19 events, ready to come to closing arguments  
20 or presentations.

21 I would comment before any decision  
22 is made with respect to that, that I  
23 thoroughly recognize and respect the concern  
24 that Mr. Freeman expressed when he was on  
25 the stand as to any possible delay for the

1           purpose of waiting until the agreement is  
2           fully signed. I think that's a very real  
3           risk and concern and, as I said, I fully  
4           recognize it. On the other hand, we have  
5           not seen and there has not been introduced  
6           into the record anything with respect to the  
7           final contract or agreement -- when I say we  
8           haven't seen anything, we've seen drafts,  
9           seen some modifications, we've seen some  
10          inked notations as to more recent changes --  
11          I'm not sure we had the ones as of this  
12          morning or not -- but it's an incomplete  
13          agreement; there are no signature lines, no  
14          closing -- what we do have is incomplete.

15                 Quite frankly, I would like to see  
16          at least that. Obviously it would be highly  
17          preferable if it were fully signed, but, as  
18          I've indicated, that might make things very  
19          difficult and some people, whoever, might  
20          perceive that this was a bargaining chip, if  
21          we did put a definite limitation that we  
22          wouldn't consider final licensure until such  
23          time as a fully executed agreement is  
24          presented to us.

25                 I would like to suggest, therefore,



1           that we delay at this time coming to a final  
2           decision until such time as we do have an  
3           opportunity to see what purports to be the  
4           final agreement, preferably a signed one, if  
5           it's available.

6                     In view of the time factors that  
7           Mr. Freeman did suggest seemed possible, and  
8           in view of the fact that the Trump interest  
9           will be appearing before us on Wednesday,  
10          June 10th at our open public meeting at that  
11          time, that it might be convenient to carry  
12          final decision in the matter until that  
13          time. It would not inconvenience them, as  
14          far as an additional appearance, and it  
15          might work out very well, because that  
16          meeting is here in Lawrenceville and we can  
17          address it in that sort of a context.

18                     If it's been signed and we have  
19          such an agreement available before us, fine,  
20          we can take that into consideration. If it  
21          hasn't been signed, we'll look at it in the  
22          context of that and why it hasn't been  
23          signed and the whole picture in that  
24          fashion; presumably we would have the  
25          agreement in final form at that stage, at

1 least agreed to by virtually all of the  
2 parties, if not by all, all of them  
3 preferably.

4 However, if we do handle it in that  
5 fashion, I think it does present counsel  
6 with something of a decision that has to be  
7 made.

8 The record would be kept open for  
9 the receipt of that additional exhibit. In  
10 that posture, I don't know whether counsel  
11 would want to close until the record itself  
12 is closed. I leave that up to you at this  
13 time. It's your decision. I would guess  
14 you would want to hold it open, but we can  
15 handle it either way that you may choose.

16 MR. RIBIS: I think we could  
17 proceed with closings and I really have a  
18 full platter on the 10th, as you know, with  
19 what's coming up. I think it would be  
20 unfair under those circumstances, well  
21 knowing what we have coming up on the 10th,  
22 and the short string you have placed me on  
23 for responding to those papers in the joint  
24 petition, I would preferably sum up today  
25 and make my comments today. I personally

1 feel that it's unfortunate that we find  
2 ourselves in this position, but I am  
3 prepared to move ahead and sum up, and I  
4 would believe that the record should be  
5 closed but for the one item that the  
6 Commission seems to --

7 CHAIRMAN READ: If the record is  
8 open, Mr. Ribis, it's open for all purposes.

9 MR. RIBIS: Then I would like to  
10 sum up.

11 CHAIRMAN READ: I would not under  
12 those circumstances enforce other counsel,  
13 if they choose not to. That might influence  
14 your decision. I gather Mr. Ribis would  
15 like to close.

16 Mr. Adams, any comments?

17 MR. ADAMS: Mr. Chairman, I would  
18 certainly like an opportunity to consult  
19 with Director Parrillo on this. I would be  
20 inclined, in light of your comments,  
21 however, to hold off on the Division's  
22 closing at this point.

23 CHAIRMAN READ: Mr. Sciarra?

24 MR. SCIARRA: Mr. Chairman, my  
25 closing is based on what's been presented so

1 far. So if I did close, it would be based  
2 on the evidence that's been presented at  
3 this juncture. Obviously if there is  
4 additional evidence to be presented at a  
5 later date, it might warrant some comment  
6 and might change the nature of my arguments  
7 at this point. But with that in mind, I'm  
8 prepared to make some remarks on the  
9 evidence that's been presented today.

10 CHAIRMAN READ: Fine. Well, why  
11 don't we take a brief break, Mr. Adams, give  
12 you an opportunity to consult and let us  
13 know what decision you come to as promptly  
14 as you can.

15 MR. ADAMS: I would appreciate  
16 that, Mr. Chairman.

17 CHAIRMAN READ: Five minutes or so,  
18 ought to do it?

19 MR. ADAMS: Yes, he's in the  
20 building.

21 CHAIRMAN READ: Fine.

22 (Brief recess at 2:57 p.m.)

23 (Hearing reconvened at 3:07 p.m.)

24 (All five Commissioners are present.)

25 CHAIRMAN READ: If we can come back

1 to order then.

2 Mr. Adams.

3 MR. ADAMS: Thank you, Mr. Chairman.  
4 I've had an opportunity to discuss the  
5 matter with Director Parrillo. At this  
6 point, again, I'll emphasize, in light of  
7 your comments, we would take the opportunity  
8 of postponing our closing until that June  
9 10th date.

10 CHAIRMAN READ: Mr. Ribis, it's  
11 still your choice. I gather we're not going  
12 to hear other closings at this time, unless  
13 the Advocate wants to close on a limited  
14 basis.

15 MR. RIBIS: I obviously am in a  
16 position that's very unfortunate. I think  
17 it's unfortunate because of a lot of time,  
18 effort and hard work that has gone into the  
19 contract negotiations with DOT and CAFRA and  
20 the Attorney General's Office. I think it's  
21 unfortunate from the standpoint that the  
22 impressions which are left in this room  
23 today are, I think, are inappropriate under  
24 the proofs. I think that I have no choice  
25 but not to close because, why would I close

1 if the Division of Gaming Enforcement who  
2 precedes me in summation and the Public  
3 Advocate are not closing?

4 I think that it puts -- the factors  
5 which have gone into getting the settlement  
6 to this point and the conditions of my  
7 casino license don't relate to the issue at  
8 hand. I regard the deferral as detrimental  
9 and potentially detrimental to the  
10 settlement that has been negotiated over a  
11 long period of time. I really don't desire  
12 it --

13 CHAIRMAN READ: Is being  
14 negotiated, Mr. Ribis.

15 MR. RIBIS: It's not being  
16 negotiated. It's not being negotiated, it  
17 has been negotiated. It has been settled.

18 If there's any question about that,  
19 I'm sure --

20 CHAIRMAN READ: We don't have  
21 anything to be presented to us in the record  
22 at this moment.

23 MR. RIBIS: I'm not sure what could  
24 be presented in the record other than --

25 CHAIRMAN READ: That's exactly what

1 I just said.

2 MR. RIBIS: -- other than what you  
3 have called an executed contract. That we  
4 don't have, obviously. But I do believe  
5 that counsel for the state has indicated  
6 clearly that the matter is settled,  
7 supplementing our discussions today, I have  
8 spoken to Ms. Portiz again, and I don't  
9 believe that from the state agency point of  
10 view, which I believe would be the major  
11 concern of this Commission, that there's any  
12 question that the terms of the settlement  
13 have been agreed upon by the agencies, DOT  
14 and CAFRA, by the applicant here today, by  
15 the other representatives of the other  
16 casinos.

17 Also, I must say that the  
18 suggestion that it's not settled will be or  
19 could be detrimental to the ultimate  
20 resolution of the matter. That's what  
21 concerns me. As I've stated that before. I  
22 think Mr. Freeman alluded to it in his  
23 testimony. And it is of personally great  
24 concern to me, because the fact is  
25 negotiations have finished.

1                   As you know, in any settlement,  
2 documents go through various forms. It  
3 started back in March with the initial  
4 proposal. It has continued through  
5 counterproposals, responses to  
6 counterproposals; to the settlement document  
7 you see here today.

8                   That is at a time --

9                   CHAIRMAN READ: But there is no  
10 settlement document that we see here today,  
11 Mr. Ribis.

12                   MR. RIBIS: There is a settlement  
13 document that I have supplied Commission  
14 staff, which included all of the revisions  
15 up until 9:30 this morning when it was  
16 telecopied here from the representative from  
17 Debra Poritz.

18                   CHAIRMAN READ: There is not one  
19 word in the record. The problem I have with  
20 the position that you have taken, and that I  
21 indicated with respect to wanting testimony  
22 here today, is that we have to look at the  
23 record before us.

24                   MR. RIBIS: I understand that. I  
25 think in some way the Commission's position



1 puts us in the position of guaranteeing  
2 action by an applicant and a former licensee  
3 which we do not have control of.

4 CHAIRMAN READ: Not at all. We  
5 understand that.

6 MR. RIBIS: We're willing to --

7 CHAIRMAN READ: Mr. Ribis, we have  
8 not asked for that at all. If it's possible  
9 and available and you can give it to us,  
10 fine. If it isn't available on that basis,  
11 give us that and that's fine. We'll  
12 consider it at that time. This is not  
13 anything that's dependent on that. We will  
14 consider it on the 10th of June. I would  
15 point out to you that last year the license  
16 hearing concluded on the 11th of June. Your  
17 license doesn't expire until the 19th. If  
18 we sit down on the 10th of June and we hear  
19 where we stand at that time and we have  
20 additional materials to consider at that  
21 time, you're a day ahead of where you were  
22 last year. You've got nine days before your  
23 license expires. If there's anything to be  
24 adjusted at that time, we'll consider it at  
25 that time.

1 I'll tell you right now in case  
2 there is any question in your mind, I'm not  
3 sure, depending on what we get, with respect  
4 to this material, that I'm prepared to come  
5 to a conclusion on the 10th of June. We'll  
6 sit at that time and consider it.

7 COMMISSIONER ZEITZ: Mr. Chairman,  
8 can I comment that it seems to me that, I  
9 appreciate Mr. Ribis' concerns. If we reach  
10 that kind of a pass -- I'm trying to dance  
11 around this. If we reach that kind of a  
12 pass on the 10th of June, obviously  
13 everything we've heard today, either counts  
14 for or not good faith efforts.

15 There's an undercurrent plus what  
16 we've heard that indicates that the state  
17 agencies are generally in total satisfaction  
18 with this agreement. Certainly we know that  
19 TCA is. If for any reason a perfected and  
20 executed copy doesn't enter the record here  
21 and the reasons for that lay elsewhere, that  
22 would be something that would be considered,  
23 I'm sure, would be understood in the general  
24 weighting of all of the evidence and where  
25 this has all gotten to at this point.

1 That's deliberately vague, but ...

2 CHAIRMAN READ: Any further comment  
3 from the Commission?

4 Anything further to be brought to  
5 us at this time?

6 We do have an open public meeting  
7 scheduled for tomorrow, which will be held.  
8 We have another matter that we were going to  
9 consider at 10 o'clock promptly before this  
10 matter came on, if we had gone forward. So  
11 we will meet tomorrow morning here. In any  
12 event -- let me just say, if all questions  
13 are resolved and you would like to come  
14 before us before the 10th of June, then we  
15 can advertise a public meeting to  
16 accommodate that, we're perfectly free to do  
17 it and I would be glad to try to accommodate  
18 any such request.

19 I spoke specifically at returning  
20 this matter until the 10th of June because I  
21 was aware of the fact that the parties were  
22 going to be before us at that time. I guess,  
23 Mr. Sciarra, you didn't plan to be here at  
24 that time, but I think the Division and the  
25 Trump organization were going to be here.

1                   In any event, I made that  
2 suggestion as a matter of accommodation  
3 simply as a convenience to the parties. If  
4 you would like to have it before that time,  
5 and we're in a position to do it, we'll be  
6 glad to advance the time schedule.

7                   MR. RIBIS: We're already noticed  
8 Monday and Tuesday, also. I think if  
9 something occurs between now and then, we'll  
10 inform the Commission and the Division of  
11 that, so that we don't have to drag the  
12 matter out until later.

13                   MR. ADAMS: Yes.

14                   CHAIRMAN READ: Maybe it would be  
15 better to adjourn it until Tuesday at this  
16 stage, we can always adjourn it on Tuesday  
17 until the 10th if that's appropriate.

18                   MR. ADAMS: Absolutely, Mr.  
19 Chairman. I would agree.

20                   CHAIRMAN READ: Mr. Ribis, you  
21 don't think there's a chance just  
22 mechanically of having it signed before  
23 Tuesday, would you guess?

24                   MR. RIBIS: Excuse me. I'm sorry.  
25 I'm listening.

1 (Brief pause.)

2 CHAIRMAN READ: When you're ready,  
3 let me know.

4 MR. RIBIS: I've been requested to  
5 note for the record that this identically  
6 was presented to the Commission in a prior  
7 licensing application. Its handling of that  
8 in the eyes of counsel and its client deems  
9 different here than it was a week or so ago.  
10 At which time the representations of counsel  
11 for Harrah's were sufficient and the  
12 statement of Harrah's counsel were  
13 sufficient regarding the status of  
14 negotiations and the good faith efforts --

15 CHAIRMAN READ: The licensing  
16 conditions with respect to Harrah's were  
17 different, too, Mr. Ribis.

18 MR. RIBIS: That is correct. I  
19 don't see a license condition which relates  
20 to the execution of an agreement. What I  
21 see are three conditions which require good  
22 faith efforts.

23 CHAIRMAN READ: That's exactly what  
24 I'm talking about. You want to press the  
25 point?

1 MR. RIBIS: I don't want to press  
2 the point. I think I've made my statement.  
3 At this time, I would request that the  
4 matter be adjourned until Tuesday.

5 CHAIRMAN READ: Thank you. We will  
6 stand adjourned then until Tuesday June 2nd  
7 at 10 o'clock here, with the understanding  
8 that if we do not have any additional  
9 materials or if there's nothing further to  
10 be brought to us at that time, that the  
11 meeting at that time will be pre-emptory and  
12 presumably we'll adjourn. For purposes of  
13 this time, we will plan to reassemble here  
14 on Tuesday, the 2nd.

15 We stand adjourned.

16 (Meeting adjourned at 3:16 p.m. to reconvene  
17 at 10:00 a.m., Tuesday, June 2nd, 1987.)  
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19  
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25

C E R T I F I C A T I O N

I, Gregory T. DiDonato, Certified Shorthand Reporter and Notary Public of the State of NEW JERSEY, do hereby certify that the foregoing is a true and accurate transcription of my Stenographic Notes in the matter of: \_\_\_\_\_

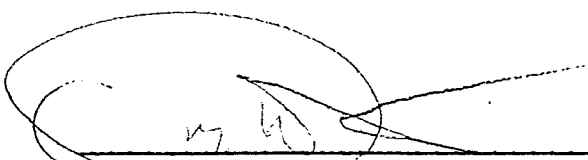
APPLICATION OF TRUMP'S CASTLE ASSOCIATES FOR RENEWAL OF THEIR PLENARY CASINO LICENSE.

held at the place and on the date hereinbefore set forth.

I FURTHER CERTIFY that I am neither attorney nor counsel for, nor related to or employed by, any of the parties to the action in which this hearing was taken.

AND FURTHER that I am not a relative or employee of any of the parties or attorney or counsel employed in this case, nor am I financially interested in the case.

Dated: May 28, 1987

  
\_\_\_\_\_  
Gregory T. DiDonato  
Certified Shorthand Reporter  
#541

