

STATE OF NEW JERSEY
Department of Law and Public Safety
Division of Gaming Enforcement

J-1
EV
3-15-82

AC

REPORT TO THE CASINO CONTROL COMMISSION

IN RE THE APPLICATION OF TRUMP PLAZA CORPORATION FOR
A CASINO LICENSE, THE QUALIFICATIONS OF DONALD J.
TRUMP AS SOLE STOCKHOLDER, OFFICER AND DIRECTOR
THEREOF AND THE APPLICATION OF DONALD J. TRUMP FOR A
CASINO KEY EMPLOYEE LICENSE AS CHIEF EXECUTIVE
OFFICER/ PRESIDENT.

DATED: OCTOBER 16, 1981
Trenton, New Jersey 08625

Table of Contents

	<u>Page No</u>
I. Introduction	1
II. Trump Plaza Corporation	5
A. Background	5
B. By-Law Provisions	6
C. Lease Agreements	9
1. Terms	10
2. Rentals and Purchase Options	10
3. Mortgage Assumptions	12
4. Property Interests	12
5. Insurance	13
6. Default	13
7. Contingencies and Conditions Subsequent	14
8. Agreement Modifications	14
9. Licensing Requirements	14
D. Corporate Operations	16
III. Donald J. Trump	19
A. Background	19
B. Education and Business Experience	21
C. Vouchers	22
D. Licensures	22
E. Other Affiliations	23
F. Financial Matters	23
1. Bank Accounts	23
2. Accounts and Notes Receivable	25
3. Accounts and Notes Payable	27
4. Trusts	29
5. Gifts	31
6. Stocks	31
7. Insurance	31
8. Pension	32
9. Last Will and Testament	32
10. Safe Deposit Boxes	32
11. Vehicles	32
12. Federal Income Taxes	33
G. Business Entity Interests	34
1. Real Estate Interests Held with Siblings	34
2. 220 Prospect Street Company and 220 Management Corporation	36
3. Reg-Tru Equities Ltd.	43
4. Regency - Lexington Partners	45
5. The East 61st Street Company	49
6. Trump Equitable Fifth Avenue Company	51
7. Trump Enterprises, Inc.	55
8. D.J.T. Realty Ltd. and Trump Corporation	58
9. Tipperary Realty Corporation	60
10. Park South Associates	61
11. Atlantic City Seashore I-V, Inc.	65
a. Atlantic City Seashore I, Inc.	65
b. Atlantic City Seashore II, Inc.	69
c. Atlantic City Seashore III, Inc.	71
d. Atlantic City Seashore IV, Inc.	75
e. Atlantic City Seashore V, Inc.	78

	<u>Page No.</u>
IV. Significant Litigation	81
-Civil Rights Suit	81
V. Daniel J. Sullivan	86
A. Background of Daniel J. Sullivan	86
B. Trump's Association with Daniel J. Sullivan	92
VI. Conclusion	97
VII. Appendix	

TO: The Honorable Acting Chairman and Commissioners of the Casino Control Commission

The Division of Gaming Enforcement (hereinafter referred to as "the Division") is vested with the responsibility of investigating the qualifications of an applicant for a casino license prior to the issuance of such a license to said applicant. N.J.S.A. 5:12-76 (b) (1). Further, the Division is required to furnish to the Casino Control Commission (hereinafter referred to as "the Commission") such information as the Commission may require to discharge its responsibilities under the licensing provisions of Article VI of the Casino Control Act. N.J.S.A. 5:12-76 (a). Pursuant to the foregoing responsibilities, the Division has prepared and submitted to the Commission the within report.

I. Introduction

On or about May 1, 1981, Trump Plaza Corporation (hereinafter referred to as "the applicant" or "TPC"), an entity incorporated in the State of New Jersey, submitted to and filed with the Commission an application for a casino license and the Personnel History Disclosure Form #1 of its sole qualifier and key employee at the current time, Donald J. Trump (hereinafter referred to as "Trump"), in addition to other related documentation required with regard to such application. Upon receipt of the TPC filings, the Division initiated and has been conducting continuously since such receipt to the present date a background investigation into such aspects of the operation and activities of the applicant as are or may be pertinent to a determination by the Commission as to whether the applicant has met its affirmative burden of proving by clear and convincing evidence that it possesses the requisite suitability for licensure. See N.J.S.A. 5:12-84.

The scope and extent of the instant report are limited to the results of the investigation of TPC and Trump to the present time. The results of further necessary investigation as to other qualifiers and any relevant information regarding the continuing business operations and activities of the applicant and other enterprises in which Trump has an interest will be contained in a forthcoming reports. Such additional reports will be submitted when further filings are made by, on behalf of or in the interest of the applicant and such matters have been investigated by the Division to the extent necessary for the performance of its statutorily-mandated duties.

As distinguished from prior casino applicants regarding which the Division has rendered reports to the Commission, TPC has not applied to the Commission for a temporary casino permit pursuant to N.J.S.A. 5:12-95.1 et seq. In fact, TPC has only undertaken limited site clearing and demolition, and it has not initiated any substantial construction on its proposed casino hotel facility site. TPC does not plan to commence construction until TPC is licensed by the Commission. The applicant projects that said construction will not be completed and, therefore, the eventual planned opening of its Atlantic City casino hotel will not occur for a period of approximately two years from the date upon which the Commission issues a casino license to TPC.

With regard to the instant report, the scope of the Division's investigation regarding the qualifications of TPC and Trump has been extensive and broad. The Division has studied the applicant's financial background and resources; basically such review entailed a wide-ranging investigation of the Trump family-owned entities and interests. See N.J.S.A. 5:12-84 (a) and N.J.S.A. 5:12-89 (b) (1). The Division will submit to the Commission an updated report setting forth the current financial stability of the applicant at the time of the plenary licensure hearing if the same is then deemed appropriate. Additionally, to the extent now possible, the

Division has reviewed the integrity and reputation of TPC's proposed financial backers, investors, mortgagees, bond holders and holders of indentures, notes and other evidences of indebtedness. See N.J.S.A. 5:12-84 (b). The Division will submit an additional report addressing the corporate financing arrangements of TPC upon the execution of relevant agreements and the necessary investigation thereof. Further, the Division has ascertained matters impacting upon the character of the applicant, including any criminal or arrest record; its business activities; financial affairs, business, professional and personal associates and, additionally, matters relevant to its honesty and integrity. See N.J.S.A. 5:12-84 (c) and N.J.S.A. 5:12-89 (b) (2). The current business ability of TPC is shown through the background discussion herein of its sole qualifier, Trump; the Division notes that neither TPC nor Trump, as the only individual presently associated with the applicant, has any past casino operation experience, and other matters, including the abilities of the individuals who will eventually be employed in certain positions at the proposed casino hotel, must be reviewed to determine the sufficiency of the casino experience of TPC with regard to its proposed casino hotel. See N.J.S.A. 5:12-84 (d). N.J.S.A. 5:12-84 (e) requires that an applicant for a casino license demonstrate the suitability of its casino and related facilities and its proposed location and that the proposal will not affect adversely casino operations or environmental conditions. The foregoing statutory requirement will be addressed in a separate report submitted by the Division to the Commission pertinent to the issuance of a certificate of operation. Accordingly, such criteria are not addressed in the instant report.

Furthermore, the Division has reviewed in accordance with the standards applicable to qualification of casino key employees the background of Trump as the sole officer, director and person who currently holds directly or indirectly any

beneficial interest in the securities of the applicant. See N.J.S.A. 5:12-85 (c).

Numerous other individuals will be required to submit filings to the Commission for

investigation by the Division in order for TPC to have the personnel necessary to

operate a casino hotel facility. It is noted that if any of the foregoing individuals,

in addition to Trump, is determined by the Commission to be unqualified such event

would or could bar licensure of the applicant or serve as the basis for license

revocation. See N.J.S.A. 5:12-85 (c).

The purpose of the current report is to summarize those aspects of the

Division investigation, as completed to date, which appear to present the most

substantial issues to be addressed by the Commission with regard to the suitability

of the applicant for licensure. The Division wishes to state that the information

contained in the instant report has been derived from a variety of sources and it

has been verified to the fullest extent practicable. Furthermore, it is the position

of the Division that the information set forth herein can be demonstrated in

accordance with the evidentiary standards which are applicable to administrative

proceedings. Finally, although the filing of the current report denotes a completion

of certain areas of the investigation undertaken by the Division, the activities of

the applicant are the subject of continuing scrutiny, and the Division will continue

to furnish the Commission with additional information, as and when the same

becomes available.

II. Trump Plaza Corporation

A. Background

On August 1, 1980, TPC filed a certificate of incorporation with the New Jersey Secretary of State. Such certificate and the TPC by-laws relate the following corporate purposes: (1) generally to pursue any lawful activity for which corporations may be organized pursuant to the provisions of Title 14A of the New Jersey Statutes and (2) particularly to participate in casino gaming activities, including the operation of a casino hotel, subject to the provisions of N.J.S.A. 5:12-1 et seq.

The initial registered agent of the applicant was Howard I. Grossman, Esquire, who represented the interests of the Trump organization in Atlantic City, New Jersey, and TPC's registered office was the law firm with which Grossman is associated. TPC was incorporated by an Elizabeth R. Myers of 28 West State Street, Trenton, New Jersey. Myers is an employee of Info-Search, a company which offers the service of incorporating entities upon request. A Lynn Anderson of 118 Jericho Road, Tuckerton, New Jersey, who is employed as a legal secretary with the law firm which represented TPC in Atlantic City, was the only member of the initial TPC Board of Directors. By letter dated August 20, 1980, Lynn Anderson resigned as a director of TPC effective as of that date. On April 27, 1981, TPC changed its registered agent by resolution adopted by its Board of Directors to Nicholas L. Ribis, Esquire, currently representing the interests of TPC in Atlantic City. The registered office and additional place of business were also amended to TPC, c/o Ribis, McCluskey and Sweeney, First National Bank Building, 1325 Boardwalk, Atlantic City, New Jersey. TPC's principal address is now TPC, c/o Trump Organization, 730 Fifth Avenue, New York City, New York.

B. By-Law Provisions

The corporate by-laws of TPC will govern the manner in which the applicant intends to fulfill its purpose of conducting casino gaming. Those by-laws set forth the following provisions.

Initially, the terms of the by-laws are governed by New Jersey law and, in particular, by the Act. A severability clause is included in the by-laws. The by-laws may be amended, repealed or adopted by vote of the shareholders entitled to vote for the election of directors or by the Board of Directors. If a by-law is adopted by the Board, it may be amended by the shareholders entitled to vote thereon. Further, the corporate by-laws may not be amended, repealed or adopted if and to the extent that such change would violate any provision of the Act or the regulations promulgated thereunder. Notwithstanding any other provision of these by-laws, TPC must comply with the requirements the Act and the regulations promulgated thereunder if it holds a casino license.

The fiscal year of TPC will begin the first day of each year. The annual meeting of the TPC is to be held on the first day of August during each year; the annual Board of Directors meeting is to follow immediately thereafter. Special shareholders or Board meetings may also be scheduled or called. A quorum is defined as the holders of shares entitled to cast a majority of votes at a meeting.

The TPC Board of Directors is elected each year at the annual shareholders meeting. The Board of Directors is required to have an odd number of members, and the Board is to be composed of from one to nine members as designated during the first annual stockholders meeting. If a vacancy is not filled at an annual

meeting or a vacancy occurs during the course of the year, the position can be filled by the remaining member or members of the Board. If a vacancy occurs by resignation, the resigning member participates in voting to fill the vacancy created thereby until the effective date of such resignation. However, if the number of directors is increased, the position or positions created on the Board must be filled at an annual or special meeting of the shareholders unless the shareholders authorize the Board to fill said vacancy or vacancies. Members of the Board of Directors are not entitled to exercise any powers of the office until qualified by the Commission. Directors are not entitled to any compensation, but members of the Board may be paid a fixed sum for expenses incurred for actual attendance at a Board meeting. If an individual holds the office of director, he is not thereby precluded from serving the corporation in other capacities and receiving compensation for such service. Members of the Board may be removed for cause upon affirmative vote of the majority of shareholders entitled to vote in an election of directors.

Corporate officers may be elected or appointed by the Board of Directors. One individual can hold more than one position. Officers serve in their positions until the next annual meeting of the shareholders, which is followed by the annual Board of Directors meeting, or until a successor is elected or appointed and qualified, subject to a resignation or removal prior to that time. The officers, which must include a president who is designated the chief executive officer of the applicant, a secretary, a treasurer and may include a chairman of the board, one or more vice presidents and other officers to be determined by the Board, have the authorities and duties of corporate management with regard to those various positions as defined and set forth in the by-laws. The salaries of officers are to be determined by the Board. A vacancy of a corporate officer position may be filled

by an election or appointment by the Board for the unexpired term thereof. An officer appointed or elected by the Board may be removed with or without cause by the Board; an officer elected by the shareholders must be removed with or without cause by a vote of the shareholders, but the authority of such officer to act may be suspended for cause by the Board.

Pursuant to the certificate of incorporation, the applicant is authorized to issue 2,500 shares of common stock at no par value. The applicant through its Board of Directors may declare and pay dividends and other distributions to stockholders from surplus cash, shares, bonds or other property. Such transfer is prohibited if TPC is insolvent or if such act would result in insolvency.

The corporate by-laws provide that the sale, assignment, transfer, pledge or other disposition of TPC stock is conditioned upon the approval of the issuance or transfer of stock by the Commission if TPC holds a casino license as defined in N.J.S.A. 5:12-10. More particularly, if TPC holds a casino license, the applicant is mandated by its by-laws to file a report with the Commission prior to the issuance or transfer of stock to any person required to be qualified in accordance with the Act regarding such proposed action and request Commission approval of said issuance or transfer. In the event that the Commission denies a request by TPC for approval, the applicant must not issue or transfer the corporate stock. If the Commission determines that any shareholder is not qualified under the Act, the following restrictions apply to such shareholder commencing on the date that the Commission serves notice of its determination of disqualification under N.J.S.A. 5:12-105 (d): (1) the shareholder shall not receive any dividend or interest payments based upon TPC stock interest, (2) the shareholder shall not exercise directly or through a representative any right conferred by such security and (3) the

shareholder shall not receive remuneration in any form from the casino licensee for services rendered or for other reason. Stock certificates issued by TPC must bear the legend that "[t]his security is subject to the restrictions imposed by N.J.S. 5:12-105 and the New Jersey Casino Control Act N.J.S. 5:12-1 et seq."*

C. Lease Agreements

TPC currently intends to operate its proposed casino hotel facility under the name of Trump Plaza Casino Hotel. The location of the proposed casino hotel is Mississippi Avenue and Boardwalk, Atlantic City.

On July 1, 1980, Magnum Associates and Magnum Associates II (hereinafter referred to as "Magnum"), as lessor, entered a lease agreement with Atlantic City Seashore I, Inc., as lessee, for certain Atlantic City property. Further, on July 1, 1980, SSG Enterprises (hereinafter referred to as "SSG"), as lessor, entered a lease agreement with Atlantic City Seashore II, Inc., as lessee, with regard to adjoining Atlantic City property. On July 11, 1980, Plaza Hotel Management Company (hereinafter referred to as "Plaza"), as lessor, entered a lease agreement with Atlantic City Seashore III, Inc., as lessee, with respect to other adjoining property. The properties involved in the Magnum, SSG and Plaza** lease transactions are located on a block bounded by the Boardwalk, Columbia Place, Mississippi Avenue and Pacific Avenue, Atlantic City, New Jersey. By written assignments of lease

* N.J.S.A. 5:12-82(d)(8) provides that to be eligible to apply for a casino license a non-publicly traded corporation must establish to the satisfaction of the Commission that its by-law provisions create an absolute right in its favor to repurchase at market or purchase price, whichever is the lesser amount, any security, share or other interest in the corporation in the event that the Commission disapproves a transfer in the manner set forth in the Act. The Division notes that the by-laws of TPC do not contain a provision which meets the specific requirement of N.J.S.A. 5:12-82(d)(8). Therefore, the Division recommends that the shareholders or board of directors of TPC amend the corporate by-laws to satisfy the requirement of N.J.S.A. 5:12-82(d)(8).

** A chart illustrating the persons involved in Magnum, SSG and Plaza appears in the appendix (A1).

executed on August 22, 1980, Seashore I, II and III, which are corporations formed by the Trump organization and of which Trump has served as president since July 11, 1980, transferred the aforesaid leases entered by those corporations from the commencement of such leases for the entire term of same, subject to the terms, covenants, conditions and provisions thereof, to Trump, the sole stockholder, president, secretary and treasurer of TPC.

The properties which are the subject of the foregoing lease agreements do not compose the entire proposed casino hotel site but form a substantial percentage of such location. The remainder of the tract was purchased in fee by Atlantic City Seashore IV, Inc. and Atlantic City Seashore V, Inc., other corporations formed by the Trump organization of which Trump has served as president since June 27, 1980.

1. Terms

Each of the foregoing lease terms are for a 98 year and 6 month period. See Articles 42.1 of the lease agreements. The lease terms end on December 31, 2078. See Articles 1 of the lease agreements.

2. Rentals and Purchase Options

Each lease agreement provides for fixed net rentals which escalate in set amounts at certain time intervals during the lease term. See Articles 2 of the lease agreements. Expenses incurred by the lessors, which are the responsibilities of the lessee as provided under the lease, are deemed to be additional rent, subject to the same rights and remedies regarding non-payment as are applicable to fixed net rent itself. Article 44 of each lease sets forth the lessee's option to purchase the lease property. The Magnum option applies for the first 20 years of the lease term, and the Plaza and SSG options continue for the entire term of the leases. The lessee has the option to elect to purchase the property which is the subject of the lease during the foregoing periods.

There are several notable exceptions to the abovestated matters regarding rental payments and purchase options. In particular, the Plaza lease requires that for the remainder of the lease term commencing on July 1, 2020 the lessor is entitled to rent equal to the greater of (1) one million dollars per annum or (2) 8% of the "Appraised Value." The "Appraised Value" is defined as "the value of the land comprising the Leased Premises taking into account the manner in which such land is then used (i.e., its actual use or that such land is an integral part of an assemblage of a site upon which an Improvement has been built)." See Section 2.1(e) of the Plaza lease. The appraised value is to be reevaluated and redetermined every ten years following July 1, 2020. Further, the first modification of the Plaza lease agreement provides for a fixed net rent reduction of \$20,833.33 per month until a building constructed upon the property by Trump or any entity in which he owns a 50% or greater interest opens its door for business to the public as a hotel and casino, continuing for a maximum period of 60 months. Upon the opening of a casino hotel facility on such property, the then applicable monthly rental is increased by \$16,666.66 per month for a period of two times the number of months the fixed net rent was reduced for a maximum of 120 months. In the event that the option to purchase is exercised, the first modification of the Plaza lease agreement provides for an adjustment relevant to the foregoing reductions and increases in the fixed net rentals. The first modification of the Magnum lease agreement contains provisions identical to the terms set forth with respect to the first modification of the Plaza lease agreement. SSG has not negotiated a modification agreement which affects the rent schedule of its lease. Additionally, the purchase provision of the SSG lease agreement provides that in the event that such provision is exercised by the lessee the lessor has the option of directing the lessee to pay the purchase price in full at the closing or to pay the amount in installments over a period not less than three nor more than five years in length.

3. Mortgage Assumptions

In addition to the aforesaid rental payments, certain mortgages relating to the properties have been assigned to or the responsibility for payments of same have been accepted by the lessee. With respect to the SSG lease, the escrowee, by use of funds deposited by the lessee's predecessor in interest, i.e. Seashore II, paid \$100,000 as a mortgage postponement fee to Citizens State Bank of New Jersey and approximately \$926,556 in mortgage principal, accrued interest and past due fees to Guarantee Bank, which in turn assigned the four underlying mortgages to the escrowee of the lease fund; in return therefor, the lessee obtained a promissory note from SSG secured, in part, by a mortgage junior to those held by Citizens State Bank and Guarantee Bank. SSG promised to repay the total \$1,026,556 amount only in the event that the lease is terminated because a condition subsequent to the agreement was not satisfied. With respect to the Plaza lease, the lessee agreed to pay, as additional rent, the principal and interest underlying six fee mortgages encumbering the property covered by such lease. It is noted with regard thereto that each lease provides against merger of interests in the respective property. See Articles 45 of the lease agreements.

4. Property Interests

The lessee has the sole responsibility for the condition, operation, maintenance and management of the leased premises. See Articles 6 of the lease agreements. Further, the lessee has the right, but is not obligated, to construct on the premises, and the lessors' approval of the plans and specifications for any such building is not required. See Articles 10 of the lease agreements. During the term of the leases, Magnum and SSG have the right to encumber their remaining fee interest. See Articles 4 of those lease agreements.

The leases also provide that the title to any improvements to be constructed upon the leased properties will be in the lessee during the lease term. See Articles 10.5(b) of the lease agreements. However, when the lease term ends, the lessee must deliver the leased premises and all improvements to the lessors. See Articles 10.5, 33 and 38 of the lease agreements.

5. Insurance

The lessee is required to provide, at the lessee's cost and for the benefit of the lessor, insurance against loss or damage by fire on all alterations, additions and improvements and coverage against various liabilities. The required fire insurance is to be written on a replacement cost basis. See Articles 12 of the lease agreements. If separate insurance coverage would reduce the protection afforded to the lessor under the policies which are required by the lease agreements, the lessee is not permitted to obtain that insurance unless the lessor is included on any such policies as an insured. The lessee is responsible for all costs in excess of insurance proceeds with regard to replacement, repairing and rebuilding, but the lessee is also entitled to any insurance payments in excess of such cost. See Articles 13 of the lease agreements. If the lessee does not undertake replacement, repairs or rebuilding as required, the lease term may be terminated, upon notice, by a lessor, and the insurance proceeds can be retained by that lessor. See Articles 13 of the lease agreements.

6. Default

Upon default and continuation of default after notice thereof, the lessor may terminate the lease agreement. The premises and improvements thereon may then be occupied by the lessor. See Articles 16 of the lease agreements.

7. Contingencies and Conditions Subsequent

Each lease agreement was contingent upon the execution of the other two leases. There are two conditions subsequent to the leases. See Articles 51 of the lease agreements. Thereunder, the leases are conditioned upon a preliminary approval of the lease agreement by or on behalf of the Commission without prejudice and the resolution of matters pertinent to a riparian right situation impacting upon the Magnum property. See Articles 51 of the lease agreements. Those conditions have apparently been satisfied.

8. Agreement Modifications

The parties to the lease agreements have agreed to modifications of the lease provisions if same are required by the Commission. However, such modifications can only be affected in accordance with the lease agreements if the changes do not materially diminish the benefits to nor increase the burdens imposed upon a party under an agreement. See Articles 51:3 of the lease agreements.

9. Licensing Requirements

Additionally, the leases address the licensing requirements of the Act. Articles 52 of the lease agreements provide, in pertinent part, that the

Lessor and every person who has control over the Leased Premises within the meaning of N.J.S.A. 5:12-82(b)(4) ... shall obtain and hold throughout the Term such license[s] as may be required by the Commission to the extent same is necessary for Lessee to receive and hold a casino license for the operation of a hotel/casino erected on the Leased premises.

[See Sections 52.1 of the lease agreements.]

Further, in the event that the Commission denies, attempts to revoke or suspend such licensure or makes a finding of unsuitability of any person associated with the lessor or if the Division objects to such licensure or to such suitability of an associated person, the lessor must take all actions necessary for a reversal of such disqualification within 30 days after such disqualification. If such disqualification is not eliminated within the 30 day period, the lessor has, as its sole remedy, the ability to exercise the buy-out option of the lease at a substantially lesser purchase price of five million dollars to be paid in full at the closing. See Sections 52.2 and 52.3 of the lease agreements. Section 52.3 of the SSG lease governs the buy-out option of the lessee, and it appears that SSG's option for payment in full at closing or over a term under Section 44.5 is controlled by Section 52.3 of the lease agreement since it is the more specific provision.

According to Trump, he initially became interested in an Atlantic City investment when he learned of the casino profits reported in 1978, the first year of a legalized gaming operation in New Jersey. Trump related the following account of the events which resulted in the execution of the Atlantic City lease agreements held by him. Trump received numerous letters from land owners and brokers offering Atlantic City sites for either sale or lease, including the properties for which he currently holds the leases. In late 1979 or early 1980, Alan Lapidus,* an architect, telephoned Trump and informed him of the availability of a parcel of land in Atlantic City which was zoned for casino hotel use. Trump then telephoned one of the owners regarding the foregoing parcel; he did not recall which lessor he

*The father of Alan Lapidus was previously associated with Fred C. Trump, who is Trump's father, in New York.

had contacted originally, but he noted that he began negotiating with all three owners simultaneously. The negotiations continued for a period of several months as a result of the complexities related to the transactions. Trump explained that he pursued lease arrangements with purchase options, rather than outright property purchases, because the amounts now payable under the leases are less than payments which would be due under a mortgage in light of current interest costs and carrying charges. Trump also stated that prior to the lease negotiations he had no dealings with the lessors and various related companies.* During the course of the investigation conducted by the Division, it did not obtain any information contradicting the foregoing account.

D. Corporate Operations

TPC is not actively conducting business arrangements, and the applicant does not have any bank accounts. The applicant also has not entered into any contracts regarding its proposed facility and operation.

As a result of the relatively recent formation of TPC and its dormant status since such inception, no financial statements, annual, quarterly or interim reports, registration or proxy statements or reports of accountants relevant to the operations of the applicant corporation have been compiled. Further, in light of the lack of corporate activities, TPC does not presently have a corporate organizational structure. The applicant has not filed any income tax returns. Currently, TPC has no bonus, profit-sharing, retirement, deferred compensation or similar plans. TPC does not own or hold any stocks. Additionally, TPC has no long-term debt, other indebtedness, security devices or security options.

* Such statement related directly to Magnum Associates, Magnum Associates II, SSG Enterprises, Plaza Hotel Management Co., General Casino Corp., Network One Inc., Network Complex and Atlantic City Coin and Slot Service Co., Inc.

had contacted originally, but he noted that he began negotiating with all three owners simultaneously. The negotiations continued for a period of several months as a result of the complexities related to the transactions. Trump explained that he pursued lease arrangements with purchase options, rather than outright property purchases, because the amounts now payable under the leases are less than payments which would be due under a mortgage in light of current interest costs and carrying charges. Trump also stated that prior to the lease negotiations he had no dealings with the lessors and various related companies.* During the course of the investigation conducted by the Division, it did not obtain any information contradicting the foregoing account.

D. Corporate Operations

TPC is not actively conducting business arrangements, and the applicant does not have any bank accounts. The applicant also has not entered into any contracts regarding its proposed facility and operation.

As a result of the relatively recent formation of TPC and its dormant status since such inception, no financial statements, annual, quarterly or interim reports, registration or proxy statements or reports of accountants relevant to the operations of the applicant corporation have been compiled. Further, in light of the lack of corporate activities, TPC does not presently have a corporate organizational structure. The applicant has not filed any income tax returns. Currently, TPC has no bonus, profit-sharing, retirement, deferred compensation or similar plans. TPC does not own or hold any stocks. Additionally, TPC has no long-term debt, other indebtedness, security devices or security options.

* Such statement related directly to Magnum Associates, Magnum Associates II, SSG Enterprises, Plaza Hotel Management Co., General Casino Corp., Network One Inc., Network Complex and Atlantic City Coin and Slot Service Co., Inc.

Trump anticipates that financing for the proposed TPC casino hotel will be obtained from Midlantic National Bank in the amount of \$75,000,000 and from Manufacturers Hanover Bank in the amount of \$100,000,000. The Midlantic National Bank loan will be secured by a mortgage lien on the proposed TPC casino hotel in Atlantic City. The Manufacturers Hanover Bank loan will be secured by other real estate interests held or to be acquired by Trump, including his 50% interest in the Grand Hyatt Hotel held through a partnership, an interest in a Third Avenue leasehold and the Barbizon Plaza Hotel property.

Trump has not executed any loan commitment agreements regarding the construction and completion of the proposed TPC casino hotel facility. Therefore, neither the interest of Trump nor TPC has yet been assigned, pledged or hypothecated in any manner. As previously stated herein, the Division will address the circumstances pertinent to the corporate financing of TPC in an additional report which will be filed when the underlying loan agreements are executed on behalf of TPC and the matter has been fully investigated by the Division.

TPC has not previously held any licenses issued by regulatory or administrative bodies. TPC has no criminal history, and no antitrust, trade regulation or securities judgments have been entered against it. TPC has not been the subject of any insider transactions. A petition has not been filed by or against the applicant or a related company under federal or state bankruptcy laws during the most recent ten year period. Similarly, such entities have not sought relief under those provisions. There is no litigation pending which was either instituted by or brought against TPC.

As previously stated herein, TPC has 2,500 shares of authorized common stock at no par value. The applicant has issued only 100 shares of its stock. Currently, the sole shareholder of TPC is Trump; he owns all 100 issued shares of TPC stock. From August 1980 to the present, Trump has been the director of TPC. Further, from August 1980 to the present, Trump has been the only corporate officer of TPC, holding the positions of president, secretary and treasurer thereof; he was elected for a one year period or until successors were elected and qualified.* He has received no compensation from TPC with regard to such positions. Trump anticipates continuing to serve as president of TPC, which is designated as its chief executive officer position under the corporate by-laws; therefore, Trump would be responsible for all policy-making corporate decisions.

* Such actions were taken by the director and shareholder of TPC. Additionally, the by-laws were adopted by resolution, and determinations were made (1) to organize and manage TPC so that it will be considered as a small business corporation as defined in Internal Revenue Code § 1244(c)(1) and (2) to conduct the sale and issuance of stock in compliance with Internal Revenue Code § 1244.

III. Donald J. Trump

A. Background

Trump was born on June 14, 1946 in New York City, New York. Trump is the son of Fred C. and Mary (nee MacLeod) Trump. Fred C. Trump currently holds the position of chief executive officer of Trump Management, Inc., 600 Avenue Z, Brooklyn, New York. That corporation renders management services to the corporations and partnerships which are either wholly-owned or partially-owned by the Trump family, including: Ash Apartments, Inc., Beach Haven Apts. #1, Inc., Beach Haven Apts. #2, Inc. Beach Haven Apts. #4, Inc., Beach Haven Management Corp., Beach Haven Shopping Center,* Birch Apartments, Inc., Cedar Apartments, Inc., Clyde Hall, Inc., Coronet Hall, Inc., Elms Apartments, Inc., Flatbush Patio #1, Inc., Flatbush Patio #2, Inc., Green Park Essex, Inc., Highlander Hall, Inc., Lincoln Shore Apts., Luna Shopping Center, Shore Haven Apts. #1, Inc., Shore Haven Apts. #2, Inc., Shore Haven Apts. #3, Inc., Shore Haven Apts. #5, Inc., Shore Haven

* In 1954, the Federal Housing Administration investigated alleged windfall profits resulting from the Beach Haven project, and Fred C. Trump testified during such investigation. During the course of the Division's review, it did not ascertain any information that the Fair Housing Administration charged Fred C. Trump, the entities wholly-owned by him or the companies with which he is related with any wrongdoing.

Management Corp., Sussex Hall, Inc., The Trump Organization, Trump Properties, Inc., Trump Village Construction Corp., Trump Village Sec. #1, Inc., Trump Village Sec. #2, Inc., * Wesford Hall, Inc., and 220 Prospect Street Company.

Trump has two sisters and two brothers as follows: Mary Ann Desmond who is employed as an Assistant United States Attorney assigned to the Newark, New Jersey office, Fred C. Trump, Jr., who was employed by Fred C. Trump, Sr. as a supervisor of a maintenance crew at a housing project in Brooklyn, New York, ** Elizabeth Trump who is employed as an executive secretary at Chase Manhattan Bank, New York City, New York and Robert S. Trump who is employed as a vice president of the Trump Organization, New York City, New York.

On April 9, 1977, Trump married the former Ivana Zelnicek in New York City, New York. They have one child, age three, who resides with his parents. Mrs. Trump is currently a homemaker, and she has no outside employment.

* During the period of 1966 to 1967, the State of New York investigated allegations of windfall profits pertinent to the construction of Trump Village, and Fred C. Trump testified in relation to that investigation. The Division reviewed the Ninth Annual Report of the Temporary Commission of Investigation of the State of New York to the Governor and the Legislature of the State of New York dated February 1967 relevant to that matter. The Commission of Investigation recommended therein amendments to applicable statutes which would render those laws more stringent and additional administrative procedures to govern loans of mortgage funds for the construction of middle income housing. During the course of this investigation, the Division did not obtain any information that Fred C. Trump, the entities wholly-owned by him or the companies with which he is related were charged with any wrongdoing.

** On September 28, 1981, Fred C. Trump, Jr. died as the result of a sudden heart attack.

B. Education and Business Experience

Trump's educational and business experience should be especially noted. From September 1964 to May 1966, Trump attended Fordham University located in the Bronx, New York. He then transferred to the University of Pennsylvania, Wharton School of Business located in Philadelphia, Pennsylvania. Trump attended that school from September 1966 to May 1968 at which time he graduated with a Bachelor of Science degree in Economics. Trump is employed by Trump Management, Inc., 600 Avenue Z, Brooklyn, New York; he has been so employed since June 1, 1968. Trump currently holds the position of executive vice president of the corporation. Trump is paid a salary of approximately \$100,000 per annum with regard to that employment. As stated previously herein, Trump Management, Inc. is responsible for controlling approximately thirty Trump family-owned corporations, partnerships and entities. The majority of assets held by the foregoing corporations, partnerships and entities are real estate properties, primarily apartment buildings with a total of approximately 20,000 units located in New York, New Jersey and Virginia. Such assets were attained during the course of Fred C. Trump's life as the result of his efforts and, in some instances, the activities of his son, Trump.

Since August 1, 1969, Trump has held various positions, offices and directorships in numerous business entities. See Appendix 2. Additionally, Trump has served as a trustee under ten family-related trust agreements. See Appendix 3.

C. Vouchers

The Division interviewed a number of individuals associated with Trump in business and personal contexts who are familiar with Trump's abilities. Those persons described Trump as a man of forthrightness, honesty, integrity and strength who possesses great skill, who is ambitious and aggressive in business dealings and who is also brilliant and successful.

D. Licensures

Trump has held real estate salesman and real estate broker licenses issued by the Division of Licensing Services, Department of State, State of New York located in Albany, New York. He currently possesses a real estate broker license which is valid until October 31, 1981. Trump has stated that in light of his father's involvement in the real estate business the area was a "natural foray" for him. Additionally, from August 29, 1980 to February 28, 1981, Trump held a hotel liquor license issued by the New York State Liquor Authority, New York City, New York with regard to the operation of the Grand Hyatt Hotel located in New York City, New York. During the course of the Division's investigation, it obtained no derogatory information regarding those licensures. Prior to the submission of the application and filings discussed herein, Trump or an entity with which he was associated had not applied for a gaming-related license, permit, certificate or qualification. Further, previous hereto, neither Trump nor an entity with which he was associated had not applied for a liquor license, permit, certificate or qualification in connection with a gaming-related activity.

E. Other Affiliations

Trump has not served in the armed services. He has not held any governmental positions, either elected or appointed. Trump is a member of the following social or charitable organizations: Boy Scouts of America - Greater New York Council, Cerebral-Palsy, Le Club and Wingfoot Golf Club.

F. Financial Matters

I. Bank Accounts

Trump and his wife maintain the following checking and savings accounts. The bank accounts are held either individually or jointly as designated herein.

Trump has a checking account at the Chase Manhattan Bank located in Jamaica, New York which had as of July 1981 an average monthly balance of approximately \$384,000 and a year-to-date average balance of approximately \$378,000. Trump considers that account as his "regular" cash account, and it is utilized for both personal and business-related transactions. Trump pays for most personal expenses in cash or by check; he rarely uses credit cards. The Division reviewed various documentation relevant to the account for the period of November 1975 through May 1981, and no undisclosed, unusual or questionable items were noted.

Trump also has a checking account at the Chase Manhattan Bank located in Brooklyn, New York which had as of July 1981 an average monthly balance of approximately \$5,000 and a year to date average balance of \$22,500. Trump considers that account as a special cash account; the account was opened in September 1979, and it is utilized only in connection with a Third Avenue leasehold property held by Trump through the East 61st Street Company. The Division reviewed various documentation relevant to the account for the September 1979 through May 1981 period, and no undisclosed, unusual or questionable matters were noted.

Trump individually has a savings account at Chase Manhattan Bank located in Jamaica, New York. That account was opened on January 6, 1970, and the balance as of April 3, 1981 was approximately \$6,000. Additionally, Trump individually has a savings account at the Greater New York Savings Bank located in Jamaica, New York. That account was opened on December 2, 1980, and as of June 19, 1981, it had a balance of approximately \$8,000. Trump deposits his paycheck into that account. When the balance of the account attains a sufficient figure, that amount is invested.

On March 15, 1979, Trump and his wife opened a joint savings account at Citibank, New York City, New York. That account is inactive, and it has only a minimal balance.

Ivana Trump individually has a household checking account at the Citibank, New York City, New York. Further, she has a certificate of deposit account at the Bowery Savings Bank, New York City, New York, which as of July 1981 had a balance of approximately \$145,000.

2. Accounts and Notes Receivable

Trump has several accounts receivable. Each account arose as the result of a business-related transaction.

Under agreements dated September 1, 1977, Trump is entitled to consultant fees in payment for services rendered in connection with the sale of a percentage of his father's interest in Starrett City Associates, a partnership owning the Starrett City real estate property, to the Grandcor Company and Port Electric Supply Corp. Grandcor Company agreed to pay Trump a \$190,000 fee; the final \$40,000 payment thereon is due on January 15, 1982. Port Electric Supply Corp. agreed to pay Trump an additional \$228,500 fee. By an agreement modification in January 1979, Hose McCann Telephone Company became liable for one-half of the amounts owed to Trump by Port Electric Supply Corp. Such modification resulted from a change in stock ownership involving those two companies. On January 15, 1982, a final \$45,000 payment is due to Trump from Port Electric Supply Corp. and Hose McCann Telephone Company, and each entity will pay \$22,500 of the amount.*

* Trump has been involved in a number of real estate transactions during the most recent several years. He has received or is entitled to fees and commissions with regard thereto. Pertinent to the accounts receivable discussed herein, the fees and commissions paid or owing to Trump are set forth in the appendix to this report (A4).

During the month of January 1979, Trump advanced approximately \$65,000 to Reg-Tru Equities, Ltd., which he wholly owns. Reg-Tru Equities, Ltd. operates an indoor tennis facility located in the Grand Central Terminal, 42nd Street and Vanderbilt Avenue, New York City, New York. Trump lent the foregoing amount to Reg-Tru Equities, Ltd. directly from his personal checking account. The loan is open ended with no interest or security provisions. Trump made the advance to Reg-Tru Equities, Ltd. for utilization as working capital. Reg-Tru Equities, Ltd. has not as yet repaid said loan amount to Trump.

Additionally, in March 1975, Trump advanced \$16,000 to 220 Management Corporation. That corporation is wholly-owned by Trump and manages the apartment complex owned by 220 Prospect Street Company, a partnership in which Trump holds an interest. Trump advanced the amount for working capital purposes. There is no written agreement supporting the loan. The amount lent to 220 Management Corporation by Trump is outstanding.

On December 22, 1976, Trump lent \$65,000 to the aforementioned 220 Prospect Street Company. That advance was also for working capital purposes. No formal agreement exists with regard to the loan made by Trump to the company. The \$65,000 amount owed to Trump is outstanding.

3. Accounts and Notes Payable

Currently, Trump has a personal line of credit in the amount of \$35,000,000 with Chase Manhattan Bank, New York City, New York. According to Conrad Stevenson, who is Trump's personal banker at Chase Manhattan Bank, that sum is flexible, and it could be altered in the discretion of the bank's managers. The line of credit is not the subject of a written agreement. Advances made pursuant to the line of credit are not secured; interest upon such credit is computed at the prime rate.

Generally, Trump has utilized amounts drawn against the line of credit for the Grand Hyatt Hotel project, in connection with his Regency-Lexington Partners interest, and the proposed Atlantic City casino hotel project. Trump also used the proceeds of the line of credit as follows. On February 6, 1981, Trump drew \$1,000,000 against the line of credit with regard to a proposed purchase of property located in Westhampton, New York. The purchase was not finalized, and on February 9, 1981, the \$1,000,000 amount was repaid to the bank.

From May 15, 1980 through June 16, 1981, Trump had drawn a total of \$38,400,000 against the line of credit in the following amounts and for the stated purposes: \$8,900,000 for the Atlantic City project, \$28,500,000 for the Grand Hyatt Hotel project and \$1,000,000 for the proposed Westhampton property purchase. As of June 16, 1981, Trump had repaid \$23,252,762.67 with regard to the principal amounts borrowed against the line of credit; such payments resulted in a principal balance of \$15,147,237.33. Additionally, Trump made interest payments totaling \$2,740,292.81 on the borrowed sums, attributable as follows: \$643,425.12 to the Atlantic City project and \$2,096,867.69 to the Grand Hyatt Hotel project.

On September 24, 1980, Fred C. Trump agreed to lend Trump the sum of \$7,500,000. Fred C. Trump was to advance such amount, either personally or through entities owned by him. Further, the loans are for a one year term at an interest rate of 12% per annum. The agreement also provides that in the event that the prime rate exceeded 14% during the term of the loan Trump would pay additional interest. The interest owed is due upon payment of the principal sum. Trump has received the following loans totaling \$7,500,000: \$590,000 on September 25, 1980 from Beach Haven Apartments #2, Inc., \$410,000 on September 25, 1980 from Beach Haven Apartments #4, Inc., \$270,000 on September 25, 1980 from Green Park Essex, Inc., \$1,180,000 on September 25, 1980 from Trump Village Construction Corp., \$175,000 on October 6, 1980 from Beach Haven Apartments #1, Inc., \$575,000 on October 6, 1980 from Sussex Hall, \$1,800,000 on October 6, 1980 from Fred C. Trump and \$2,500,000 on October 6, 1980 from Trump Village Construction Corp. Trump utilized the \$7,500,000 to render payments on his line of credit at Chase Manhattan Bank. The \$7,500,000 loan amount is currently outstanding.

In addition to the foregoing loans which Trump received from Trump Village Construction Corp. under the terms of the September 24, 1980 agreement with Fred C. Trump, Trump has obtained other loans from Trump Village Construction Corp. which as of August 31, 1981 amounted to \$976,238. Trump has utilized those loans for working capital purposes, particularly with regard to the projects of Regency-Lexington Partners and Trump Equitable Fifth Avenue Company. The foregoing loans are open-ended, and Trump is not liable for any interest payments therein.

4. Trusts

Trump is the beneficiary of three trusts. Each trust agreement is family-related.

On December 12, 1976, Fred C. Trump created eight trusts. Fred C. Trump named his five children and three grandchildren as the beneficiaries of the trusts created on that date. He transferred \$1,000,000 in trust to each unmarried child.* With regard to married or divorced children, he granted each such child and that person's child or children a total of \$1,000,000 in individual trusts, i.e., \$1,000,000 was divided between a married or divorced child and his or her child or children.

In light thereof, Trump was made the beneficiary of a \$1,000,000 irrevocable trust. The indenture named Mary Anne Desmond, Robert S. Trump, Trump himself and Matthew J. Tosti, an attorney then representing the Trump-family interests, as trustees. Upon the death of Tosti, Irwin Durben, Esquire was named a trustee.

The trust instrument requires that the trustees invest and reinvest the trust property during Trump's life. Upon the death of Trump, the trustees must distribute the trust property as Trump appoints. If such power of appointment is not exercised or properly effectuated, the trustees are to distribute the trust property to the surviving issue of the beneficiary per stirpes or, in default of same,

* As of December 12, 1976, Trump had not been married.

to the grantor's then surviving issue per stirpes. If the individual who is to receive such property is the beneficiary of another trust indenture executed on December 12, 1976, the property must be combined with the principal of that other trust. The trust provisions permit periodic distributions of net income and principal to Trump and his descendants. Such disbursements are in the discretion of the trustees, other than the beneficiary. Net income which is not so distributed is added to principal. As of July 31, 1981, the trust principal consisted of \$863 in cash and \$1,262,000 in certificates of deposit.

Currently, the trust income is distributed to Trump on an annual basis with a calendar year of June 30. Since the creation of the trust, Trump has received the following payments: \$19,000 on June 24, 1977, \$47,200 on June 28, 1978, \$70,000 on June 29, 1979, \$90,000 on June 9, 1980 and \$214,605 in June 1981. The foregoing yearly incomes were reported on Trump's filed tax returns.

Additionally, under an agreement dated August 2, 1949, Elizabeth Trump, Trump's paternal grandmother, created a trust naming Trump as beneficiary. The assets of the trust are two parcels of real estate identified as Shore Haven Apartments #1 located at Cropsey Avenue, Bay 25th Street, 21st Avenue and 21st Drive, Brooklyn, New York and Shore Haven Apartments #2 located at 20th Avenue, 20th Lane, 21st Drive and Bay 25th Street, Brooklyn, New York. The lots are the subject of long-term leases held by Fred C. Trump. The foregoing properties have a bookkeeping value of \$18,600. Trump received income, as reported on his tax returns, from the trust during the following years: \$1,699 in 1975, \$1,699 in 1976, \$1,699 in 1977, \$1,727 in 1978, \$1,762 in 1979 and \$1,839.80 in 1980.

Further, under an agreement dated August 10, 1949, Fred C. Trump created a trust naming Trump as beneficiary. The assets of the trust include parcels of land described as Beach Haven Apartments 1, 2, 3 and 4, Belt Parkway and Avenue Z, Brooklyn, New York with a bookkeeping value of \$140,000. From 1975 to 1980, Trump received the following income from the trust: \$11, 697 in 1975, \$11, 697 in 1976, \$11, 695 in 1977, \$11, 848 in 1978, \$11, 714 in 1979 and \$11, 630 in 1980.

5. Gifts

Trump receives an annual \$6,000 gift from his parents. Those transfers are made during the month of December.

6. Stocks

Trump is the sole shareholder of the following closely-held corporations: Reg-True Equities, Ltd., the Trump Corporation, Tipperary Realty Corp., Trump Enterprises, Inc., TPC and 220 Management Corp. He is a 25% shareholder of Clyde Hall, Inc. Trump does not hold any stock in publicly-held or traded corporations.

7. Insurance

Trump is the insured on a \$50,000 life insurance policy issued by the Prudential Insurance Company of America. Trump's siblings are the beneficiaries of the policy. Additionally, Trump is named as the insured on a \$20,000,000 life insurance policy issued by the Equitable Life Assurance Society of the United States. The Trump-Equitable Fifth Avenue Company is the beneficiary of the policy. Those policies have no current cash value.

8. Pension

Trump does not have any interest in a pension plan.

9. Last Will and Testament

On December 16, 1980, Trump executed his last will and testament. The principal beneficiaries of the will are Trump's wife and child. Additionally, the will provides for cash bequests to Trump's siblings and Amy Luersson, executive secretary to Trump's father. Fred C. Trump and Martin Figman, controller of Trump Management, Inc., are the executors of the will. The document was prepared by Irwin Durben, Esquire. During the course of the Division's review, it did not note any information contained in the will which was inconsistent with other relevant financial matters.

10. Safe Deposit Boxes

Neither Trump nor his wife have a safe deposit box.

11. Vehicles

Trump is the owner of a 1977 Mercedes-Benz 450 SL two door coupe. He also utilizes a Cadillac limousine leased by Trump Management, Inc.

12. Federal Income Taxes

The Division has reviewed federal income tax returns filed by Trump for the years of 1975 through 1979. The Internal Revenue Service granted Trump an extension with regard to his 1980 return until September 1981. From 1975 to 1979, Trump reported the following yearly incomes and paid the stated taxes thereon: \$76,210 in income with \$18,714 in taxes in 1975, \$24,594 in income with \$10,832 in taxes in 1976, \$118,530 in income with \$42,386 in taxes in 1977, (\$406,379) with no taxes in 1978 and (\$3,443,560) with no taxes in 1979.

The Division's analysis of Trump's income tax returns for the 1975 through 1979 period included verification of his salary and wages, interest income, dividend income, business income and losses, other income and losses and itemized deductions. During the course of such review, the Division did not ascertain any inconsistent or questionable matters.

The Division notes that in 1978 and 1979 Trump incurred no federal income tax liability. In 1979, the lack of such liability is primarily attributable to losses incurred by Trump in the operation of rental properties located at Third Avenue, Fifth Avenue, East 56th Street, East 57th Street, East 61st Street and East 62nd Street, New York City, New York. The expenses for the operation of the aforesaid rental properties were actual cash disbursements as reflected in Trump's cash disbursements journal. The foregoing losses were also traced to interest due on amounts owed to Fred C. Trump and Chase Manhattan Bank during 1978 and 1979. Additionally, Trump incurred losses during 1978 and 1979 in the operations of the Park Briar Associates, Regency-Lexington Partners and 220 Prospect Street Company, partnerships in which Trump has an interest. The Division compared the income and expenses which are reflected in the profit and loss statements of the returns with the pertinent corporate cash receipts and disbursements journals, and no discrepancies were noted.

G. Business Entity Interests

Currently, Trump holds an ownership interest in a number of partnerships and corporations. See Appendix 5. Those interests are as follows.

1. Real Estate Interests Held with Siblings

Trump has an ownership interest in a number of entities which operate apartment buildings located in Brooklyn and Queens, New York. Those entities are either wholly-owned by Trump and his siblings or are owned by other businesses in which Trump and his siblings hold interests. Such entities are as follows:

<u>Entity</u>	<u>Year Formed</u>	<u>No. of Apts.</u>	<u>Owners</u>	<u>Location</u>
Clyde Hall, Inc.	1962	52	Mary Anne Desmond, Trump, Elizabeth Trump and Robert Trump	Jamica, New York
Midland Associates	1968	159	Mary Anne Desmond, Trump, Elizabeth Trump, Fred C. Trump, Jr., Robert Trump	Sunnyside, New York
Park Briar Associates	1971	163	Mary Anne Desmond, Trump, Elizabeth Trump, Fred C. Trump, Jr., Robert Trump	Forrest Hills, New York
Coronet Hall, Inc.	1956	142	Park Briar Associates	Jamaica, New York
Highlander Hall, Inc.	1956	168	Park Briar Associates	Jamaica, New York
Saxony Hall	1957	84	Park Briar Associates	Jamaica, New York
Lincoln Shore Apts.	1971	176	Coronet Hall, Inc., Highlander Hall, Inc., Saxony Hall	Brooklyn, New York

The foregoing entities have combined assets in excess of \$1,000,000. Approximately \$3,700,000 of those assets are in the form of cash, certificates of deposit and government bonds.

The Division reviewed recent federal income tax returns and financial statements relevant to the aforestated entities. During the course of such review, no derogatory or inconsistent information was noted.

2. 220 Prospect Street Company and 220 Management Corporation

In November 1972, Fred C. Trump and Trump formed a limited partnership known as 220 Prospect Street Company to "acquire, construct, maintain and operate a housing project" under the New Jersey Housing Finance Agency Law of 1967, N.J.S.A. 55:14J-1, et seq. Initially, Trump, as a general partner, owned a 25% interest and Fred C. Trump, as a limited partner, held a 75% interest in 220 Prospect Street Company. By an agreement dated December 31, 1974, the 75% interest held by Fred C. Trump was divided as follows: Fred C. Trump as a limited partner with a 27% interest; Sussex Hall, Inc. as a limited partner with a 24% interest and Beach Haven Apartments #4, Inc. as a limited partner with a 24% interest. Sussex Hall, Inc. and Beach Haven Apartments #4, Inc. are both Trump-owned corporations.

The 220 Prospect Street Company owns a 298 unit senior citizen apartment complex located on Prospect Street in East Orange, New Jersey which is known as The Pavillion. Trump and Fred C. Trump became involved in the project in 1972 after Trump ascertained that the Prudent Insurance Company was abandoning the proposed East Orange apartment complex because the lowest bid submitted by potential general contractors with regard thereto was not acceptable. Prudent Insurance Company had acquired options to purchase all the parcels of land necessary for the project; additionally, the insurance company was in possession of a complete set of architectural blueprints for the project and had obtained a financing approval from the New Jersey Housing Finance Agency (hereinafter referred to as "NJHFA"). However, the foregoing options were due to expire within a short period of time. The Trumps obtained the necessary property and proceeded with the proposed housing project.

NJHFA financed the project; NJHFA provides mortgages for low and moderate income housing projects in New Jersey through funds secured by bond issues. The agency, as mortgagee, monitors the construction phase of such projects and regulates the investment returns, rental schedules, management fees, contractual arrangements and expenditures of the project owner or "sponsor." Regulations promulgated by the NJHFA require that the sponsor render periodic payments to a repair and replacement fund; the sponsor pays for necessary repairs made at the project through that fund.

In accordance with NJHFA requirements, Fred C. Trump provided approximately 10% of the project cost or \$862,753.* NJHFA provided a mortgage to 220 Prospect Street Company in the amount of \$7,764,775, which was approximately 90% of the project cost, at an interest rate of 9%. The 9% interest figure was the prevailing rate when NJHFA granted the mortgage. As the result of an interest reduction program afforded by the Department of Housing and Urban Development (hereinafter referred to as "HUD"), 220 Prospect Street Company pays approximately 1% of the interest rate, and HUD is responsible for the balance of the interest cost. The total project expense was approximately \$8,500,000. NJHFA released the foregoing mortgage amount to 220 Prospect Street Company in forty-three (43) installments during the period of November 1972 through September 1977. As of December 31, 1980, the balance of the mortgage was \$7,688,288.36.

* Trump's capital account began with a \$215,688 contribution. That capital contribution figure was based upon the increased value of land held by the partnership in excess of its cost.

The construction phase of the project began in late 1972. The 220 Prospect Street Company utilized the individuals and plans previously chosen by the Prudent Insurance Company. The Trumps met with representatives of John Mee, Inc., the general contractor which submitted the lowest bid for the housing project. Those parties agreed that John Mee, Inc. would serve as general contractor of the project. However, in the event that the general contractor could not complete any phase of the construction project within the amount budgeted therefor, the contractor was to notify Fred C. Trump, and he was to determine, within a 48 hour period after such notification, the manner in which to rectify the situation. If the phase could not be completed within its budgeted cost, the contractor was to proceed with Fred C. Trump accepting liability for the additional expense.

During the construction phase of the housing project, NJHFA law required that the 200 Prospect Street Company deposit a portion of each installment into an "equity requirement" fund to ensure that the sponsor would contribute 10% of the project cost. The 200 Prospect Street Company deposited all installment disbursements made by NJHFA into a Midlantic Bank account bearing the name of 200 Prospect Street Company. The NJHFA approved any disbursements from the account, and all checks issued on the account had to be co-signed by Trump and a representative of the NJHFA.

The apartment complex was initially occupied in July 1974. From that date to the current time, 220 Prospect Street Company has continued to own the East Orange property.

The major source of income derived by 220 Prospect Street Company are apartment unit rental payments. The amount of the monthly rental payments is

controlled by the NJHFA, and that agency must approve any increases relevant to such payments. Additionally, 220 Prospect Street Company receives monthly payments from HUD under the terms of a rent supplement contract which provides for financial assistance to elderly tenants who meet certain income criteria established by HUD. The partnership also obtains income from various vending machines located within the apartment complex and from fees paid for managing the rental of air conditioners to apartment complex tenants. The Division reviewed the cash receipts journal and bank statements of 220 Prospect Street for the period of 1977 through 1980, and it did not note any unknown or unusual sources of income.

The expenses of 220 Prospect Street Company are typical for the owner of an apartment complex. Those expenses include payments for utilities, maintenance and supplies. Further, 220 Prospect Street Company makes certain payments to Trump, who is the owner of the air conditioning units which the company rents. It is noted that 220 Prospect Street Company is required to obtain NJHFA approval prior to any expenditure exceeding the amount of \$500. The Division reviewed the cash disbursements journal and cancelled checks of 220 Prospect Street Company, in addition to other related documentation, for the period of 1977 through 1980, and it did not discern any significant matters.

In addition to the foregoing financial information, the Division analyzed the following documentation relevant to 220 Prospect Street Company: federal income tax returns from 1972 through 1980, financial statements, invoices, contracts, accounting work papers, certain files and various public records. During the course of such review, the Division did not note any inconsistent or unusual matters. Further, Division representatives interviewed individuals associated with NJHFA and HUD, and no derogatory information was ascertained; NJHFA officials

described The Pavillion apartment complex as an efficiency-managed operation.

On June 27, 1973, 220 Management Corporation was incorporated in the State of New Jersey. Trump is the president and sole shareholder of that corporation, owning ten (10) shares of its stock. Trump paid \$1,000 to obtain his ownership interest. The directors of 220 Management Corporation are Trump, Robert S. Trump and Irwin Durben, Esquire, attorney for the Trump-family interests.

During the initial renting phase of the Pavillion apartments, 220 Prospect Street Company paid 220 Management Corporation a \$100 fee for each apartment rented. When the apartment complex was fully rented, 220 Prospect Street Company began to pay 220 Management Corporation a monthly management fee. That fee is based upon a percentage of gross rental collections and has ranged to a maximum amount of approximately \$4,000 per month. Such fee is controlled by an annual agreement between 220 Prospect Street Company and 220 Management Corporation which must be approved by NJHFA, the mortgagee of the apartment complex. The daily management services are performed by employees of Trump Management, Inc.; that corporation is not reimbursed for its services. The monthly management fees paid by 220 Prospect Street Company are the major source of the income received by 220 Management Corporation.

Prior to January 1977, 220 Management Corporation also received monthly income as the result of renting air conditioning units owned by it to tenants of the Pavillion. 220 Management Corporation had purchased the air conditioning units expending \$37,468.75 during the 1974 through 1976 period. In January 1977, 220 Management Corporation sold the air conditioning units to Trump in exchange for a note receivable in the amount of \$18,339.17, the value after depreciation as listed

on the corporate books. In March 1977, Trump paid the note with interest. Trump leased the air conditioning units to 220 Prospect Street Company, which now rents the units to tenants who then pay a monthly fee. 220 Prospect Street Company collects the monthly rental fees, withholds a percentage thereof in payment for its services and remits the balance to Trump on a monthly basis.

Additionally, in the final quarter of 1976, 220 Management Corporation received a \$25,000 payment as consulting fees from Trump Management, Inc. According to Martin Figman, controller of Trump Management, Inc., there is no documentation available with regard to that transaction.

220 Management Corporation paid the majority of its disbursements to Trump, 220 Prospect Street Company, various doctors and medical facilities. Other corporate disbursements were payable to the New Jersey Secretary of State and the New Jersey Department of the Treasury, Division of Taxation.

With regard to the amounts paid to doctors and medical facilities, Martin Figman explained that such payments were relevant to medical expenses incurred by Trump and his family. Such medical expenses are paid as an employee benefit to Trump, the only employee of 220 Management Corporation.

In March 1976, Trump lent \$15,000 to 200 Management Corporation. The loan was repaid by the corporation in that same year.

The Division reviewed the income tax returns of 200 Management Corporation for the 1973 through 1980 period, its cash receipts and cash disbursements journals for the 1973 through 1980 period, its bank statements and cancelled checks for the years 1977 through 1980, its accounting workpapers for the

years ending December 31, 1978, 1979 and 1980, its financial statements for the years ending December 31, 1979 and 1980, certain files and other financial documentation. Further, the Division compared relevant corporate financial documentation with Trump's personal financial records. During the course of said review, the Division did not discern any inconsistent, unusual or questionable matters of a significant nature.

3. Reg-Tru Equities Ltd.

On August 26, 1977, Reg-Tru Equities, Ltd. was incorporated in the State of New York. On August 27, 1977, Trump purchased 200 shares of no par value corporate stock, and he is the sole stockholder. Trump, Robert S. Trump and Irwin Durben compose the board of directors; Trump serves as president of the corporation; Robert S. Trump is vice president, and Irwin Durben is the secretary of the corporation. Reg-Tru Equities, Ltd. was formed to act as an agent in holding, leasing, purchasing or selling real estate and to construct, erect or demolish any premises.

Reg-Tru Equities, Ltd. operates two tennis courts consisting of approximately 21,000 square feet in the Grand Central Railroad Terminal located at 42nd Street and Vanderbilt Avenue, New York City, New York. On January 18, 1979, Reg-Tru Equities, Ltd., as lessee, entered into an agreement with the Metropolitan Transportation Authority, a New York corporation, to lease the foregoing tennis courts.

Said lease is for a twenty (20) year term commencing on January 1, 1979 and ending on December 31, 1998. The rental payments under the lease agreement escalate as follows: no rental payment for the January 1, 1979 through April 30, 1979 period, \$3,333.33 per month for the May 1, 1979 through August 31, 1979 period, \$6,666.66 per month for the September 1, 1979 through December 31, 1979 period, \$80,000 per year for the January 1, 1980 through December 31, 1983 period, \$85,000 per year for the January 1, 1984 through December 31, 1988 period, \$90,000 per year for the January 1, 1989 through December 31, 1993 period and \$95,000 per year for

the January 1, 1994 through December 31, 1998.

Under the terms of the agreement, Reg-Tru Equities, Ltd. must utilize the demised premises solely as a tennis court facility. Reg-Tru Equities, Ltd. also agreed to invest not less than \$100,000 to modernize and decorate the facility. The lease agreement abated the rental payments during the preliminary January 1, 1979 through April 30, 1979 period to allow for the modernization and decoration required by the lease. Reg-Tru Equities, Ltd. agreed to present the Metropolitan Transportation Authority with receipts for expenses incurred in connection with the modernization or decoration upon the completion of the foregoing improvements or within six months of the execution of the lease.

The lease provisions required that Reg-Tru Equities, Ltd. obtain an irrevocable letter of credit in the amount of \$80,000 from Chase Manhattan Bank which was effective for a one year period. Additionally, Reg-Tru Equities, Ltd. paid the sum of \$20,000 as security; the Metropolitan Transportation Authority agreed to deposit that amount in an interest-bearing savings account.

The Division reviewed federal tax returns and financial documentation pertinent to Reg-Tru Equities, Ltd. During the course of such review, the Division did not ascertain any derogatory, inconsistent or questionable matters.

4. Regency-Lexington Partners

On October 17, 1977, Wembly Realty, Inc., a corporation wholly-owned by Trump, entered into a co-partnership agreement with REFCO Properties, Inc., a subsidiary of Hyatt Hotels, Inc. The partnership is known as Regency-Lexington Partners. The Regency-Lexington partnership expires on the earliest of the following dates: (1) December 31, 2050, (2) such date as mutually determined by written agreement of the parties, (3) the date of the sale or other disposition of its property,* or (4) the withdrawal, dissolution, adjudication of bankruptcy or death of a partner, except as otherwise provided.

On January 5, 1977, Wembly Realty, Inc. and the trustees of the property of Penn Central Transportation Company entered into an option and agreement for purchase and sale regarding the Commodore Hotel. Under the terms of the option, Wembly Realty, Inc. was permitted to purchase the Commodore Hotel from the trustees of the property of Penn Central Transportation Company for the amount of \$10,000,000. The Regency-Lexington partnership was formed, in part, to acquire the interest of Wembly Realty, Inc. under the foregoing option and agreement and to develop said interest.

* However, Regency-Lexington Partners will continue to exist if the sale or disposition of the property is to a nominee or agent of the partnership. Additionally, if Regency-Lexington Partners receives notes in connection with such disposition, the partnership will continue until those notes are paid in full or otherwise satisfied.

Additionally, pursuant to the provisions of the partnership agreement, Wembly Realty, Inc. and REFCO Properties, Inc. approved an agreement dated May 23, 1975 between Wembly Realty, Inc. and the Hyatt Corporation whereby the Hyatt Corporation was retained to manage the operation of the proposed hotel facility. That management agreement provides for a basic management fee to the Hyatt Corporation of 4% of the gross receipts of the hotel for each fiscal year in addition to an incentive fee of 20% of profits derived from the hotel operation. The incentive fee is computed after the basic fee, debt service payments and other expenses of operation are deducted but before depreciation or income taxes payable by the partnership.

In May 1978, Regency-Lexington Partners exercised the option to purchase the Commodore Hotel. For a nominal consideration, the partnership concurrently conveyed the hotel property to a subsidiary of the New York State Urban Development Corporation (hereinafter referred to as the "UDC"). The UDC, through its subsidiary in turn leased the Commodore Hotel to Regency-Lexington Partners for a 99 year term.

The lease agreement entered by the UDC subsidiary and Regency-Lexington Partners provides for the renovation and modernization of the Commodore Hotel by Regency-Lexington Partners. Further, the lease provisions require the following minimal rental payments: (1) an annual rental of \$250,000 from the commencement of the lease term until the commencement of reconstruction of the hotel facility, (2) no rental during the period of reconstruction which can not exceed two years, (3) an annual rental of \$250,000 for the first five (5) years of operation after the reconstruction, (4) an annual rental of \$350,000 for the second five (5) years of such

operation, (5) an annual rental of \$600,000 plus \$75,000 per year cumulatively for the following 30 years of operation and (6) an annual rental for the remainder of the term of an amount equal to real estate taxes which would otherwise be payable. In addition to the foregoing minimum lease payments, Regency-Lexington Partners is liable for an annual percentage rental based upon hotel profits as follows: 10% of the initial \$500,000 of profit, 12 1/2% of the next \$1,000,000 of profit; 15% of the next \$1,000,000 of profit, 20% of the next 1,000,000 of profit, 30% of the next \$1,000,000 of profit, 40% of the next \$1,000,000 of profit and 50% of any profits in addition thereto. The combined minimum and percentage rentals for any lease year cannot exceed the real estate taxes otherwise payable for such period.

It is noted that in May 1976 the Board of Estimate of the City of New York adopted a resolution to the effect that the city would waive all real estate taxes chargeable to the Commodore Hotel property so long as: (1) a lease with UDC was in effect, (2) reconstruction of the hotel facility was commenced and completed within certain time periods and (3) the reconstructed hotel is operated as a "first-class" facility. The foregoing resolution served to substitute the rental payments for real estate taxes. That arrangement should result in substantial annual savings to Regency-Lexington Partners, particularly during the initial period of hotel operations.

Wembly Realty, Inc. later assigned its interest in Regency-Lexington Partners to Trump in his individual capacity. On March 23, 1979, Wembly Realty, Inc. was dissolved. Regency-Lexington Partners currently holds the aforesaid long-term lease and operates the Grand Hyatt Hotel located in New York City, New York through its agreement with the Hyatt Corporation.

The Hyatt Corporation provides the Regency-Lexington Partnership with financial statements on a monthly basis. Further, the Hyatt Corporation submits certified financial statements prepared by Laventhol and Horwath, an independent public accounting firm, to the Regency-Lexington Partnership on a yearly basis.

5. The East 61st Street Company

On August 16, 1979, Trump, as lessee, entered into a lease agreement with Donald Ruth, as lessor, regarding property located at 1030-48 Third Avenue, 163-69 East 61st Street and 160-62 East 62nd Street, New York City, New York. The lease term began on the date that the agreement was executed. In addition to an initial reconstruction period, the lease continues for a 99 year term. The annual rent escalates at set periods during the lease term. From the execution of the lease agreement until February 1981, Trump utilized his personal checking account for financial transactions relevant to the leasehold interest.

On February 10, 1981, Trump, Robert S. Trump and Louise Sunshine, an employee of the Trump organization, entered into a partnership agreement regarding the formation of an entity known as the East 61st Street Company. The purpose of that partnership agreement is to acquire the aforesaid leasehold estate and to manage, operate, maintain and improve such property. The capital contributions in 1980 were as follows: \$12,374 by Trump, \$75,688 by Robert S. Trump and \$75,688 by Louise Sunshine.

During 1980, the assets of the partnership amounted to \$200,256, attributable as follows: \$308 in cash, \$32,681 for a construction advance and an air option and \$167,267 representing the value of the leasehold. The income of the partnership is primarily derived from the collection of rents paid by businesses operating upon the property. Most disbursements relate to expenses incurred with regard to the rental properties.

In 1980, the East 61st Street Company received \$579,356 in rents and incurred \$585,085 in expenses. The total 1980 income of the partnership was (\$5,729). Trump claimed (\$5,157) of such loss and Robert Trump and Louise Sunshine each received income of (\$286).

With regard to the East 61st Street Company, the Division received its 1980 federal income tax return, cash receipts and disbursements journals, various other financial and bank documentation, certain files and accounting work papers. During the course of such review, the Division did not note any inconsistent or questionable matters.

6. Trump Equitable Fifth Avenue Company

By an agreement dated January 30, 1980, Trump and the Equitable Life Assurance Society of the United States entered into a joint venture. The parties to the joint venture agreement proposed to acquire title to property located at 721-725 Fifth Avenue, New York City, New York, which previously included the site of Bonwit Teller and Company, and to construct and develop thereon a fifty-nine (59) story luxury building which will consist of eighteen (18) floors of retail, commercial and office rental space, three (3) general mechanical floors and thirty-eight (38) upper residential floors with 266 condominium units. The project is known as Trump Tower.

The joint venture commenced on the date that the agreement was entered and continues until the parties agree to its termination or as otherwise provided in the agreement or by law. The agreement provides that neither party is liable for the indebtedness of the other except with regard to the costs and expenses arising in connection with the proper business purposes of the joint venture operations. The parties to the joint venture have equal interests in the assets, liabilities, profits and losses thereof. Neither party may transfer, assign or mortgage the property held by the joint venture except as specified in the partnership agreement.

The agreement provides that the financial records of the joint venture are to be kept by the Equitable Life Assurance Society of the United States. That party furnishes unaudited financial statements of the partnership to Trump at the termination of each calendar quarter. Equitable Life Assurance Society prepares the tax returns of the Trump Equitable Fifth Avenue Company; Deloitte, Haskins, and Sills, an independent certified public accounting firm, reviews the tax returns.

On January 31, 1980, Trump Equitable Fifth Avenue Company borrowed approximately \$130,000,000 to finance the Trump Tower project. The monies were borrowed from the Chase Manhattan Bank, Morgan Guaranty Trust Company, Northern Trust Company, Marine Midland Bank and Irving Trust Company. The loans are secured by notes executed on January 31, 1980.

With regard to the Trump Tower project, Trump Equitable Fifth Avenue Company applied to Anthony B. Gliedman, the Commissioner for the Department of Housing Preservation and Development of the City of New York (hereinafter referred to as the "HPD") for a partial tax exemption under Section 421-a of the New York Real Property Tax Law. HPD denied the application on the basis that the property had not been "under-utilized" within the meaning of the statute, as required for the exemption. On March 24, 1981, Trump Equitable Fifth Avenue Company petitioned the Supreme Court of New York County to set aside the denial of the foregoing application and to direct HPD to grant the application of Trump Equitable Fifth Avenue Company for the Section 421-a tax exemption.

Trump Equitable Fifth Avenue Company contended: (1) the statutory requirement of under-utilization of property applied only to preexisting residential structures, (2) under-utilization refers to other than the best or optimum utilization and the HPD regulation, which imposed a "functionally obsolete" criterion, was a distortion of the statutory provision, (3) the former Bonwit Teller building was antiquated and economically unfeasible as a result of structural limitations and was, therefore, functionally obsolete, (4) the determination of HPD that the prior structure was not functionally obsolete was arbitrary, capricious and unreasonable, especially in light of prior routine Section 421-a tax abatement application

approvals and (5) in acceding to the city's request that the joint venture construct a partially-residential building on the Fifth Avenue site, Trump Equitable Fifth Avenue Company had relied upon a general understanding that the city would grant the Section 421-a tax relief. However, HPD, as an administrative agency with the power to promulgate regulations, contended that the definition of the statutory term "under-utilized" as "functionally obsolete non-residential or residential buildings..." as set forth in its regulation was reasonable and, therefore, binding upon the court. Further, HPD argued that the Bonwit Teller store which previously occupied the site was structurally sound and economically viable as of October 1, 1971, the applicable statutory date, and, therefore, not functionally obsolete. HPD denied that its application of the regulation was arbitrary. HPD also denied that Trump Equitable Fifth Avenue Company was assured the tax relief would be granted. Finally, HPD claimed the statutory purpose of Section 421-a did not include providing tax relief to luxury apartments.

By a decision dated July 16, 1981, the court found that in defining the term "under-utilized" HPD had added qualifications and conditions to the tax exemption which were not set forth in the statute and which substantially negated its impact. The court rejected the definition thereof as contrary to the plain meaning and purpose of the statute. Although the issue was moot, the court determined that on October 1, 1971 the prior structure was functionally obsolete as viewed by current standards and evaluations. The court also noted that the pertinent tax abatement statute was not restricted to stimulating lower and middle class housing construction. The court resolved the petition solely upon the basis of the plaintiff's entitlement to the tax relief but related that it was generally understood between the parties to the suit that the relief would be available to Trump Equitable Fifth

Avenue Company. The court vacated HPD's denial of the tax exemption as an arbitrary act exceeding its authority; additionally, it granted the plaintiff's petition and directed HPD to approve the application of Trump Equitable Fifth Avenue Company for a Section 421-a partial tax exemption.

On July 22, 1981, Trump filed a complaint against Anthony B. Gliedman, individually, and the City of New York in the United States District Court for the Southern District of New York.* The complaint alleged denial of equal protection and due process of law in contravention of federal and New York state law guarantees with regard to HPD's denial of the Section 421-a tax abatement relief. Trump, as plaintiff, seeks \$138,000,000, including \$128,000,000 in compensatory damages and \$10,000,000 against Gliedman, individually, as punitive damages. Additionally, the complaint requests injunctive relief barring future deprivation of Trump's rights and the costs of the suit. That case is currently pending in federal district court.

* Trump filed the aforesaid suit subsequent to the date on which he submitted his Personal History Disclosure Form #1 to the Commission.

7. Trump Enterprises, Inc.

On April 18, 1974, Trump Enterprises, Inc. was incorporated in the State of New York. On April 24, 1974, Trump purchased 200 shares of corporate stock at a total price of \$1,000. Trump is the sole stockholder of Trump Enterprises, Inc. The corporation was formed to acquire land and to construct and rebuild structures thereon.

Trump, Robert S. Trump and Matthew Tosti, an attorney who represented the Trump-family interests comprised the original board of directors of Trump Enterprises, Inc. After the death of Tosti, Irwin Durben, Esquire, was elected to the board of directors.

By agreement dated May 1, 1979 and executed on May 25, 1979, Trump Enterprises, Inc. entered into a lease with Leonard S. and Florence Kandell relevant to property located at Fifth Avenue and 57th Street, New York City, New York. The lease is for a 100 year term; the lease term commenced on May 1, 1979 and terminates on April 30, 2079. The property is currently the site of the Trump Tower project. Trump has assigned the interest in the foregoing lease agreement to Trump Equitable Fifth Avenue Company.

Trump Enterprises, Inc., as lessee, agreed to pay the Kandells, as lessors, a \$62,500 annual net rental from May 1, 1979 until December 31, 1979. Further, under the lease provisions, the lessee is liable for rent at an annual rate of \$125,000 from December 31, 1979 until the termination of the leasehold interest, adjusted as follows:

- (1) during the period of May 1, 2009 through May 31, 2024, the agreement requires lease payments of 6% of the fair market value of the leased

- property as of May 1, 2009 if such value exceeds \$125,000,
- (2) from June 1, 2024 through April 30, 2029, the lease agreement requires that the lessee pays the greater amount of (a) the sum payable during the last year of the May 1, 2009 through May 31, 2024 rent adjustment period or (b) a payment equal to 7% of the May 1, 2009 fair market value of the leased premises,
 - (3) from May 1, 2029 through April 30, 2049, the lease agreement requires that the lessee pays the greater amount of (a) the sum payable during the last year of the June 1, 2024 through April 30, 2029 rent adjustment period or (b) a payment equal to 7% of the May 1, 2029 fair market value of the leased premises,
 - (4) from May 1, 2049 through April 30, 2069, the lease agreement requires that the lessee pays the greater amount of (a) the sum payable during the last year of the May 1, 2029 through April 30, 2049 rent adjustment period or (b) a payment equal to 7% of the May 1, 2049 fair market value of the leased premises, and
 - (5) from May 1, 2069 through April 30, 2079, the lease agreement requires that the lessee pays the greater amount of (a) the sum payable during the last year of the May 1, 2049 through April 30, 2069 rent adjustment period or (b) a payment equal to 7% of the May 1, 2069 fair market value.

Under the lease agreement, fair market value is defined as such value of the property "as if vacant and unimproved land and unencumbered" by the lease agreement but subject to "then existing declarations of rights to the air space above the existing building...." The lease agreement requires that the lessee pay the annual net rental amount, with any adjustments thereto, in advance in equal quarterly installments on the first day of February, May, August and November. The lease also provided for certain lease payment adjustments during the first year of the term. Trump disbursed the aforesated rent payments from his personal bank account.

The lessee is responsible for the payment of taxes, assessments, utility charges, excises, levies and license and permit fees. Further, the lessee must maintain the premises in good order and condition at its own cost and expense. The lessee cannot sell, assign, transfer or mortgage its leasehold interest or sublease all or a substantial portion of the property without the consent of the lessors. Additionally, the lessee cannot demolish or remove improvements upon the property without the prior consent of the lessors, and any alterations, additions or improvements are subject to specified conditions.

From 1976 through 1980, Trump Enterprises, Inc. received no income. In 1980, Trump Enterprises, Inc. reflected a \$250 tax expense. From 1976 through 1979, the assets of the corporation were \$1,000; the total corporate assets are currently \$750.

The Division analyzed federal tax returns and other financial documentation relevant to Trump Enterprises, Inc. for the 1976 through 1980 period. Additionally, the Division reviewed the abovestated Fifth Avenue and 57th Street leasehold agreement. During the course of such review, the Division did not note any inconsistent or unusual information.

8. D.J.T. Realty, Ltd. and Trump Corporation

D.J.T. Realty, Ltd. was formed on April 17, 1979 in the State of New York. Trump was the sole stockholder of the corporation, and he served as its president. Robert S. Trump was corporate vice president, and Irwin Durben, Esquire held the position of secretary. D.J.T. Realty, Ltd. was established to acquire and develop real estate.

On October 18, 1979, Penn-Central Corp. paid a \$500,000 commission to D.J.T. Realty, Ltd. with regard to the sale of land owned by Penn-Central Corp. to the City of New York. Such property was to be utilized as the site of a convention center. A substantial portion of said amount was invested and reinvested in certificates of deposits, and the corporation earned \$19,012.51 in interest from such investments.

The Division analyzed corporate tax returns, cash receipts and disbursements journals and bank statements pertinent to D.J.T. Realty, Ltd. for the 1979 to 1980 period. Further, the Division reviewed certain files and accounting work papers relevant to the corporation. During the course of such review, the Division did not ascertain any inconsistent, unusual or questionable matters.

On October 10, 1980, D.J.T. Realty, Ltd. was merged with the Trump Corporation. The surviving entity was incorporated in the State of New York on July 30, 1980. Trump is the holder of all 100 shares of corporate stock issued by the Trump Corporation. The officers of the Trump Corporation are Trump as president, Robert S. Trump as vice president and Irwin Durben as secretary. The

purpose of the Trump Corporation is to acquire and develop real estate.

The major source of income derived by the Trump Corporation are commissions due to Trump from Trump Equitable Fifth Avenue Company. The commissions are paid to Trump as a result of his efforts in securing financing for and his supervision of the Trump Tower project. For the July 30, 1980 through March 31, 1981 period, the Trump Corporation reflected total cash receipts of \$491,588. During that same period, the Corporation disbursed approximately \$460,000. The majority of disbursements were as follows: \$385,000 in salary to Trump, approximately \$25,000 in taxes and an amount of approximately \$51,000 to the Trump Village Construction Corp. for architectural designs, legal fees and rents.

The Division reviewed the 1980 federal income tax return form, financial statements, cash receipts and disbursements journals, bank statements, cancelled checks and certain files pertinent to the Trump Corporation. During the course of such review, the Division did not ascertain any inconsistent or questionable information.

9. Tipperary Realty Corp.

On November 13, 1975, Tipperary Realty Corp. was incorporated in the State of New York. On November 14, 1975, the corporation issued 200 shares of stock to Trump for which Trump paid \$1,000. Trump is the sole stockholder of Tipperary Realty Corp. The corporation was formed for the purpose of selling or leasing real estate.

From 1976 through 1980, Tipperary Realty Corp. received no income. In 1980, the corporation reported a \$250 tax expense. The assets of the corporation were \$1,000 from 1976 through 1979 and \$750 in 1980. Tipperary Realty Corp is currently inactive.

The Division reviewed federal tax returns and other financial documentation relevant to Tipperary Realty Corp for the 1976 through 1980 period. During the course of such review, the Division did not note any questionable matters or discrepancies.

10. Park South Associates

Pursuant to an agreement dated March 6, 1981, the individuals comprising Park South Associates, a partnership, agreed to sell to Trump, as purchaser, 100% of their interests in said partnership. Park South Associates owned the Barbizon Plaza Hotel located at 106 Central Park South, New York City, New York and an apartment building located at 100 Central Park South, New York City, New York. The closing of the transaction occurred on August 12, 1981.

The following persons composed Park South Associates:

<u>Partner</u>	<u>Percentage Interest</u>	<u>Form of Interest</u>
Park South Hotel Corp.	40%	general partner
Park South Hotel Corp.	10%	limited partner
C.V. Starr & Co., Inc.	9.5%	limited partner
Frances Loeb	9.5%	limited partner
Deborah Brice	4.75%	limited partner
Trustees under the Will of Carl M. Loeb of trust for the benefit of Elizabeth Levin	4.75%	limited partner

Trustees under the 4.75% limited partner
Will of Carl M. Loeb
of trust for the benefit
of Jean Troubh

Joseph Lesser 2.5% limited partner

Margaret Kempner 2.375% limited partner

Trustees under the 1.97917% limited partner
Will of Carl M. Loeb
of trust for the benefit
of Carl Kempner

Trustees under the 1.97917% limited partner
Will of Carl M. Loeb
of trust for the benefit
of Thomas Kempner

Trustees under the 1.97916% limited partner
Will of Carl M. Loeb
of trust for the benefit
of Alan Kempner, Jr.

Trustees under the 1.58334% limited partner
Will of Carl M. Loeb
of trust for the benefit
of Peter Loeb

Trustees under the Will of Carl M. Loeb of trust for the benefit of Constance Cohn 1.58333% limited partner

Trustees under the Will of Carl M. Loeb of trust for the benefit of Carl Loeb III 1.58333% limited partner

Alan Kempner 1.1875% limited partner

The agreement provided that the purchase price of the interests was \$65,000,000, reduced as follows: (1) by an amount equal to the reduced principal balance, as of closing, of the mortgage encumbering the 106 Central Park South property held by the National Bank of North America which was a sum of approximately \$15,500,000 and (2) by a sum equal to the reduced principal balance, as of closing, of the mortgage encumbering the 100 Central Park South property held by Joyce Cheney and Manufacturers Hanover Trust Company which amounted to approximately \$1,000,000.

Subsequently, Trump and Plaza South Associates entered into (1) a supplemental agreement dated March 6, 1981 whereby the parties agreed that Trump would pay any sales taxes upon personal property which might be imposed as the result of Trump's partnership interests, (2) a supplemental agreement dated July 31, 1981 which authorized and directed Park South Hotel Corp. and either Joseph Lesser or Thomas Kempner to execute and deliver any documents in connection with the transaction on behalf of and in the name of the sellers and (3) a supplemental agreement delivered at

closing whereby Park South Associates, as seller, paid \$500,000 to be held in escrow in connection with certain violations which existed at the premises and which were to be resolved by the sellers.

The Chase Manhattan Bank agreed to lend \$50,000,000 to the partnership purchased by Trump. At the closing, the newly constituted partnership executed and delivered to Chase Manhattan Bank a note in the amount of \$50,000,000 and a mortgage upon the property interests held by the partnership in the same amount securing said note. As an inducement for Chase Manhattan Bank to loan the \$50,000,000 amount, Trump executed and delivered a guarantee, promising, in part, the payment of all sums due from the partnership to the extent of \$3,000,000. Additionally, Trump has assigned a 1% limited partnership interest in the entity to B Plaza Realty Corporation, a company of which he is the 100% stockholder, to retain a partnership form of ownership.

11. Atlantic City Seashore I-V, Inc.

a. Atlantic City Seashore I, Inc.

On May 9, 1980, Atlantic City Seashore I, Inc. filed a certificate of incorporation with the New Jersey Secretary of State. The initial registered agent of the corporation was Jason Seltzer, Esquire, a New York attorney associated with the law firm of Dreyer and Traub which represents Trump. Irwin Durben is the only director of the corporation. The following individuals hold the stated corporate positions: Trump as president, Fred C. Trump as first vice-president, Robert S. Trump as vice-president, Irwin Durben as secretary and treasurer and Howard Goldberg as assistant treasurer. Trump is the sole stockholder of the corporation.

On July 1, 1980, Atlantic City Seashore I, Inc. entered into an agreement of lease with Magnum Associates and Magnum Associates II, which are New Jersey general partnerships with principal places of business located at 9 South Pennsylvania Avenue, Atlantic City, New Jersey, with regard to the Boardwalk and Mississippi Avenue, Atlantic City property. Under the terms of said lease, Atlantic City Seashore I, Inc. agreed to pay Magnum Associates and Magnum Associates II fixed net rentals in the following dollar amounts and during the periods set forth below:

(a) \$58,333.33 for the period commencing July 1, 1980 and ending July 31, 1980 and a like sum on the 1st day of each month thereafter for the next succeeding fifty-nine (59) months;

(b) \$850,000.00 per year for the next five (5) years of the Term, payable in equal monthly installments of \$70,833.33;

(c) \$1,000,000.00 per year for the next five (5) years of the Term, payable in equal monthly installments of \$83,333.00;

(d) \$1,350,000.00 per year for the next five (5) years of the Term, payable in equal monthly installments of \$112,500.00; and

(e) commencing upon the expiration of the five (5) year period referred to in subparagraph (d) of this Section 2.1 and every five (5) years thereafter, the Fixed Net Rent shall be increased by the amount of Three Hundred Fifty Thousand (\$350,000.00) Dollars per year (which Fixed Net Rent, as so increased, shall be payable for each such ensuing five (5) year period) payable in equal monthly installments throughout the balance of the Term.

[Article 2.1 of the Magnum lease agreement]

Article 5.1.5 of the lease agreement provides that pending satisfaction or waiver of the conditions to the lease an initial payment of \$1,058,333.33 and any fixed net rent or additional rent was to be paid to, and held in escrow by, Dreyer and Traub (hereinafter referred to as "the escrowee") in an interest-bearing trust account. When the conditions of the lease were either satisfied or waived, the amount so deposited and the interest thereon was paid to the lessor, and the lease became effective as of the date of its execution.

By letter dated July 18, 1980, Magnum Associates, Magnum Associates II and Atlantic City Seashore I, Inc. agreed that a) an initial payment of \$1,058,333.33 was to consist of a \$1,000,000 security deposit and the installment of fixed net rent for the period commencing July 1, 1980 and ending July 31, 1980, b) the lessee was to continue making payments of fixed net rent and additional rent to the escrowee pending satisfaction or waiver of the lease provisions and c) the escrowee was directed to pay the lessor the sum of \$500,000 from the escrow fund upon execution of the lease and upon receipt by the escrowee of a promissory note and mortgage duly executed by lessor in recordable form.

On August 22, 1980, Atlantic City Seashore I, Inc. executed a lease assignment, effective as of July 1, 1980, to Trump. With regard to the assigned lease agreement, Trump personally made the disbursements set forth herein to the

listed recipients from July 1980 through May 1981:

<u>Date</u>	<u>Recipient</u>	<u>Amount</u>	<u>Basis</u>
July 18, 1980	Magnum Associates and Magnum Associates II	\$500,000	Payment upon execution of lease agreement and of lessor's promissory note
July 18, 1980	Dreyer & Traub as Escrowee	558,333.33	Remainder of security payment and rent
August 1, 1980	Dreyer & Traub as Escrowee	58,333.33	Rent
Sept. 1, 1980	Dreyer & Traub as Escrowee	58,333.33	Rent
Oct. 1, 1980	Dreyer & Traub as Escrowee	58,333.33	Rent
Nov. 3, 1980	Dreyer & Traub as Escrowee	58,333.33	Rent
Nov. 12, 1980	Dreyer & Traub as Escrowee	6,960.10	Real Estate Tax Escrow
Dec. 1, 1980	Dreyer & Traub as Escrowee	58,333.33	Rent
Dec. 1, 1980	Dreyer & Traub as Escrowee	6,065.31	Real Estate Tax Escrow
Jan. 1, 1980	Dreyer & Traub as Escrowee	58,333.33	Rent
Jan. 1, 1980	Dreyer & Traub as Escrowee	6,065.31	Real Estate Tax Escrow
Feb. 1, 1981	Dreyer & Traub as Escrowee	58,333.33	Rent
Feb. 1, 1981	Dreyer & Traub as Escrowee	6,065.31	Real Estate Tax Escrow
March 1, 1981	Dreyer & Traub as Escrowee	58,333.33	Rent
March 1, 1981	Dreyer & Traub as Escrowee	6,065.31	Real Estate Tax Escrow

<u>Date</u>	<u>Recipient</u>	<u>Amount</u>	<u>Basis</u>
April 3, 1981	Magnum Assoc. & Magnum Assoc. II	1,763.11	Due lessor on closing
April 3, 1981	Guarantee Bank (mortgagee and assignee of rent payments)	58,333.33	Rent
April 13, 1981	Tax Collector Atlantic City	18,195.95	Real Estate Taxes 2nd Quarter 1981
May 1, 1981	Guarantee Bank (mortgagee and assignee of rent payments)	58,333.33	Rent
May 1, 1981	Atlantic City Mun. Auth.	1,125.11	Water
May 1, 1981	Atlantic City Mun. Auth.	40.65	Sewer
TOTAL PAID as of 5/31/81		<u>\$1,635,679.46</u>	
Ground Rent		\$1,585,096.41	
Taxes		49,417.29	
Water/Sewer		<u>1,165.76</u>	
TOTAL PAID		<u>\$1,635,679.46</u>	

By agreement dated March 2, 1981, Magnum Associates, Magnum Associates II and Trump entered into a first modification of the lease agreement. That agreement provides for a fixed net rent reduction of \$20,833.33 per month until a building is constructed upon the property by Trump or any entity in which he owns a 50% or greater interest opens its doors for business to the public as a casino hotel, continuing for a maximum period of 60 months. Upon the opening of a casino hotel facility on such property, the then applicable monthly rental is increased by \$16,666.66 per month for a period of two times the number of months the fixed rent was reduced for a maximum of 120 months. In the event that the option to purchase the property is exercised, the first modification of the Magnum lease agreement provides for an adjustment relevant to the foregoing reductions and

increases in the fixed net rentals.

A second modification of the lease agreement dated March 12, 1981 between Magnum Associates, Magnum Associates II and Trump provides that the lessee agrees to take the leasehold subject to a mortgage dated March 12, 1981 in the amount of \$2,045,133 recorded March 13, 1981 in the office of the Clerk of Atlantic County provided that Pioneer National Title Insurance Company, at no extra cost, affirmatively insures lessee against collection of said mortgage. That agreement pertains to a riparian rights situation affecting the Magnum property.

Upon the lease assignment to Trump, Atlantic City Seashore I, Inc. ceased active operations. It is currently a dormant corporation.

b. Atlantic City Seashore II, Inc.

On May 9, 1980, Atlantic City Seashore II, Inc. filed a certificate of incorporation with the New Jersey Secretary of State. The initial registered agent of the corporation was Jason Seltzer, Esquire. The directors of the corporation are Trump, Fred C. Trump and Irwin Durben. The corporate officers are as follows: Trump as president, Fred C. Trump as first vice president, Irwin Durben as secretary and treasurer and Howard Goldberg as assistant secretary. Trump is the sole shareholder of the corporation.

On July 1, 1980, Atlantic City Seashore II, Inc., entered into a lease agreement with SSG Enterprises, a New Jersey partnership with an office located at 106 South

Morris Avenue, Atlantic City, New Jersey. Atlantic City Seashore II, Inc. agreed to pay SSG Enterprises the following fixed net rentals for the leased premises in dollar amounts and during the periods set forth below:

(a) \$1,400,000 for the period from July 1, 1980 to and including June 30, 1982, payable upon execution [of the agreement];

(b) \$400,000.00 for the period commencing July 1, 1982 to and including June 30, 1983, payable in equal monthly installments of Thirty Three Thousand Three Hundred Thirty Three and 33/100 (\$33,333.33) Dollars;

(c) \$700,000 per year for the next two (2) years of the Term, payable in equal monthly installments of \$58,333.33 commencing July 1, 1983;

(d) \$775,000 per year for the next five (5) years of the Term, payable in equal monthly installments of \$64,583.33 commencing July 1, 1985;

(e) \$900,000 per year for the next five (5) years of the Term, payable in equal monthly installments of \$75,000.00 commencing July 1, 1990;

(f) \$1,000,000 per year for the balance of the Term, payable in equal monthly installments of \$83,333.33 commencing July 1, 1995.

[Article 2.1 of SSG lease agreement]

An initial payment of \$1,400,000 by the lessee to the lessor and any other items of additional rent or other charges due under the agreement were to be paid to, and held in escrow by, Dreyer and Traub (hereinafter referred to as "the escrowee") in an interest-bearing trust account.

With regard to the \$1,400,000 amount, a \$100,000 payment was made to Citizens State Bank of New Jersey; such payment represented a fee for postponing a junior mortgage held by the bank. Additionally, the sum of approximately \$927,000 was paid to Guarantee Bank; that payment represented the principal balance of a mortgage held on the property, accrued interest thereon and fees then due. The balance of the \$1,400,000 escrow amount was later paid by the escrowee to SSG Enterprises.

By agreement executed on August 22, 1981 and effective as of July 1, 1980, Atlantic City Seashore II, Inc. assigned its rights, title and interest in and to the lease agreement with SSG Enterprises to Trump. Trump made the following disbursements relevant to that lease agreement from July 1980 through May 1981:

<u>Date</u>	<u>Recipient</u>	<u>Amount</u>	<u>Basis</u>
July 13, 1980	Guarantee Bank Citizens State Bank	\$927,352.99 100,000.00	Mortgage Mortgage post- ponement
July 13, 1980	Dreyer & Traub as Escrowee	327,647.01	Additional portion of \$1,400,000 initial payment
March 17, 1981	SSG Enterprises	44,152.90	Due lessor on closing
March 13, 1981	Tax Collector Atlantic City	14,501.96	Real Estate Taxes
May 1, 1981	Atlantic City Mun. Authority	1,656.81	Sewer, Water
May 1, 1981	Atlantic City Mun. Authority	1,602.43	Sewer, Water
May 1, 1981	Atlantic City Mun. Authority	<u>81.81</u>	Sewer, Water
TOTAL PAID as of 5-31-81		<u>\$1,461,995.91</u>	
Ground Rent		\$1,441,152.90	
Taxes		14,501.96	
Water, Sewer		<u>3,341.05</u>	
		<u>\$1,461,995.91</u>	

Atlantic City Seashore II, Inc. is now a dormant corporation.

c. Atlantic City Seashore III, Inc.

On May 9, 1980, Atlantic City Seashore III, Inc. filed a certificate of

incorporation with the New Jersey Secretary of State. The initial registered agent of the corporation was Jason Seltzer, Esquire who represents the interests of the Trump organization. The directors of the corporation are Trump, Fred C. Trump and Irwin Durben. The corporate officers are as follows: Trump as president, Fred C. Trump as first vice-president, Irwin Durben as secretary and treasurer and Harvey Freeman as assistant secretary. Trump is the sole stockholder of the corporation.

On July 11, 1980, Atlantic City Seashore III, Inc. entered into an agreement of lease with Plaza Hotel Management Company, a partnership with an office at 600 Third Avenue, New York, New York. Atlantic City Seashore III, Inc. agreed to pay Plaza fixed net rentals for the leased premises in the following dollar amounts and for the periods set forth below:

- (a) \$1,000,000 for the period commencing on the date of execution [of the agreement] and ending June 30, 1982 payable as follows:
 - (i) \$800,000 upon the execution of the Lease Agreement; and
 - (ii) \$200,000 payable in six (6) equal monthly installments of \$33,333.33 commencing January 1, 1982;
- (b) \$400,000 per year for the period commencing July 1, 1982 and ending on a date which is the earliest to occur of (i) June 30, 1985; or (ii) in the event Lessee constructs a Building...for use as a hotel/casino, the date upon which Lessee first opens its doors for business to the public as a hotel/casino; or (iii) in the event that Lessee constructs a Building, other than for use as a hotel/casino, the date upon which a certificate of occupancy, permanent or temporary, becomes effective so as to permit Lessee to operate within the Building and collect rentals therefrom;
- (c) \$700,000 per year for the period commencing on the day after which Fixed Net Rental is no longer payable under subdivision (b) of this Section 2.1 and ending on June 30, 1990;
- (d) \$1,000,000 per year for the next thirty (30) years of the Term in equal monthly installments of \$83,333.33 commencing July 1, 1990;

(e) for the remainder of the Term, commencing July 1, 2020, in an amount equal to the greater of (i) One Million (\$1,000,000) Dollars per annum; or (ii) eight (8%) percent of the "Appraised Value..."

[Article 2.1 of the Plaza lease agreement]

Additionally, the lessee agreed to directly pay, as additional rental, throughout the term of the lease the principal and interest on fee mortgages held upon the leased premises with a right to prepayment of same without lessor's consent. The lease also provided that the rental payments required by the lease were to be held in an escrow fund to be administered by Dreyer and Traub pending satisfaction or waiver of the conditions to the lease.

On July 11, 1980, Atlantic City Seashore III, Inc. executed an assignment of the foregoing lease agreement to Trump. Trump has personally made the following payments with regard to the lease agreement from July 1980 through May 1981:

<u>Date</u>	<u>Recipient</u>	<u>Amount</u>	<u>Basis</u>
July 11, 1980	Dreyer & Traub as Escrowee	\$800,000	Amount due upon execution of agreement
March 20, 1981	Plaza Hotel Mgmt. Co.	405,323.92	Due lessor on closing
April 13, 1981	Tax Collector Atlantic City	6,586.88	Real Estate Taxes
May 1, 1981	Atlantic City Mun. Authority	47.24	Sewer, Water
May 1, 1981	Atlantic City Mun. Authority	<u>116.55</u>	Sewer, Water
TOTAL PAID as of 5/31/81		\$1,212,074.59	
Ground Rent		\$1,205,323.92	
Taxes		6,586.88	
Water and Sewer		163.79	
		<u>\$1,212,074.59</u>	

By agreement dated March 4, 1981, Plaza Hotel Management Company and Trump entered into a first modification of the lease agreement. That agreement contained provisions identical to the terms set forth with respect to the first modification of the Magnum lease agreement.

Atlantic City Seashore III, Inc. is no longer an active corporation.

d. Atlantic City Seashore IV, Inc.

On June 27, 1980, Atlantic City Seashore IV, Inc. filed a certificate of incorporation with the New Jersey Secretary of State. The initial registered agent of the corporation was Howard Grossman, Esquire, who represented the interests of the Trump organization in Atlantic City, New Jersey, and the corporation's registered office was the law firm with which Grossman is associated. Trump is the sole stockholder of the corporation. The directors of the corporation are Trump, Fred C. Trump, Robert Trump and Irwin Durben. The officers of Atlantic City Seashore IV, Inc. are as follows: Trump as president, Fred C. Trump as first vice president, Robert S. Trump and Howard Goldberg as vice presidents, Irwin Durben as secretary and treasurer and Harvey Freeman and Howard Grossman as assistant secretaries. Atlantic City Seashore IV, Inc. (hereinafter referred to as "the buyer") has entered the following transactions:

On July 18, 1980, the corporation entered into an agreement of sale with Daniel and Spunzi DeCollo (hereinafter referred to as "the DeCollos"), 104 Columbia Place, Atlantic City, New Jersey, wherein the DeCollos and buyer respectively agreed to sell and buy property known as 104 Columbia Place, Atlantic City, New Jersey. The agreement provided for a purchase price of \$175,000. On July 18, 1980, the parties entered into a memorandum of agreement memorializing the purchase agreement. The parties authorized and empowered the Clerk of Atlantic County, New Jersey to record the memorandum, thereby filing a lien upon the property pending settlement of the transaction. Under the terms of the memorandum, the lien was to expire on January 31, 1981 unless the property was transferred prior to that date. On September 2, 1980, Atlantic City Seashore IV, Inc. assigned the agreement of sale and its rights and obligations thereunder to Trump. On November 17, 1980, the DeCollos and Trump executed an indenture whereby the DeCollos for \$175,000 sold the foregoing property to Trump. On that same date, the DeCollos delivered a deed for the premises to Trump.

On July 18, 1980, the buyer entered into an agreement with Adeline Bordonaro (hereinafter referred to as "Bordonaro") wherein Bordonaro and the buyer respectively agreed to sell and buy property known as 106 Columbia Place, Atlantic City, New Jersey for \$175,000. On July 18, 1980, the parties entered a memorandum of agreement regarding the proposed purchase. The parties authorized the Clerk of Atlantic County, New Jersey to record the memorandum in the office of said clerk, thereby filing a lien upon the property in favor of the buyer pending settlement of the transaction contemplated by the agreement of sale. By the terms of the agreement, that lien was to expire as of January 31, 1981 in the event that the purchase was not finalized prior thereto. On September 2, 1980, Atlantic City Seashore IV, Inc. assigned the agreement of sale and its rights and obligations thereunder to Trump. On November 17, 1980, Bordonaro and Trump executed an indenture wherein Bordonaro for \$175,000 sold the property to Trump. In addition thereto, on November 17, 1980, Bordonaro delivered a deed to Trump.

On July 18, 1980, the buyer entered into an agreement with Raymond and Ethel Pello (hereinafter referred to as "the Pellos") wherein the Pellos and buyer respectively agreed to sell and buy property known as 108 Columbia Place, Atlantic City, New Jersey for \$175,000. The parties entered a memorandum of agreement on July 18, 1980. Therein, the parties authorized the Clerk of Atlantic County, New Jersey to record the memorandum as a lien against the property in favor of the buyer pending settlement. The lien was to expire on January 31, 1981 if the property was not purchased prior thereto. In September 1980, Atlantic City Seashore IV, Inc. assigned the agreement of sale and its respective rights and obligations to Trump. On November 17, 1980, the Pellos and Trump executed an indenture, and the Pellos sold the property to Trump and delivered a deed for the premises to him.

On July 30, 1980, the buyer entered into an agreement with Angelina Gianni (hereinafter referred to as "Gianni") wherein Gianni and the buyer respectively

agreed to sell and buy property known as 110 Columbia Place, Atlantic City, New Jersey for a purchase price of \$175,000. On July 30, 1980, Gianni and the buyer executed an indenture whereby the land and premises were sold in consideration of \$175,000. On that same date, Gianni signed and delivered the deed for said premises to Atlantic City Seashore IV, Inc. On October 8, 1980, Atlantic City Seashore IV, Inc. executed an indenture by which it conveyed to Trump in consideration of \$1.00 the land and premises known as 110 Columbia Avenue, Atlantic City, New Jersey.

On July 18, 1980, the buyer entered into an agreement with Raphaeline and Carmela Troncone (hereinafter referred to as "the Troncones") wherein the Troncones and buyer agreed to sell and buy certain premises known as 112 South Columbia Place, Atlantic City, New Jersey, for a purchase price of \$600,000. On July 18, 1980, the parties entered a memorandum of agreement in which those parties acknowledged the agreement of sale and authorized the Clerk of Atlantic County, New Jersey to record the memorandum in the office of said clerk as a lien against such property in favor of buyer pending settlement. The memorandum provided that the lien would expire on January 31, 1981 if the purchase had not been finalized by that date. In September 1980, Atlantic City Seashore IV, Inc. assigned the agreement of sale and its rights and obligations thereunder to Trump. On November 17, 1980, the Troncones and Trump executed an indenture whereby the Troncones for \$600,000 sold the property to Trump, and the Troncones delivered the deed for said premises to Trump; Trump paid \$175,000 at the closing and executed a bond in the principal sum of \$425,000 secured by a purchase money mortgage on the premises.

Atlantic City Seashore IV, Inc. has not transacted any other business. It is currently a dormant corporation.

e. Atlantic City Seashore V, Inc.

On June 27, 1980, Atlantic City Seashore V, Inc. filed a certificate of incorporation with the New Jersey Secretary of State. The initial registered agent of the corporation was Howard Grossman, Esquire, who represented the interests of the Trump organization in Atlantic City, New Jersey and the corporation's registered office was the law firm with which Grossman is associated. Trump is the sole stockholder of the corporation. The directors of the corporation are Trump, Fred C. Trump, Robert Trump and Irwin Durben. The officers of Atlantic City Seashore V, Inc. are as follows: Trump as president, Fred C. Trump as first vice president, Robert S. Trump and Howard Goldberg as vice presidents, Irwin Durben as secretary and treasurer and Harvey Freeman and Howard Grossman as assistant secretaries.

On July 18, 1980, Atlantic City Seashore V, Inc. and Leonard Zisman of 1800 West Bay Drive, West Atlantic City, New Jersey, entered into a contract of sale wherein Zisman agreed to sell property known as 2218-2222 Pacific Avenue, Atlantic City, New Jersey for \$900,000 payable as follows: (a) \$100,000 upon the execution and delivery of the contract and (b) the balance of \$800,000 upon closing with \$155,000 in cash and a \$645,000 promissory note secured by a wrap around purchase money mortgage on the property. The contract of sale also afforded the purchaser an option to lease the premises commencing on November 15, 1980 and terminating on January 22, 1981, the date of closing. The agreement provided that rental payments were \$5,000 per month. Such payments were to be made in advance on or before September 15, 1980 and December 15, 1980 with a pro rated amount due on January 15, 1981 for the period of January 15, 1981 to closing; the purchaser was also required to pay the seller the sum of \$100,000 on the date the lease commenced as a security deposit.

On July 18, 1980, Atlantic City Seashore V, Inc. assigned its interest in the contract of sale with the option to lease to Trump. On August 14, 1980, Trump exercised the option to lease the premises by disbursing a check in the amount of \$5,000 to Zisman. From that date through January 15, 1981, the law firm representing the Trump organization in Atlantic City, New Jersey disbursed monthly \$5,000 lease payments to Zisman on behalf of Trump.

On January 22, 1981, Zisman executed a deed whereby he granted the 2218-2222 Pacific Avenue property to Trump for \$900,000. On that same date, Trump executed a purchase money wrap around mortgage indenture in the amount of \$645,000 payable to Zisman. Trump agreed to pay the \$645,000 mortgage in the following manner:

- (1) From the first day of the second month following January 22, 1981, i.e. March 1, 1981, and continuing through and including the payment due on December 1, 1981, Trump agreed to pay \$6,450.00 in equal monthly installments at the interest rate of 12% per annum.
- (2) Commencing on January 1, 1982 and continuing on the first day of each month thereafter, Trump agreed to pay \$9,253.88 representing principal and interest thereon at the rate of 12% per annum; on January 1, 1986, the balance of the mortgage and the interest owed is due.

Trump has the right to prepay the mortgage principal in full or part at any time without penalty or any interest which is in excess of the amount due as of the prepayment date. The foregoing mortgage is subject and subordinate to two prior mortgages obtained on the property by the former owners thereof.

Trump is currently disbursing the mortgage payments due upon the 2218-2222 Pacific Avenue property. Atlantic City Seashore V, Inc. is an inactive corporation.

IV. Significant Litigation

Civil Rights Suit

On October 15, 1973, the United States of America filed a complaint in the United States District Court for the Eastern District of New York for an injunction pursuant to the Fair Housing Act of 1968, 42 U.S.C. §3601, et seq. against Trump Management, Inc., Fred C. Trump as its principal stockholder and chairman of the board of directors and Trump as an officer thereof. The complaint alleged that the defendants, through the acts of their employees and agents, had discriminated against individuals based upon race in operating their apartments buildings by:

(a) Refusing to rent dwellings and negotiate for the rental of dwellings with persons because of race and color, in violation of Section 804(a) of the Fair Housing Act of 1968, 42 U.S.C. 3604(a).

(b) Requiring different terms and conditions with respect to the rental of dwellings because of race and color, in violation of Section 804(b) of the Fair Housing Act of 1968, 42 U.S.C. 3604(b).

(c) Making and causing to be made statements with respect to the rental of dwellings which indicate a preference, limitation and discrimination based on race and color in violation of Section 804(c) of the Fair Housing Act of 1968, 42 U.S.C. 3604(c).

(d) Representing to persons because of race and color that dwellings are not available for inspection and rental when such dwellings are in fact so available, in violation of Section 804(d) of the Fair Housing Act of 1968, 42 U.S.C. 3604(d).

The government contended that the foregoing alleged conduct constituted a "pattern and practice of resistance by the defendants to the full enjoyment of rights secured by Title VIII of the Fair Housing Act of 1968" and a "denial to groups of persons of rights granted by Title VIII of the Fair Housing Act of 1968...." The plaintiff requested an injunction against the defendants, their employees, agents and successors and other individuals acting or participating with any of the

foregoing persons barring them from discriminating against anyone based upon race, color, religion or national origin regarding any right granted by the Fair Housing Act of 1968 and from refusing or failing to affirmatively remedy the effects of prior discriminatory policies and practices. The government also requested such further relief as the interests of justice might have required and sought the costs of the action.

The defendants moved to dismiss the complaint for failure to state a claim upon which relief could be granted or, alternatively, to require a more definite statement of the bases of the suit. Although the defendants did not then answer the complaint, those parties counterclaimed on the grounds of libel, slander and abuse of process. In response to the counterclaim, the government raised the defenses of lack of jurisdiction and sovereign immunity.

On January 25, 1974, a hearing was held regarding the foregoing matters. On February 5, 1974, the federal district court judge hearing the matter ordered that defendants' motion to dismiss the complaint for failure to state a claim or to require a more definite statement was denied and that defendants' counterclaim was dismissed. Further, the judge ordered the defendants to answer the complaint and certain interrogatories by specified dates. On February 8, 1974, the defendants filed an answer denying the allegations of the complaint.

On January 20, 1975, the parties to the suit executed a memorandum of understanding regarding the provisions for settlement of the case. On June 10, 1975, a hearing was held regarding the terms of a settlement. On that same date, the district court judge entered a consent order which embodied the terms of the settlement agreement.

The following provisions were included in the consent order:

- (1) The parties agreed that settlement of the suit did not constitute an admission of any violation of the Fair Housing Act of 1968 or any other applicable statute, regulation or rule. With regard to the allegations arising from the suit, the complaint was dismissed with prejudice as to Fred C. Trump and Trump.
- (2) The court entered a permanent injunction against various discriminatory activities in the sale or rental of dwellings.
- (3) The principals of Trump Management, Inc. assumed certain responsibilities with regard to familiarizing themselves with specified civil rights laws and providing a training program for its employees and agents.
- (4) For the two year period following the entry of the consent order, Trump Management, Inc. undertook the adoption and implementation of an affirmative program which sought to ensure compliance with the Fair Housing Act of 1968, which included
 - (a) notifying the community of the non-discriminatory policy of Trump Management, Inc. by certain means,
 - (b) providing listings of available dwellings to the Open Housing Center of the New York Urban League and

- (c) pursuing an affirmative employment program.
- (5) Trump Management, Inc. agreed to implement objective rental standards and procedures to assure non-discriminatory selection and assignment of tenants and to ensure equal opportunity at housing owned and managed by Trump Management, Inc.
- (6) During the two year period following the entry of the consent order, the terms thereof also required that Trump Management, Inc. meet reporting requirements set forth therein, comply with certain recordkeeping provisions, and inform the plaintiff of ownership or management interests in residential property acquired by Trump Management, Inc. and any divestitures of residential property interests at least 20 days prior to such event.
- (7) Additionally, the consent order provided a means of handling complaints received by Trump Management, Inc. or the government with regard to a possible denial of equal housing opportunities or a potential violation of the consent order.
- (8) The order required that each party bear its own costs.

Trump Management, Inc. has complied with the provisions of the aforestated consent order. After the entry of said order, the government did not pursue any

further action against the defendants under the Fair Housing Act of 1968.

It is noted that prior to the above stated suit involving Trump Management, Inc. the United States Department of Justice had filed a similar action against Life Realty, a Samuel J. Lefrak organization entity. That suit charged racial discrimination in the rental of approximately 20,000 Lefrak-controlled apartments in 150 buildings located in Brooklyn and Queens. In 1971, the Lefrak suit was also the subject of a consent decree.

Trump did not disclose the civil rights suit discussed herein on the Personal History Disclosure Form #1 which he filed with the Commission.* However, prior to any questioning initiated by Division representatives with regard to the matter, Trump advised Division representatives of the suit and volunteered information pertinent thereto.

* In response to question #77 of the Personal History Disclosure Form #1, Trump stated that he had never been a party to a civil suit. Additionally, in response to question #79 of the form which states "[h]ave you ever been cited or charged with or formally accused of any violation of a statute, regulation or code of any state, county, municipal, federal or national government other than a criminal, disorderly persons or motor vehicle violation," Trump answered in the negative.

V. Daniel J. Sullivan

A. Background of Daniel J. Sullivan

On December 9, 1938, Daniel J. Sullivan was born in New York City, New York. From approximately 1958 to 1960, Sullivan was employed as a truck driver, and he was a member of Teamsters Local 584. Sullivan also became a member of Teamsters Locals 719, 808, and 812, and he held an executive level position in Local 719. During the course of an interview held with Division representatives on August 20, 1981, Sullivan claimed that he has been a member of thirty-seven Teamsters locals, including Locals 707, 805 and 806, at various points in time. Sullivan stated that he would join a union local and eventually serve as chairman of a dissident committee which would propose candidates in the local's election. Further, Sullivan claimed that on occasions dissident rank and file members of those unions to which he belonged would " 'takeover' " the union hall.

Sullivan has the following arrest record. The arrests occurred from 1960 through 1968.

On March 2, 1960, Sullivan was arrested in New York City, New York, and he was charged with impersonating a police officer. On June 15, 1960, he was released from the charge on his own recognizance. On September 3, 1960, Sullivan was arrested in Mantoloking, New Jersey and charged with larceny under N.J.S.A. 2A:119-2(2). On October 7, 1960, Sullivan pled not guilty, but he was found guilty by the municipal court judge hearing the charge. The judge then imposed a \$50 fine, \$10 in court costs and a 10 day sentence in Ocean County jail with regard to the charge. On July 2, 1962, Sullivan was arrested in New York City, New York for a grand larceny offense related to checks. The charge was later downgraded to attempted

petty larceny. On July 24, 1962, the court sentenced Sullivan to 60 days in jail. On July 25, 1962, Sullivan was received at Hart Island, New York City, New York to serve a sixty day sentence imposed with regard to the foregoing conviction. On July 1, 1963, Sullivan was arrested in New York City, New York, and he was charged with committing a felonious assault at 799 Broadway, New York City, New York, the location of Local 812. On December 17, 1963, Sullivan was acquitted of the assault charge.

On January 4, 1968, Sullivan was indicted in New York City, New York for possession of a dangerous weapon, i.e. a gun, a felony offense.* On that same date, Sullivan was arraigned; he pled not guilty to the indictment and he was released in the custody of counsel upon \$2,500 bail. On October 7, 1968, the trial court granted a suppression motion and dismissed the indictment. On October 16, 1968, the district attorney filed a notice of appeal. On September 29, 1970, the Appellate Division ordered that the suppression motion was properly granted and affirmed the trial court's ruling. On October 14, 1970, the district attorney filed a notice of appeal to the Court of Appeals. On July 7, 1971, the Court of Appeals reversed the determination of the Appellate Division and reinstated the indictment.

* With regard to the aforesaid indictment, Sullivan's rented automobile was illegally parked, and it was towed to the New York City police pound. During an inventory search, the police found a gun located in a briefcase which was stored under the front seat of the automobile. When Sullivan arrived to claim the automobile, he was questioned and released. The Manhattan District Attorney's Office, Racket Squad was assigned the case. Approximately two months thereafter, Sullivan was indicted.

From February 24 through 29, 1972, a trial was held with respect to the indictment returned against Sullivan, and on February 29, 1972, Sullivan was convicted of the possession of a weapon offense. On September 6, 1972, Sullivan's attorney moved to set aside the verdict, but the trial judge sentenced Sullivan to a one year term at the New York City Correctional Institution for Men. However, Sullivan's counsel filed a notice of appeal on the same date. The judgment of conviction and sentence were stayed pending the appeal of the conviction, and Sullivan was released on his own recognizance.

On November 27, 1973, the Appellate Division reversed Sullivan's conviction and ordered a new trial. The district attorney filed a motion for leave to appeal to the Court of Appeals. On January 2, 1974, said motion was denied by the Court of Appeals, and the case was restored to the calendar for retrial in accordance with the order of the Appellate Division. On December 17, 1974, the trial court denied a motion to dismiss the case for lack of a speedy trial. On January 23, 1975, prior to a retrial, Sullivan pled guilty to attempted criminal possession of a dangerous weapon, a misdemeanor offense.

With regard thereto, during the August 20, 1981 interview with Division representatives, Sullivan stated that the police had found a weapon in one of seven vehicles rented by him after the automobile was towed and that he was charged with constructive possession of the weapon. He continued that although he was convicted of the offense in the lower courts the conviction was set aside on appeal.

It is also noted that on December 6, 1966 Sullivan met with Abraham Bauman, an attorney representing a union faction of Local 812. As a result of an election held in that local, David Levinger retained control of the union by defeating Jimmy Gallo. Bauman disappeared after speaking with Sullivan on the foregoing date, and neither he nor his body were ever located. According to a New York Daily News article dated December 20, 1966 and entitled "Labor Attorney Vanishes; Cops Seek Link to Union" and a New York Daily News article dated January 5, 1968 and entitled "Last to See 'Lost' Lawyer is Indicted," Bauman and Sullivan met in front of Bauman's Central Park South apartment dwelling, and Sullivan had stated that he departed from Bauman at the corner of Seventh Avenue and Central Park South approximately fifteen minutes thereafter. However, the articles reported that Sullivan refused to disclose the nature of his discussion with Bauman to Brooklyn detectives investigating the matter. During the course of the August 20, 1981 interview with Division representatives, Sullivan related that he had met with Bauman on December 6, 1966 to discuss the differences between David Levinger and Jimmy Gallo.

A New York Times article dated August 13, 1975 and entitled "The Hoffa Puzzle: Pieces Still Don't Fit" relates:

One of Mr. Hoffa's acquaintances, Daniel Sullivan of Philadelphia, has said that there was bad blood between Mr. Hoffa and Mr. Provenzano, that the two men had quarreled in prison about Mr. Hoffa's refusal to help Mr. Provenzano get a teamsters pension. Mr. Sullivan said that Mr. Hoffa told [sic] him several times of threats that Mr. Provenzano had made against him and the Hoffa family.

A second New York Times article dated August 5, 1975 and entitled "Threat to Hoffa in '74 is Reported" contains a more detailed account of the information provided by Sullivan with regard to threats allegedly made against Hoffa and his family by Provenzano. The article relates that Hoffa had stated to Sullivan in Washington, D.C. that Provenzano had threatened "to pull out my guts or kidnap my grandchildren." According to Sullivan, the statement was made while he and Hoffa were in Washington, D.C. attending a court proceeding by which Hoffa was attempting to reenter union activities. With regard to such newspaper articles, Sullivan stated during the August 20, 1981 interview that since the late 1950s his relationship with Hoffa had been adversarial in nature, but he confirmed that Hoffa had informed him of threats made by Provenzano.

In the late 1960s Sullivan located in Bucks County, Pennsylvania. He began Lower Bucks County Sanitation Company, a trash-hauling firm which provided service to commercial-type properties including the Bensalen apartments and condominiums owned or operated by an Eugene Alten. That individual was also a resident of Bucks County, and Sullivan has known Alten for approximately six or seven years.

During the aforementioned interview with Division representatives, Sullivan stated that in approximately November or December 1979 he received a telephone call from Alten, who was also an officer of Atlantic Riviera Hotel Corporation. Alten had informed Sullivan that he was encountering financial difficulties with regard to an Atlantic City property.

Sullivan was then aware that National Kinney, a corporation formerly affiliated with Warner Communications and the parent company of Circle Industries, Corp. which Sullivan represented in labor matters, had made a corporate decision to pursue gaming-related investments. In approximately November 1979, Sullivan introduced Alten to officers associated with National Kinney. Alten, individuals associated with the Magnum interests, various banks and National Kinney representatives pursued negotiations for a period of two or three weeks. In approximately January 1980, National Kinney was no longer interested in pursuing the matter, and the negotiations were terminated.

Sullivan continued that Alten later contacted him regarding an emergency need for \$110,000 to avoid foreclosure. Sullivan then discussed the matter with a personal friend, Ken Shapiro.* Shapiro contacted Harvey S. Stern of Cleveland Wrecking Company in Philadelphia, Pennsylvania who has also been a personal friend of Sullivan for a number of years. From approximately January 1980 through March 1980, Harvey Stern and William Fenning of Cleveland Wrecking Company and Alten discussed a transfer of the property, but as a result of the legal complexities associated therewith, Cleveland Wrecking Company decided to withdraw from the negotiations. Sullivan, Shapiro and Goldberg as SSG Enterprises proceeded to negotiate with Alten to purchase the property which consists of the Sullivan group holding a 50% interest, the Shapiro family with a 25% interest and the Goldberg brothers who have a 25% interest.

* Sullivan stated that he met Shapiro through Shapiro's father who was a Teamsters official in Philadelphia, Pennsylvania. Ken Shapiro in turn introduced Sullivan to Elliot Goldberg. Sullivan, Shapiro and Goldberg later formed SSG Enterprises.

SSG Enterprises became active in approximately March or April 1980. That partnership then repaid the \$110,000 lent to Atlantic Riviera Hotel Corporation by Cleveland Wrecking Company and advanced approximately \$500,000 to Atlantic Riviera Hotel Corporation to avoid foreclosure on the property during the interim period prior to the closing held on June 26, 1980.

With regard to the property purchase, SSG Enterprises assumed mortgages held on the property by Guarantee Bank and Citizens Bank and released Atlantic Riviera Hotel Corporation from the debts which it had incurred through the aforesaid advances; those amounts totaled approximately \$2,760,366. Additionally, SSG Enterprises agreed to pay Atlantic Riviera Hotel Corporation 30% of the net capital receipts of SSG Enterprises during the twenty-third, twenty-fourth and twenty-fifth years following the property transfer or 30% of the net capital receipts of SSG Enterprises in the event of a property sale by SSG Enterprises. In light of the foregoing obligations, SSG Enterprises executed a mortgage upon the property in favor of Atlantic Riviera Hotel Corporation. SSG Enterprises is required to render interest payments as follows: no interest until all mortgages and obligations upon the property are satisfied, interest of 30% of the net cash flow of SSG Enterprises from the date when said obligations are satisfied until the twenty-third year following the transfer to SSG Enterprises or the sale of the property by SSG Enterprises, and in the event of a property sale, the excess of 30% of the net cash flow of SSG Enterprises over 30% of its net cash receipts, if any. Sullivan has informed Division representatives that the sole purpose of SSG Enterprises is to own the parcel of land currently leased to Trump.

B. Trump's Association with Daniel J. Sullivan

As previously stated herein, Trump has informed the Division that the sequence of events which resulted in the execution of the lease agreements began

in late 1979 or early 1980 when he received a telephone call from Lapidus regarding the property. According to Sullivan, in approximately April 1980, Howard Goldberg, Esquire, who was representing Trump in Atlantic City, contacted his partner in SSG, Ken Shapiro, and explained that Trump was interested in the Boardwalk, Columbia Place, Mississippi Avenue and Pacific Avenue property. Magnum, Plaza, SSG and Trump were represented during and participated in the negotiations regarding the leasing of the foregoing property. The negotiations involved approximately fifty drafts of the lease agreements. Sullivan described such negotiations as hostile.

As noted previously herein, from November 17, 1977 to the present, Trump has been a partner with REFCO Properties, Inc., a subsidiary of Hyatt Hotels, in the Regency-Lexington Partners, which has a long-term leasehold upon and operates the Grand Hyatt Hotel in New York City, New York. During a substantial reconstruction of the Grand Hyatt Hotel, previously known as the Commodore Hotel, Sullivan represented a number of sub-contractors, including Circle Industries, Corp.* which were employed at the construction site. As said construction was nearing completion, Sullivan became aware of disagreements between the Grand Hyatt management and the Hotel and Restaurant Employees Joint Board of the City of New York.

* Circle Industries, Corp. is a dry wall and flooring contractor located in the Bronx, New York.

According to Sullivan, during the lease negotiations relevant to the proposed Atlantic City casino hotel site, Trump mentioned that he had noticed Sullivan at the Grand Hyatt facility and Trump and Sullivan discussed the labor difficulties with the foregoing union. Sullivan continued that Trump suggested to him during that conversation that he contact Fred Alexander, the general manager of the Grand Hyatt Hotel, to discuss the labor matter. After meeting with Sullivan, Alexander referred him to Daniel Lombardi, president of Hyatt Hotels. Lombardi in turn retained Sullivan to represent the Grand Hyatt Hotel with regard to the labor problems involving the Hotel and Restaurant Employees Joint Board of the City of New York. Sullivan stated that he agreed to accept the assignment upon the condition that he would have the authority to choose the law firm which would represent the labor interests of the Grand Hyatt in the matter. Lombardi afforded Sullivan that authority, and Sullivan retained the law firm of Finley, Kumble, Wagner, Heine and Underberg of New York City, New York to serve in that capacity. Sullivan successfully negotiated a labor contract with the union on behalf of the Grand Hyatt. Currently, Philip Lombardi, chief of the labor section of Hyatt Hotels located in Chicago, Illinois, is Sullivan's immediate supervisor pertinent to his labor representation of Hyatt Hotels.

With regard to the foregoing matter, Trump explained that during the Atlantic City lease negotiations he realized Sullivan's abilities in the labor negotiation area and recommended Sullivan to the Grand Hyatt Hotel management. Further, Trump stated that Sullivan had shown him various documentation from governmental agencies which related that Sullivan had represented those agencies in labor negotiations.

Additionally, a Bucks County Courier Times article dated July 24, 1980 and entitled "Ex-Bucks Official nets casino deal" quotes Sullivan as stating that Trump is " 'an old friend from New York' " and that " '[i] t's nice being friends with a millionaire.' " With regard to the association with Sullivan, Trump has explicitly stated that he initially met Sullivan during the negotiations pertinent to the Atlantic City lease arrangements. Further, during the August 20, 1981 interview, Sullivan disavowed the newspaper quotation regarding the length of his relationship with Trump as " 'not true.' " Sullivan continued that both he and Trump were raised in New York City but that such factor was the only common denominator between them. Sullivan also stated that he had heard of Trump and his father while he lived in New York City but that he had never met them nor had they known him prior to the Atlantic City lease negotiations. Except for the Courier Times article discussed herein, the Division has ascertained no information to the contrary.

As previously stated, Sullivan is employed as a labor consultant by Circle Industries Corp. Sullivan is negotiating a purchase of that corporation. Trump arranged appointments between Sullivan and bankers, including Conrad Stevenson of Chase Manhattan Bank who is listed as a voucher by Trump and who is Trump's personal banker, with regard to obtaining financing for the proposed corporate purchase. The Chase Manhattan Bank offered a \$3,500,000 line of credit to Sullivan and a co-investor. The bank and the purchasers requested that Trump guarantee the loan. However, Trump has decided not to do so.

As is evident from the foregoing discussion, the Division has investigated the background of Sullivan and the relationship between Sullivan

and Trump. The Division generally questioned Trump regarding his relationship with Sullivan. In response thereto, Trump informed the Division that he had been in contact with a law enforcement agency in New York regarding Sullivan and that he had obtained no derogatory information. Further, Trump advised the Division that he would not have any future personal, social or business dealings with Sullivan other than in the context of their Atlantic City lessor-lessee relationship. During the course of the Division's investigation, it has ascertained that the matters related herein do not impact in a negative manner upon the credentials of Trump.

VI. Conclusion

Based upon the information which is currently available, the Division of Gaming Enforcement does not interpose an objection to the licensure of Trump Plaza Corporation as a casino hotel upon the condition that such entity fully satisfies the (1) corporate financing and (2) business ability and casino experience criteria of the Casino Control Act. Further, the Division does not object to the qualifications of Donald J. Trump as the sole stockholder, officer and director of Trump Plaza Corporation or his licensure as a casino key employee as chief executive officer/ president thereof. The Division will continue to investigate, monitor and review matters pertinent to such licensures and qualifications, and it will render additional reports to the Casino Control Commission as the relevant circumstances warrant.

VII. APPENDIX

S.S.G. ENTERPRISES

DANIEL SULLIVAN
 THOMAS O'NEIL JR. -----50 %

 KEN SHAPIRO -----25 %
 BARRY SHAPIRO

 ELLIOTT GOLDBERG -----25 %
 SHELDON GOLDBERG
 ERWIN GOLDBERG
 MARTIN GOLDBERG

EACH OF THE ABOVE THREE PARTNERSHIPS HOLD PERCENTAGE NOTED .

MAGNUM I / MAGNUM II

MAC SEELIG
 NICK COCOZA
 JACK DILLON
 HARRY GOLDENBERG
 KENNETH MACKLER
 GEORGE SLOTSOROFF, M.D.
 JACK SLOTSOROFF, D.D.S. HOLD A
 ARTHUR DINTENFASS, M.D. 6/7TH INTEREST
 GASTONE MILANO, M.D.
 WILLIAM SYLVESTER
 CHARLES GOTHIE
 JOSEPH SAUL, O.D.
 IRVING BRAVERMAN, M.D.
 SOL GRATENSTEIN
 LEE LEVINE
 ROBERT LIFTON HOLD A 1/7TH
 HOWARD WEINGROW INTEREST
 ALAN STALLER
 MELVIN LEVINE
 SANFORD MILLER
 MARTIN BENNETT
 EMIL RAUSMAN

* EACH PARTNER OF BOTH GROUPS HOLDS A SHARE BASED ON THEIR FINANCIAL INVESTMENT. SHARES ARE NOT EQUAL.

PLAZA HOTEL MGMT.

ROBERT LIFTON
 HOWARD WEINGROW
 GENERAL CASINO CORPORATION

 GRADY SAUNDERS
 JAMES ROGERS
 ROBERT HANNA
 ROBERT MAHUE
 NETWORK ONE INC.

 JEFFREY GOLDBERG
 FRED BLUM
 EMIL RAMAT
 EMIL RAUSMAN
 STEPHEN BERNSTEIN
 MIDLAND RESOURCES INC.

EACH OF THE ABOVE THREE GROUPS HOLD A 33 1/3 SHARE

Appendix

2

Trump has held the following positions, offices and directorships in the business entities set forth for the designated periods:

<u>Business Entity</u>	<u>Position</u>	<u>Date</u> *
Ash Apartments, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Atlantic City Seashore I, Inc. 730 Fifth Avenue New York, NY 10119	President	7/11/80
Atlantic City Seashore II, Inc. 730 Fifth Avenue New York, NY 10119	President	7/11/80
Atlantic City Seashore III, Inc. 730 Fifth Avenue New York, NY 10119	President	7/11/80
Atlantic City Seashore IV, Inc. 730 Fifth Avenue New York, NY 10119	President	6/27/80
Atlantic City Seashore V, Inc. 730 Fifth Avenue New York, NY 10119	President	6/27/80
Beach Haven Apts. #1, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Beach Haven Apts. #2, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Beach Haven Apts. #3, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69 10/17/73 (Dissolved)
Beach Haven Apts. #4, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69

* Unless otherwise indicated, Trump has continued to hold the listed positions to the current time.

<u>Business Entity</u>	<u>Position</u>	<u>Date</u>
Beach Haven Management Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Birch Apts., Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Boro Office Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Cedar Apts., Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
City Syndicate, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69 10/17/73 (Dissolved)
Clyde Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice president	8/1/69
Coronet Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
D.J.T. Realty Ltd. 730 Fifth Avenue New York, NY 10119	Director/President	4/19/79 10/10/80 (Merged with Trump Cor
Edgerton Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/ Vice President	8/1/69
Elm Apts., Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Flatbush Patio No. 1, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Flatbush Patio No. 2, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Fred C. Trump Foundation 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69

<u>Business Entity</u>	<u>Position</u>	<u>Date</u>
Green Park Essex, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Green Park Sussex, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Highlander Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Midland Associates 600 Avenue Z Brooklyn, NY 11223	Partner	6/15/68
Park Briar Associates 600 Avenue Z Brooklyn, NY 11223	Partner	6/24/71
Pembroke Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/70 3/31/78 (resigned)
Regency-Lexington Partners 730 Fifth Avenue New York, NY 10119	Partner	10/17/77
Reg-Tru Equities Ltd. 730 Fifth Avenue New York, NY 10119	Director/President	8/26/77
Saxony Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Treasurer	8/1/69 6/29/73 (Dissolved)
Shore Haven Apts. #1, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Shore Haven Apts. #2, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Shore Haven Apts. #3, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Shore Haven Apts. #5, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69

<u>Business Entity</u>	<u>Position</u>	<u>Date</u>
Shore Haven Apts. #6, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Shore Haven Management Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Sussex Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Swifton Land Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69 8/27/73 (Dissolved)
Swifton Realty Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69 8/27/73 (Dissolved)
The Trump Corp. 730 Fifth Avenue New York, NY 10119	Director/President	7/30/80
The Trump-Equitable 730 Fifth Avenue New York, NY 10119	Partner	1/30/80
The Trump Plaza Corp. 730 Fifth Avenue New York, NY 10119	Director/President/ Secretary	8/1/80
Tipperary Realty Corp. 90 Park Avenue New York, NY	Director/President	11/13/75
Trump Enterprises, Inc. 90 Park Avenue New York, NY	Director/President	4/18/74
Trump Management, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice president	6/24/69
Trump Properties, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	9/2/71
Trump Village Section 1, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69

<u>Business Entity</u>	<u>Position</u>	<u>Date</u>
Trump Village Section 2, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Trump Village Construction Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Wembley Realty, Inc. 730 Fifth Avenue New York, NY 10119	Director/President	4/23/75 3/23/79 (Dissolved)
Wexford Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
Winston Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	8/1/69
220 Management Corp. 600 Avenue Z Brooklyn, NY 11223	Director/Vice President	6/28/73
220 Prospect St., Co. 600 Avenue Z Brooklyn, NY 11223	Partner	11/1/72

Appendix

3

Trump has held the trusteeships set forth below for the periods indicated:

<u>Trustee</u>	<u>Date</u>
Donald J. Trump, Trustee* for the David W. Desmond, Jr. trust	12/12/76**
Donald J. Trump, Trustee for Mary Anne Desmond trust	12/12/76
Donald J. Trump, Trustee for the Donald J. Trump trust	12/12/76
Donald J. Trump, Trustee for the Elizabeth J. Trump trust	12/12/76
Donald J. Trump, Trustee for the Fred C. Trump, Jr. trust	12/12/76
Donald J. Trump, Trustee for the Fred C. Trump, III trust	12/24/74
Donald J. Trump, Trustee for the Fred C. Trump, III trust	12/12/76
Donald J. Trump, Trustee for the Mary Trump trust	12/24/74
Donald J. Trump, Trustee for the Mary Trump trust	12/12/76
Donald J. Trump, Trustee for the Robert Trump trust	12/12/76

* Each of the trusts are c/o Irwin Durben, Esquire, 200 Garden City Plaza, Garden City, NY 11530, who represents the Trump family interests.

** Trump has continued to hold the foregoing trusteeships to the current time.

Appendix

4

BROKERAGE COMMISSIONS/CONSULTING FEES

For the 1975 through 1981 period, Trump received the following brokerage commissions and consulting fees:

<u>Payor</u>	<u>Dates</u>	<u>Amount</u>
Allied Store Corporation (Bonwit Teller Lease)	1980-1981	\$ 1,000,000
Grandcor & Co. 155 Perry Street New York, NY	1979-1981	130,000
Hose McCann Telephone Co. 524 W. 23rd Street New York, NY	1979-1981	70,000
Hyatt Hotels Corporation 42nd and Lexington Avenue New York, NY	June 1977	1,000,000
Madison Square Garden 1 Penn Plaza New York, NY	1975	40,000
Peerage Realty Corp. 230 Park Avenue New York, NY	1975-1976	55,000
Port. Electric Supply Corp. 155 Perry Street New York, NY	1977-1981	132,500
Starrett Housing Corp. 909 3rd Avenue New York, NY	1978	152,500

Appendix

5

Trump also has held or currently holds an ownership interest in a number of partnerships and corporations.

<u>Business Entity</u>	<u>Description of Interest</u>	<u>Dates</u>
Clyde Hall, Inc. 600 Avenue Z Brooklyn, NY 11223	25% Stockholder, remaining 75% held by Mary Anne Desmond, Elizabeth Trump and Robert Trump	3/14/62 to date
DJT Realty, Ltd. 730 Fifth Avenue New York, NY 10119	Sole Stockholder, merged with the Trump Corp.	4/17/79 10/10/80
Midland Associates 600 Avenue Z Brooklyn, NY 11223	Partnership with Robert S. Trump, Mary Anne Desmond, Elizabeth J. Trump, Irwin Durben, Esq., Trustee under Indenture of Trust	6/15/68 to date
Park Briar Associates 600 Avenue Z Brooklyn, NY 11223	Partnership with Robert S. Trump, Mary Anne Desmond, Elizabeth J. Trump, Irwin Durben, Esq., Trustee under Indenture of Trust	6/24/71 to date
Reg-Tru Equities, Ltd. 730 Fifth Avenue New York, NY 10119	Sole Stockholder	8/26/77 to date
Regency-Lexington Partners 730 Fifth Avenue New York, NY 10019	Partnership with REFCO Properties, Inc., a subsidiary of Hyatt Hotels	10/17/77 to date
The East 61st Street Company 730 Fifth Avenue New York, NY 10019	90% Partner	2/10/81 to date
The Trump Corporation 730 Fifth Avenue New York, NY 10019	Sole Stockholder	7/30/80 to date
The Trump-Equitable Fifth Avenue Company 730 Fifth Avenue New York, NY 10019	Partnership with Equitable Life Assurance Society of the U.S.	1/31/80 to date
The Trump Plaza Corp. 730 Fifth Avenue New York, NY 10019	Sole Stockholder	8/1/80 to date

<u>Business Entity</u>	<u>Description of Interest</u>	<u>Dates</u>
Tipperary Realty Corp. 90 Park Avenue New York, NY	Sole Stockholder	11/13/75 to date
Trump Enterprises, Inc. 90 Park Avenue New York, NY	Sole Stockholder	4/18/74 to date
Wembley Realty, Inc. 730 Fifth Avenue New York, NY	Sole Stockholder	4/23/75 3/23/79 (Dissolved)
220 Management Corp. 600 Avenue Z Brooklyn, NY 11223	Sole Stockholder	6/28/73 to date
220 Prospect Street Co. 600 Avenue Z Brooklyn, NY 11223	Partnership with Fred C. Trump	11/1/72

INDEX

Ash Apartments Inc.	. 19
Atlantic City Coin and Slot Service Co., Inc.	. 16
Atlantic City Seashore I, Inc.	. 9, 10, 65, 66, 69
Atlantic City Seashore II, Inc.	. 9, 10, 12, 69, 70, 71
Atlantic City Seashore III, Inc.	. 9, 10, 71, 72, 73, 74
Atlantic City Seashore IV, Inc.	. 10, 75, 76, 77
Atlantic City Seashore V, Inc.	. 10, 78, 79, 80
Barbizon Plaza Hotel	. 17, 61
B Plaza Realty Corporation	. 64
Beach Haven Apts. #1, Inc.	. 19, 28, 30
Beach Haven Apts. #2, Inc.	. 19, 28, 30
Beach Haven Apts. #4, Inc.	. 19, 28, 30, 36
Beach Haven Management Corp.	. 19
Beach Haven Shopping Center	. 19
Birch Apartments, Inc.	. 19
Cedar Apartments, Inc.	. 19
Chase Manhattan Bank.	. 23, 24, 27, 28, 33, 44, 52, 64, 95
Circle Industries Corp.	. 93, 95
Citizens State Bank of New Jersey	. 12, 70, 71, 92
Clyde Hall, Inc.	. 19, 31, 34
Commodore Hotel.	. 45, 46, 47
Coronet Hall, Inc.	. 19, 34
MaryAnne Desmond	. 20, 29, 34
D.J.T. Realty Ltd.	. 58
Irwin Durben	. 29, 32, 40, 43, 55, 58, 65, 69, 72, 75, 78
Elms Apartments, Inc.	. 19
Equitable Life Assurance Society of the United States	. 31, 51
Fair Housing Administration	. 19
Martin Figman	. 32, 41

Flatbush Patio #1, Inc.	. . . . .	. 19
Flatbush Patio #2, Inc.	. . . . .	. 19
General Casino Corp.	. . . . .	. 16
Grand Hyatt Hotel	. . . . .	. 17, 22, 27, 47, 93, 94
Green Park Essex, Inc.	. . . . .	. 19, 28
Guarantee Bank	. . . . .	. 12, 68, 70, 71, 92
Highlander Hall, Inc.	. . . . .	. 19, 34
Alan Lapidus	. . . . .	. 15, 92
Lincoln Shore Apts.	. . . . .	. 19, 34
Luna Shopping Center	. . . . .	. 19
Magnum Associates and Magnum Associates II	. . . . .	. 9, 10, 12, 14, 16, 65, 66, 67, 68, 69, 74, 91, 93
Manufacturers Hanover Bank	. . . . .	. 17, 63
Midland Associates	. . . . .	. 34
Midlantic National Bank	. . . . .	. 17, 38
New Jersey Housing Finance Agency	. . . . .	. 36, 37, 38, 39, 40
Network Complex	. . . . .	. 16
Network One Inc.	. . . . .	. 16
Park Briar Associates	. . . . .	. 33, 34
Park South Associates	. . . . .	. 61, 63, 64
Plaza Hotel Management Company	. . . . .	. 9, 10, 11, 12, 16, 72, 73, 74, 93
REFCO Properties, Inc.	. . . . .	. 45, 46, 93
Regency - Lexington Partners	. . . . .	. 27, 28, 33, 45, 46, 47, 48, 93
Reg - Tru Equities Ltd.	. . . . .	. 26, 31, 43, 44
Saxony Hall	. . . . .	. 34
Ken Shapiro	. . . . .	. 91, 93
Shore Haven Apts. #1, Inc.	. . . . .	. 19, 30
Shore Haven Apts. #2, Inc.	. . . . .	. 19, 30
Shore Haven Apts. #3, Inc.	. . . . .	. 19
Shore Haven Apts. #5, Inc.	. . . . .	. 19
Shore Haven Management Corp.	. . . . .	. 19
SSG Enterprises	. . . . .	. 9, 10, 11, 12, 15, 16, 69, 70, 71, 92, 93
Conrad Stevenson	. . . . .	. 27, 95
Daniel J. Sullivan	. . . . .	. 86, 87, 88, 89, 90, 91, 92, 93, 94, 95, 96, 97

<i>Sussex Hall, Inc.</i> . . . . .	.20, 28, 36
<i>The East 61st Street Company</i> . . . . .	.24, 49, 50
<i>Tipperary Realty Corporation.</i> . . . . .	.31, 60
<i>Trump.</i> . . . . .	.1, 2, 3, 4, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30, 31, 32, 33, 34, 36, 37, 39, 40, 41, 42, 43, 45, 49, 50, 51, 54, 55, 58, 59, 60, 63, 64, 65, 66, 68, 69, 71, 72, 73, 74, 75, 76, 77, 78, 79, 80, 81, 83, 85, 92, 93, 94, 95, 96, 97
<i>Trump Corporation</i> . . . . .	.31, 58, 59
<i>Elizabeth Trump</i> . . . . .	.20, 34
<i>Trump Enterprises, Inc.</i> . . . . .	.31, 55, 57
<i>Trump Equitable Fifth Avenue Company</i> . . . . .	.28, 31, 51, 52, 53, 54, 59
<i>Fred C. Trump</i> . . . . .	.15, 20, 28, 29, 30, 31, 32, 33, 36, 37, 38, 65, 69, 72, 83, 75, 78, 81
<i>Fred C. Trump Jr.</i> . . . . .	.20, 34
<i>Trump Management Inc.</i> . . . . .	.21, 32, 41, 81, 83, 84
<i>Trump Organization</i> . . . . .	.5, 20
<i>Trump Plaza Corporation</i> . . . . .	.1, 2, 3, 4, 5, 6, 8, 9, 10, 16, 17, 18, 31, 97
<i>Trump Properties, Inc.</i> . . . . .	.20
<i>Robert S. Trump</i> . . . . .	.20, 29, 34, 40, 43, 49, 50, 55, 58, 65, 75, 78
<i>Trump Tower</i> . . . . .	.52, 59
<i>Trump Village Construction Corp.</i> . . . . .	.20, 28, 59
<i>Trump Village Sec. #1, Inc.</i> . . . . .	.20
<i>Trump Village Sec. #2, Inc.</i> . . . . .	.20
<i>Wembly Realty Inc.</i> . . . . .	.45, 46, 47
<i>Wexford Hall, Inc.</i> . . . . .	.20
<i>220 Management Street Company</i> . . . . .	.26, 31, 40, 41
<i>220 Prospect Street Company.</i> . . . . .	.20, 26, 33, 36, 37, 38, 39, 40, 41