

**DEx. 1**

**Lodged Under Seal**

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9 DONALD J. TRUMP

10 UNITED STATES DISTRICT COURT

11 FOR THE SOUTHERN DISTRICT OF CALIFORNIA

12 TARLA MAKAEFF, BRANDON  
13 KELLER, ED OBERKROM, SONNY  
14 LOW, J.R. EVERETT and JOHN  
15 BROWN, on Behalf of Themselves and  
16 All Others Similarly Situated,

17 Plaintiffs,

18 v.

19 TRUMP UNIVERSITY, LLC, (aka  
20 Trump Entrepreneur Initiative, LLC, a  
21 New York Limited Liability Company,  
22 DONALD J. TRUMP, and DOES 2  
23 through 50, inclusive,

24 Defendants.

Case No. 10 CV 0940 CAB (WVG)

CLASS ACTION

DECLARATION OF MICHAEL  
SEXTON IN OPPOSITION TO  
PLAINTIFFS' MOTION FOR CLASS  
CERTIFICATION AND  
APPOINTMENT OF CLASS COUNSEL

DATE: February 12, 2013  
TIME: 2:30 p.m.  
CTRM: 2 — 4<sup>th</sup> Floor

25 AND ALL RELATED CROSS-ACTIONS.

26 I, Michael Sexton, declare:

27 1. I was a co-founder and president of Trump University from its inception in 2004 until  
28 my departure in the summer 2010. This declaration is based on my personal knowledge.

29 2. In 1988, I obtained a Bachelor of Arts degree in Political Science from Tufts  
30 University. I obtained an MBA from Dartmouth College in 1994. I have held several  
31 entrepreneurial positions, including senior manager for Accenture (formerly Anderson consulting)  
32 with their strategy consulting group in New York, Vice President of strategic initiatives for Digital  
33

34 ///

1 Discoverics, Vice President of Install, Inc. and a partner in a start-up technology-driven health care  
2 recruitment company.

3 3. In approximately 2004, I approached Mr. Trump with the idea to start a new business.  
4 The concept was to deliver a business education in real estate and other related accelerated self-study  
5 courses, learning experiences and interactive case studies on line. Many companies offered on-line  
6 courses, but Trump University would be unique because it would integrate Mr. Trump's personal  
7 teachings and philosophies throughout the curriculum, including educating by engaging customers in  
8 an interactive experience and customized learning based on individual needs.

9 4. I met with Mr. Trump many times to discuss the vision and purpose of the new  
10 company. Mr. Trump and I wanted Trump University to deliver practical content in a hands-on,  
11 straightforward manner, with emphasis on relevant, practical knowledge that can be immediately  
12 applied in real world situations. He also wanted "the best of the best" instructors, which meant that  
13 we would retain the top experts in various fields from the finest educational institutions and  
14 businesses to prepare the curriculum and teach the courses. One of my responsibilities as President  
15 of Trump University was to locate experts in real estate, marketing and entrepreneurship for Mr.  
16 Trump's approval.

17 5. I researched potential instructors on-line and through referrals. I made many calls  
18 and had extensive conversations with potential instructors, including numerous professors at  
19 renowned universities such as Professor Gary Eldred of Stanford, Professors Don Sexton and Jack  
20 Kaplan of Columbia University Business School, Professor John Vogel of Dartmouth and Professor  
21 Roger Schank of Yale. These individuals and others, such as Attorney JJ Childers, a noted wealth  
22 management specialist, met with Mr. Trump to discuss the vision for and purpose of Trump  
23 University, and to develop the curriculum.

24 6. The online programs began in 2005 and were successful, but students wanted live  
25 teaching for greater interactivity. In 2007, Trump University began live seminars. Prof. Gary  
26 Eldred taught live programs throughout 2007, and JJ Childers taught live programs from 2007  
27 through about 2010. During this time, I continued to meet with Mr. Trump to discuss the  
28 curriculum, faculty and events. The live programs were an extension of the on-line programs and

1 continued to teach Mr. Trump's "hand-on" approach, emphasized his practical techniques and  
2 incorporated his philosophies.

3 7. TU used written contracts to memorialize its sales to its students, but they varied.  
4 One version guaranteed that students buying advanced training would recover that expense in their  
5 real estate investments, but other versions had no such guarantee. There were differences in the  
6 release and waiver provisions. Some versions had incorporation clauses barring claims for  
7 misrepresentation; some did not. Cancellation deadlines for refunds varied. Finally, some versions  
8 had specific requirements that students complete programs within a specified time. TU did not use or  
9 have oral contracts with its students, and TU had incorporation clauses in its written contracts to  
10 make sure that no one mistakenly assumed there were.

11 8. During live events, students expressed an interest in more individualized training, so  
12 Trump University introduced the mentor program that focused on individualized, one-on-one  
13 training of students by experienced real estate professionals and entrepreneurs. I spoke regularly  
14 with mentors to get updates on what was successful, and to discuss any problems they were having  
15 with their mentorships. The concept of the mentorship program was to match particular skill-sets of  
16 experienced real estate professionals with the specific goals and abilities of the students. The  
17 general framework for mentorships was similar in that each involved the mentor spending three days  
18 in the field (i.e., in person) with a student focused on the student's particular interest, whether it was  
19 wholesaling, flipping properties, buy and hold strategies, rehabbing properties, commercial  
20 properties, rentals, etc. But, each mentorship was customized to the needs and goals of each student  
21 based on a multitude of variables, including each student's experience, market conditions, abilities,  
22 time, interest level and resources.

23 9. By mid to late-2007, Trump University had reached the basic teaching model of  
24 offering a free 90-minute preview program, which was followed by an initial 3-day seminar in basic  
25 real estate investing. At the 3-day program, attendees had the opportunity to purchase additional  
26 training, including standard and custom programs, if they chose. Those programs ranged from  
27 commercial real estate to wealth preservation to tax liens to group mentoring to telephonic coaching  
28 to one-on-one mentoring and dozens of other programs—on-line, live lectures, and self-study. Many

1 packages included combinations of both live programs and webinars or on-line programs or software  
2 or Mr. Trump's books and tapes. The live programs integrated many of the on-line teachings and  
3 course materials. At each of TU's 3-day seminars and advanced workshops, students received  
4 extensive written materials and/or workbooks. Students also had access to on-line help and support  
5 through various toll-free numbers. Many students also had access to significant on-line resources  
6 such as a foreclosure data base, form contracts, hard money lenders, and so forth, depending on the  
7 package purchased. The live programs ended in about 2010.

8 10. During some TU programs, students had the opportunity to meet with TU instructors  
9 or mentors to discuss the student's real estate goals. Students were invited – but never required – to  
10 discuss their goals and resources, including filling out a "Goals" sheet and then reviewing that  
11 information with TU instructors to determine whether TU had programs that fit the student's needs,  
12 resources, goals and abilities. TU returned the Goals sheet to the student. TU did not retain a copy  
13 of the Goals sheet. Some students purchased additional TU products and services without ever  
14 preparing a Goals sheet. Some students prepared Goals sheets and discussed them with instructors  
15 but did not purchase anything further. In other words, each situation and student was unique, each  
16 student's circumstances were different, and each student had different resources, abilities and  
17 reasons to further pursue real estate investments or not.

18 11. Trump University had a generous refund policy that affected a small minority of  
19 Trump University students. The refund policy changed over time and depended on the product or  
20 service. For example, students not completely satisfied with the basic 3-day seminar could get a full  
21 refund up to the end of the first day – no questions asked. Most students who purchased advanced  
22 training could also get a full refund for at least three days after signing their contract. In addition,  
23 many students received full or partial refunds outside of the normal refund period for a variety of  
24 individual reasons, including military deployment, health and other humanitarian issues. Very few  
25 students who requested refunds were denied, except for some students who had completed their  
26 entire program and essentially "consumed" everything purchased, or who had refused to complete  
27 their program. Even all of those refund groups together amounted to less than 1% of all Trump  
28

1 University students. Each refund request was determined on a case-by-case basis because each  
2 student's circumstances, situation or reason was different.

3 12. Trump University's advertisements and marketing were locally targeted and lasted  
4 only a few days before each 90-minute free preview. The marketing and advertisements changed  
5 over time, were different in different markets, and were limited to newspapers, mailers and  
6 internet direct mail. There was no television advertising and very limited radio advertising. The  
7 radio advertising was limited to a few markets for a very short time. Trump University advertised  
8 only for its free 90-minute preview, at which time students also received a free DVD. Trump  
9 University did not advertise for paid programs. There was no national or nationwide advertising or  
10 marketing at any time, nor any marketing on a statewide basis for events. All event marketing was  
11 localized to specific cities where the events were scheduled.

12 13. Trump University used many different ads and even multiple variations and versions  
13 of the same ads. The ads placed in local markets changed over time and from market to market, both  
14 in content and style. Some ads included the language that Mr. Trump "hand-picked" experts and  
15 some did not. Some referenced his "secrets" and his involvement with Trump University, and some  
16 did not. Many ads that were created with this language never ran in specific markets, or at all. In  
17 other words, the fact that Trump University created these ads does not mean that they ever ran in a  
18 particular location, or at all. Trump University tested different types of ads at different times, based  
19 on many factors, including location, market, season, budget, student feedback, success, failures, etc.  
20 The ads and marketing did not begin until 2007 or 2008 and evolved over time. The ads and  
21 marketing were very different between 2007 and 2010.

22 14. The \$1,495 three-day workshop (Fast Track to Foreclosure or Profit from Real  
23 Estate) included one year of online and telephonic support from Trump University. It did not  
24 include an in-person mentorship. At no time did Trump University ever advertise or market  
25 "unlimited mentoring" or a "year-long mentorship".

26 15. At the launch of the online programs, Mr. Trump provided a videotaped interview  
27 intended for use with those programs. The video was not used at many, if any, live programs in  
28 2007, and only rarely and sporadically used thereafter. I attended dozens of live programs, including



1 the free 90-minute program and 3-day seminars. The video of Mr. Trump video was used only  
 2 periodically at the free 90-minute program at the option of the presenters, and was never used at the  
 3 3-day workshops described above, or at the advanced workshops or mentorship programs.

4 16. In 2010, Trump University utilized an administrative guide called "the playbook." It  
 5 was not intended to, nor did it, address seminar content at all. It was devoted to product descriptions  
 6 and prices, collecting payment, advancing expenses, seminar room rental and setup, required reports,  
 7 company forms and similar standard operating procedures. Product sales techniques intended for the  
 8 use of sales people are also discussed, but the instructors were not sales people and did not use them.

9 17. Trump University used no scripts, uniform or otherwise, for any live event, whether  
 10 free or paid. Each presentation was different. The instructors were highly qualified and had  
 11 PowerPoint slides which provided an outline for the specific subject matter of the programs.  
 12 Instructors were free to communicate the content and details using their own words, experiences,  
 13 emphasis, examples and styles. While TU hoped for some reasonable uniformity with the live  
 14 programs one day, TU never achieved anything close to it outside of the on-line programs. For the  
 15 free 90 minute programs, there was, at best, about 65-70% uniformity, and most of that was in the  
 16 PowerPoint slides. The actual oral presentations varied based on each instructor's experience,  
 17 background, style, personal examples, market conditions, audience feedback and a host of other  
 18 issues. For example, the "same" Fast Track to Foreclosure program taught by Mr. Goff in 2008 in  
 19 Missouri was very different than the Fast Track to Foreclosure program taught by Mr. Martin in 2010  
 20 in California. The 3-day programs and the 3-day advanced workshops were even more varied, even  
 21 for the "same" program. I would estimate that the "same" programs varied as much as 50%. Of  
 22 course, if the subject matter differed, then the programs teaching those different subjects were  
 23 completely different. For example, the commercial workshop had virtually no similarities with the  
 24 tax lien workshop.

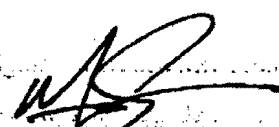
25 18. Because there were no scripts, the presenters had great latitude in their presentations.  
 26 But, TU was concerned about overselling and making promises that could not be kept, and so right  
 27 from the start that was guarded against in every practical way TU and its counsel could think of. For  
 28

1 example, TU recorded presentations which were then reviewed by outside counsel to ensure  
2 compliance with state and federal laws as well as TU policies. On the rare occasion that an  
3 instructor overstated, TU management spoke with the instructor and warned of possible termination.  
4 TU fired one presenter who violated TU's Rules of Engagement (ie., prohibiting earnings estimates,  
5 advising of the likelihood of success, etc.). As additional safeguards, TU included disclaimers in  
6 some ads and disclaimers in the student contracts. TU also required all students who purchased  
7 programs or services to sign a "Terms and Conditions" sheet confirming that no one had made any  
8 oral representations to them.

9 19. Trump University's teachings and its programs included Mr. Trump's business  
10 approach and philosophies. Mr. Trump's "secrets" for TU students were that each student had to  
11 commit to entrepreneurial action and learn by doing. This hands-on approach was key to Trump  
12 University, and it was unique to the industry. In addition, Mr. Trump provided Trump University  
13 management with actual real estate case studies for integration in Trump University materials,  
14 seminars and presentations.

15 I declare under penalty of perjury under the laws of the United States that the for-going is  
16 true and correct and that this declaration was executed by me on November 26<sup>th</sup>, 2012, at  
17 Rye, New York.

18  
19 Dated: 11/26/12

  
\_\_\_\_\_  
Michael Sexton



**DEx. 3**

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TU 129858

# Trump University

Knowledge for the Real World

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**Business Plan  
August 2004**

Trump University Business Plan

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This Confidential Business Plan (the "Business Plan") contains confidential information regarding Trump University (the "Company"). By accepting this Business Plan the recipient agrees that it will cause its directors, officers, employees, and representatives to use the Business Plan and such information only to evaluate a specific transaction with the Company and for no other purpose, will not divulge any such information to any other party and shall return this Business Plan together with any copies thereof and of such information to the Company upon request therefore.

**ANY ESTIMATE OR PROJECTIONS CONTAINED HEREIN HAVE BEEN PREPARED BY THE MANAGEMENT OF THE COMPANY AND INVOLVE ELEMENTS OF SUBJECTIVE JUDGMENT AND ANALYSIS THAT MAY OR MAY NOT BE CORRECT. THE COMPANY IS WILLING TO SHARE THE DETAILS OF THESE ESTIMATES AND PROJECTIONS WITH SERIOUS INVESTORS, SO THAT THEY MAY MAKE THEIR OWN JUDGMENTS AS TO THE MARKET POTENTIAL. THE COMPANY MAKES NO REPRESENTATION OR WARRANTY, EXPRESSED OR IMPLIED, AS TO THE ACCURACY OR COMPLETENESS OF THE INFORMATION CONTAINED IN THE BUSINESS PLAN, AND NOTHING CONTAINED HEREIN IS, OR SHALL BE RELIED UPON AS A PROMISE OR REPRESENTATION, WHETHER AS TO THE PAST OR THE FUTURE. THIS BUSINESS PLAN DOES NOT PURPORT TO CONTAIN ALL OF THE INFORMATION THAT MAY BE REQUIRED TO EVALUATE SUCH TRANSACTION AND ANY RECIPIENT HEREOF SHOULD CONDUCT ITS OWN INDEPENDENT ANALYSIS OF THE COMPANY AND THE DATA CONTAINED OR REFERRED TO HEREIN.**

TU 129859

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## Trump University Business Plan

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Trump University (the "Company") is an online education company that will deliver world-class business curriculum to a broad range of customers including small business owners, professionals and employees of middle market companies. The vision of Trump University is to be the leading source of lifelong business education. The Company will redefine the way education is delivered and consumed by offering a practical, outcome-oriented curriculum that blends the best of a traditional business education with the most critical real-world training. In addition to its innovative curriculum, the Company offers innovative content delivery through interactive learning *experiences* that provide more rewarding and lasting learning.

Most importantly, Trump University delivers the experience, knowledge and wisdom of Mr. Donald J. Trump, the world's foremost business personality. By integrating Mr. Trump's personal teachings, experiences and philosophies into the curriculum and capitalizing on his immense popularity, Trump University is uniquely positioned to rapidly capture a significant share of the growing market for online education. The Company will launch in Phase 1 with a self-study offering and will add corporate learning in Phase 2 and a fully accredited curriculum in Phase 3. The full corporate vision will be implemented and achieved over 2-3 years.

### 1.0 MARKET OPPORTUNITY

The domestic education market is greater than \$750 billion and worldwide it exceeds \$2 trillion. The U.S. post-secondary education market alone is over \$250 billion with 16 million students attending 9,500 colleges and universities. This student population is projected to grow to 21.2 million by 2010. Globally, demand for higher education is forecast to reach 160 million students by 2025. In addition to the higher education market, sixty-six million adults representing more than 50% of all employed persons participate in some form of continuing education. The U.S. market for corporate and government learning is \$100 billion and growing. Clearly, the demand for education is large and growing rapidly across all industries.

Fundamental shifts in the global workforce are driving these rapid increases in demand for educational resources. In 1950 only 30% of American jobs required skilled labor versus over 85% today. Add to that the export of skilled jobs overseas and we see acceleration in the need for re-skilling across the workforce. The knowledge-driven economy places increased demands on the workforce not only to build skills but to embrace lifelong learning. As Alvin Toffler wrote, "the illiterate of the 21st century will not be those who can't read and write. They will be those who can't learn, unlearn, and relearn." Finally, only 25% of adult Americans have completed a bachelor's degree despite a wage gap between high school and college graduates that has increased from 43% in 1970 to 95% in 1999.

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## Trump University Business Plan

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The challenge for the education industry is to scale to meet rising demand. The current infrastructure will not accommodate the projected increases in student population. The single most promising development in the industry is the emergence of online education as a scaleable and cost effective means of delivering quality education.

The market for online education is large, growing rapidly and highly profitable. In 2001 the annual market for online education was \$4.5 billion and it is expected to grow to \$11 billion by 2005. The economics in the online learning industry are extremely favorable, with companies such as the University of Phoenix achieving gross margins in excess of 60% with net margins of 21.9%. The University of Phoenix had 2003 revenues of \$529 million and a \$7.6 billion market capitalization. The success of the University of Phoenix and other leaders in the industry such as Career Education Corporation, Corinthian Colleges and DeVry, has validated the tremendous economic potential of the industry.

The economics of the online learning industry are driven by scale economies. Gross margins improve markedly with volume and at scale, online learning is a highly profitable venture with net margin potential in excess of 40%. The industry has low barriers to entry and benefits from a wide range of established outsource partners that can provide near-turnkey capabilities in technology, content and administration. The competitive challenge is to achieve scale in an industry that, despite attempts at service differentiation, is largely a commodity. Success depends on effective sales, marketing and branding.

The online learning industry is still in its infancy and long-term leaders will likely come from outside of the established education industry. Incumbent institutions are finding it difficult to move effectively into the online space given the legacy issues tied to their bricks and mortar base. The industry is beginning to enter a land-grab phase as new and established companies spend heavily to cut through the clutter and establish their brands and build market recognition. The long-term winners will be those companies that emerge over the next 2-3 years as credible providers of education. Trump University is uniquely positioned to be one of these long-term winners.

## **2.0 BUSINESS OVERVIEW**

Trump University's vision is to be the world's leading source of lifelong business education. The Company's unique value proposition is the combination of the world's leading business personality and brand in Mr. Donald J. Trump with an innovative approach to developing and delivering online education. Worldwide, the Trump brand represents success in business and in life. The brand embodies entrepreneurship, deal-making, management, selling, turn-arounds and wealth creation. Trump University's brand will dramatically accelerate the ability to scale by delivering an instantaneous marketing pull. And, with Mr. Trump's active promotion, the Company will generate an immense amount of publicity, traffic and commerce.

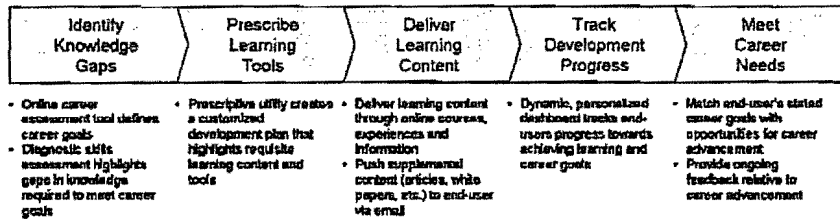
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**Trump University Business Plan**

The Company will deliver business education in a wide offering of practical, accelerated learning objects including self-study courses and learning experiences (e.g., interactive case studies). Trump University’s market offering takes a process-driven, holistic approach to education. It begins with helping customers to identify specific opportunities for learning based upon individual career aspirations. This prescription for learning forms a fundamental road-map for the customer’s interaction with the Company. It lays out a customized, detailed learning plan that establishes an ongoing relationship with the customer. Progress is measured against the plan as the customer consumes Trump University content and progresses on a career-path.

Learning will be an iterative process as customer needs and goals evolve over time. Trump University will provide all of the tools required to help customers identify career goals, diagnose learning needs, prescribe the appropriate curriculum, deliver that curriculum and assist the customer in meeting their career needs. By meeting learning needs throughout a customer’s career, Trump University will be a trusted lifelong learning partner.

**Trump University Core Customer Process**



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There are three core customer groups that Trump University will serve: professional enhancement learners (continuing education), degree-completion learners and corporate learners. Initially, during the first phase of growth, the Company will focus on meeting the needs of the first segment, professional enhancement learners. This group is comprised of a wide variety of customers from small business owners to business professionals across all industries. Current learning resources for these customers are highly fragmented and include business press (e.g., books and trade press), continuing education courses (e.g., Learning Annex) and non-profit professional associations (e.g., American Management Association). By providing a comprehensive and demonstrably superior offering to these customers, Trump University will fulfill a large, unmet demand in the market. And, because the market for professional enhancement learning is significantly larger than that for degreed curriculum, the Company will build a large base of customer relationships that it will leverage in Phase 3 as it deploys an accredited curriculum.

As stated earlier, the market for corporate learning is large and growing. While Fortune 500 companies invest heavily in proprietary in-house learning libraries, the vast majority of small and middle market companies do not. These companies rely on third party



## Trump University Business Plan

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providers that offer limited selection of learning tools. Trump University can use its inventory of learning objects to meet this demand. By leveraging an existing asset through a different sales channel, the Company will create multiple revenue streams with little incremental investment. This Phase 2 offering will require a direct sales force.

Trump University will focus primarily on delivering online learning but it will also extend its franchise into online and offline events, learning products and ancillary services. There are a multitude of highly attractive product and service extensions that we may explore including a print business journal (e.g., Trump Business Review), book series, premium events (e.g., Trump University Live!) and conferences.

As the Company launches and builds out its infrastructure, it will be guided by a core set of principles that inform every decision including product development, customer interface, and marketing strategy. These guiding principles are:

- Approach professional success in the context of personal success
- Teach from the perspective of individuals that have achieved success
- Deliver practical content in a straightforward manner
- Educate by engaging customers in an interactive experience that leverages technology to enhance learning
- Allow customers to learn at their pace, on their time, anywhere
- Customize learning curriculum for every customer, based on their individual needs
- Create a networked community of like-minded business professionals

The Company will integrate Mr. Trump's personal teachings and philosophies throughout the curriculum. Customers will demand and expect to learn not only from recognized academic and business leaders, but most importantly from Mr. Trump himself. Wherever possible, content will feature Mr. Trump in case studies, anecdotes, video and audio segments and excerpts.

Trump University is extremely well positioned to capitalize on the exploding demand for online education and to emerge as the global leader in delivering online business education. The Trump brand is unsurpassed in the field of business success and will dramatically enhance the Company's ability to acquire customers and reduce acquisition costs. Beyond the value of the brand, Trump University will deliver a superior offering to its customers. A key competitive advantage is the Self-study Curriculum that meets the needs of a market segment that is not currently being served. This is a significant point of differentiation that allows Trump University to build lasting relationships with customers leading to recurring revenue and up-sell opportunities. Additionally, because it is not first to market, Trump University can take advantage of recent advances in technology to offer a more compelling user experience.

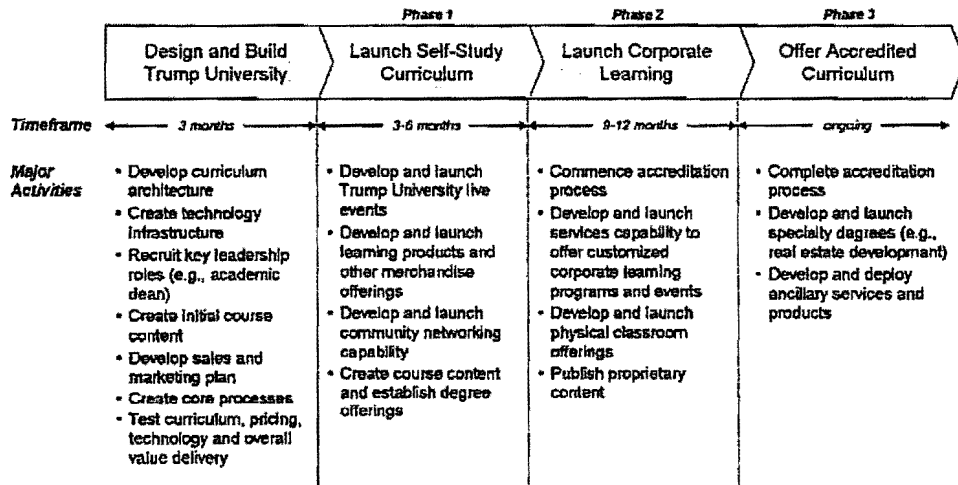
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3.0 DEVELOPMENT STRATEGY

Trump University will focus on developing and delivering relevant, practical knowledge that can be immediately applied in real-world situations. The goal is to go beyond theory to take a practical, informational approach to solving everyday challenges. In phases, the Company will offer three distinct learning products that meet the needs of different market segments yet leverage a shared content base, and technology infrastructure. Launching in phases allows the Company to build out its capabilities over time while capturing the near-term benefits of wide exposure through The Apprentice. While the timeframe to design, build and launch Trump University is very aggressive, we are confident that it is realistic. Obviously there is some flexibility in the depth of the Company's initial offering but it will be sufficient to capture the market opportunity potential. Full implementation of the Trump University vision will occur over three phases and take 2-3 years to complete.

*Phased Implementation*



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Beginning with the development and implementation of the Self-study Curriculum, each phase of development builds on previous efforts.

- Phase 1: Self-study Curriculum** - Trump University's Self-study Curriculum is focused on delivering high quality, continuing business education to working adults. The Self-study Curriculum will specifically target small business owners/operators and professionals employed at small and mid-sized companies. Course offerings will be designed around both building functional skills (e.g., Fundamentals of Project Management) and gaining industry knowledge (e.g., Pharmaceutical Sales). The Self-study Curriculum will be self-directed courses that effectively leverage multimedia technology and business simulations to

## Trump University Business Plan

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enhance the learning experience and ensure full scalability. These short, accelerated courses will be priced at \$300 and will be sold both as standalone offerings as well as bundled into certificate-granting packages priced from \$1,000-\$1,500. Within its first quarter of launch, Trump University will offer 100 courses in its Self-study Curriculum and will add approximately 100 per year thereafter, maintaining the curriculum's relevance. In addition to courses, the Self-study Curriculum will offer more experiential learning through its Experience Curriculum. This is an innovative approach to business education that focuses on replicating real-world business problems and situations and allowing customers to solve them dynamically, as individuals or in teams.

- **Phase 2: Corporate Learning** - To meet the increasing demand for corporate learning, Trump University will re-package its curriculum for small and middle market companies in Phase 2. A direct sales force will call on potential customers and create a semi-customized curriculum from the Company's existing portfolio of content. When necessary, the Company can create customized learning objects by leveraging a network of outsource content partners. The Company will begin Phase 2 development of its corporate learning offering within 3-6 months of launch.
- **Phase 3: Accredited Curriculum** - In Phase 3 of development, Trump University will create and launch a degree-granting, accredited curriculum that awards Diploma, Associate, Bachelor and Master Degrees in Business Administration. The Company will take a strategy of acquiring an existing for-profit, accredited institution to dramatically shorten time to market. Based on early exploration of potential acquisition targets, we believe that there is sufficient inventory of attractively priced institutions to make this approach feasible. Much of the curriculum that will be required for this course of study will be re-purposed from the Self-study Curriculum. Standard three credit courses will be priced at an industry standard range of between \$1,000 and \$1,500. We anticipate beginning the development of Phase 3's Degree-granting Curriculum within 12-18 months of launch.

Trump University will develop and deliver content that is based upon a Learning Object Architecture that allows the Company to dynamically create customized curriculum by re-combining and re-sequencing Learning Objects to meet specific customer needs. In addition to an innovative approach to curriculum content, Trump University will integrate a range of tools to establish and maintain customer relationships that last a lifetime. These tools will include social networking, collaboration tools (e.g., chat and message boards), content forums and news feeds.

Trump University will launch and scale rapidly by relying on best-of-breed outsource partners in critical areas of technology (e.g., hosted learning management system) course development (e.g., curriculum authoring), customer service and ongoing maintenance and development. Beyond Phase 3 there are many opportunities for the Company to continue

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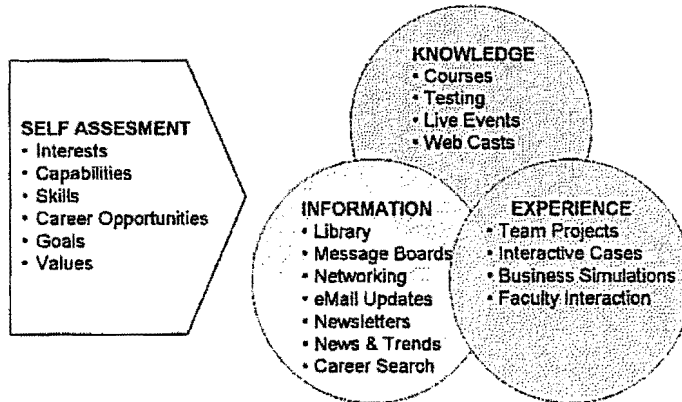
Trump University Business Plan

to expand including developing additional products and international versions of the university.

**4.0 PRODUCT OVERVIEW**

The Self-Study Curriculum will not only be the Company’s initial area of focus but will be the foundation of its overall content architecture. Again, our goal is to deliver a personalized learning curriculum for each customer based on their individual needs, capabilities and career goals. The Self-assessment will drive the composition of curriculum which will be comprised of Knowledge Curriculum, Experience Curriculum an Information Curriculum.

*Curriculum Architecture*



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Trump University will have a unique content delivery construct that focuses on providing practical, experiential curriculum through four distinct channels.

**4.1 Self Assessments:** The Company will license third-party career and capability assessment tools. These tools will be standardized, validated assessments delivered online. The customer’s individual results will be linked to the Company’s content inventory to provide a prescriptive learning path. For example, if a customer is currently a salesperson that aspires to sales management in the pharmaceutical industry, the assessments might reveal that specific areas for capability development include leadership, sales management and team-building. The prescribed training path may be a course in Sales Management, a learning experience in team-building and leadership, and a suite of information resources focused on the role of a sales manager, the requisite capabilities of a successful sales manager, and the pharmaceutical industry overall.

**4.2 Knowledge Curriculum:** Content delivered through self-directed, self-paced online courses. Our goal is to have 100 courses developed within the first quarter of

Trump University Business Plan

2005. Given the time constraints of the Company's launch, it is likely that only a small portion of courses (10-15) will be available initially. A priority will be placed on ensuring that the most popular courses are available first. We anticipate adding approximately 100 additional self-study courses each year. Although the formal curriculum architecture will be shaped by our Academic Advisory Board, our strategy is to deliver a blend of the most practical aspects of a general management core curriculum with real world skills:

*Preliminary Knowledge Curriculum*

Core Business	Practical
Strategy and Management	Negotiations
People & Organizations	Project Management
Sales & Marketing	Entrepreneurship
Finance and Accounting	Team Skills
Business Communications	Time Management
Real Estate	Leadership

**4.3 Experience Curriculum:** Hands-on, experiential learning delivered through interactive individual and group exercises. The Experience Curriculum will include team-based exercises, interactive case analysis and online business simulations. These unique learning Experiences are a significant source of competitive differentiation and allow users to gain real-world experience by analyzing and solving real-world problems. Trump University will develop an Experience Curriculum that presents actual business challenges from the Trump Organization and other businesses and allow users to present potential solutions which will be evaluated by the Company. Periodic Case Competitions will be held to reward innovative thinking and analysis. In many respects, the Experience Curriculum allows users to participate in an Apprenticeship-type competition with peers from across the country.

**4.4 Information Curriculum:** Trump University will aggregate, organize and deliver a variety of information tools and resources. The goal is to create a community of like-minded practitioners by providing a shared forum for the exchange of ideas, experiences and knowledge. Additionally, the Company will use tactical tools such as email newsletters segmented by customer profile to establish and reinforce customer relationships. Additionally, the Company will provide books, magazines, newsletters, case studies, conferences, and develop other e-learning initiatives under the Trump University brand. The information curriculum will be an important, visible and ongoing component of the customer's education process.

In addition to selling individual courses, the Company will package its curriculum into certificate-conferring bundles. For example the university may grant a Project Management Certificate upon successful completion of a focused curriculum comprised of three Knowledge Courses and two Experiences (e.g., case studies). Although these

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## Trump University Business Plan

certificates will not be accredited, they will demonstrate to prospective employers a level of proficiency in the stated discipline.

As the Company matures and identifies demand hot-spots, it will develop additional products and services. Apart from the products themselves, the Company will monetize the demand for access to Mr. Trump himself. Given the personal nature of the Company's brand, we expect that customers will place significant value on the ability to interact with Mr. Trump. Premium levels of membership can be created that grant increasing levels of feedback and interaction. For example, a bronze, silver, gold level membership hierarchy can be implemented with members at the highest level attending an annual or quarterly seminar keynoted by Mr. Trump but conducted largely by members of the Company's Advisory Board. Based on comparables and market demand, this level of membership could command between \$2,000 and \$5,000 per year. Extensions of the Company's core product offerings are almost limitless and will be driven by market demand.

### 5.0 CONTENT DEVELOPMENT

Trump University's curriculum content will be world-class. An Academic Advisory Board will oversee the development, implementation and continuous refinement of a curriculum architecture that meets the needs of our core customers. The Academic Advisory Board will be made up of highly regarded academic and business leaders that will serve as a key resource in helping Trump University develop and produce successful course offerings. Our Advisory Board will be comprised of individuals with superb records of business success, including executives of Fortune 500 companies and successful entrepreneurs. The presence and quality of this Advisory Board will immediately signal to the market and our customers the investment that the Company is making into ensuring the highest quality product offering.

The content for individual courses will be purchased and/or licensed from world-class academics and business practitioners. There are many excellent sources of third party content but we will rely particularly on Adjunct Professors from leading undergraduate and graduate business programs (e.g., Columbia, Wharton) that are not typically encumbered by university intellectual property guidelines. These professors will be gifted scholars, enthusiasts, communicators—and entertainers. We are currently recruiting professors through an outside academic consultant.

The curriculum will be dynamic in response to customer purchase patterns and external market forces. For example, if we find that a significant segment of our customers are purchasing entrepreneurship courses, we will proportionally focus future product development efforts in that area. We will also let emerging business trends in the marketplace inform our ongoing content development priorities (e.g., how to effectively outsource services to India).

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Trump University Business Plan

Experience Curriculum content will be sourced from third-party sources as well. Companies that specialize in business simulations (e.g., Forio) and case studies (e.g., Harvard Business School Press) will be ideal partners in this area. Additionally, pursuing our philosophy of presenting real-world challenges and solutions, the Company will solicit dynamic case-studies from the Trump Organization, sponsorship organizations and other companies.

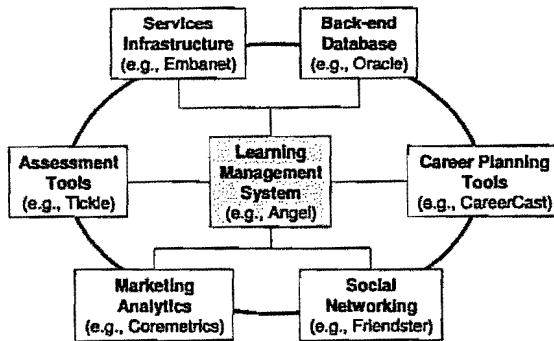
The Company will employ a full-time editor to ensure that the tone and personality of all content is consistent with the Company's overall brand. The Company will also package or author, as necessary, content from Mr. Trump himself. This specialized content will feature case studies based upon historical or current projects, excerpts from existing Trump and third-party publications, and audio/video footage.

**6.0 TECHNOLOGY**

As the online learning industry has matured over the past decade, a robust set of supporting technologies have emerged. A key advantage that the Company has is the ability to leverage these third-party capabilities to dramatically accelerate time-to-market. The quality of the Company's underlying technology is absolutely critical to its success. Because service and support are such important success factors today in the rapidly growing online learning space, Trump University will utilize an outsourced e-learning vendor that can support multiple platforms with a full-service approach to delivering an enterprise solution. This will ensure speed to market while guaranteeing access to best of breed technologies that may be changed over time as the Company evolves. Outsourced functions include: ASP hosting, maintenance, security, upgrades, content and application integration, project management, deployment services and technical support.

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*Technology Infrastructure*



## Trump University Business Plan

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There are a number of educational solution providers (e.g., Embanet Corporation) that work with non-proprietary learning platforms that allow Trump University to move solutions in-house or to other providers at any point in time. Trump University will provide the highest levels of service by utilizing the chosen vendor to provide front-line customer service to end users including 24/7 live technical support via email, online chat and telephone. Studies have clearly demonstrated that customer retention is significantly increased by an easily accessed support function. And importantly, support and service drive overall customer satisfaction which in turn drives word-of-mouth referrals and re-orders.

Trump University will develop a full set of online orientation and assessment courses to help increase retention and completion rates for online courses. The online orientation also serves to integrate the psychology of being an online learner with the technical aspects of taking an online course. The key benefit will be ensuring the online learner is prepared before the class even starts and quickly identify at-risk learners who can be helped before the course begins. Learners win by having realistic expectations of a Trump University online course resulting in higher retention and satisfaction rates.

Trump University online courses will utilize a rich media authoring system that dramatically simplifies the production of interactive communication and e-learning. It will allow Trump University to create a cohesive, engaging Web-based presentation that will include: audio and video, synchronized PowerPoint slides, documents, graphical animations and simulations, polling and assessment questions and e-mail and chat. Trump University will offer self-paced online course that will contain between four and six hours of work. Courses can be accessed and played over and over yet will be set to expire after a set period of time, anywhere from 8 to 16 weeks from purchase.

Trump University's website will have a simple interface with built in controls and search capabilities throughout the site, course catalog and individual courses. Free previews of every course will be available along with the ability to view exhibits, including case studies, chapter descriptions and other relevant documents. Trump University courses will feature video that can be viewed with a dial-up connection of just 56K bps; audio-only and text-only options; a free printable textbook and exhibits; and mailed completion certificates will be provided. Eight new courses are added monthly from a launch catalog of 100 courses.

The technology will allow for a completely self-service environment. Given the price point of the Company's average offering, it will be important to minimize the cost-to-serve customers to maintain margin structure. The Trump University website will be fully e-commerce enabled and will accept credit cards as the method of payment (Visa could become the preferred card based upon sponsorship opportunities). Affinity discounts and customer referral reference codes will drive viral purchasing behavior, as an individual will receive consideration in the form of discounts and other recognition for their endorsement and recommendation of our services. We will also provide our strategic partners with promotional offerings for their client and customer base.

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## Trump University Business Plan

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The Company will leverage state-of-the-art marketing analytics and Customer Relationship Management capabilities to continuously mine the customer database to convert registered users to customers. As information is collected through the initial registration process and ongoing interactions, the Company will build a profile of customers and prospects that allows it to send increasingly targeted offers via email, outbound telesales and direct mail. The technology to support these ongoing efforts is widely available. The challenge from a technology perspective is to integrate disparate solutions from third-party software vendors to present a seamless customer experience. We will rely on an integration partner to ensure quality and timeliness.

### 7.0 MARKETING STRATEGY

Trump University is committed to the idea of making people more successful: better workers, better deal makers, better entrepreneurs, and better employers. The Company is positioned as a lifelong learning partner for its customers focusing on business education within the context of personal growth.

The Company's marketing strategy is to leverage the Trump brand to build the largest database of registered users possible and to use leading-edge marketing analytics and customer relationship management tools to mine the database to convert subscribers to buyers. Populating the database initially with the one million plus applicants to Apprentice 2 and building momentum through the Apprentice 2 finale, taking advantage of every media and promotion opportunity possible, will allow us to build a 2mm plus database rapidly. Initially, the vast majority of new registrants and customers will be sourced through public relations and promotional activities. We anticipate that over time the media buzz surrounding the launch will subside and in preparation for this drop in promotion-generated leads, we will accelerate online marketing and strategic partnership implementation. By balancing lead streams and continuously mining the database of registered users, we will ensure steady customer growth.

**7.1 Promotion:** The Company will employ a mix of online and offline media to reach the greatest possible audience as cost effectively as possible. We will measure response rates and conversions by media channel and direct resources accordingly. Unlike traditional online education companies that spend as much as 30% of revenues on customer acquisition, Trump University will rely most heavily on low-cost promotional campaigns that take advantage of the free publicity surrounding Mr. Trump and the launch of the university. Additionally, as the university's primary spokesman, Mr. Trump will have a multitude of opportunities to promote the venture. The Company's multi-channel marketing mix will include:

- **Public Relations** – The Company will work with an outside Public Relations consultant or firm to ensure that it capitalizes on the enormous publicity surrounding Apprentice 2. A well orchestrated publicity campaign supporting

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## Trump University Business Plan

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the launch of Trump University will access traditional print, broadcast and online media, generating millions of unique impressions.

- **Advertising** – Using current exposure and media programs available through Mr. Trump (e.g., Apprentice 2, Trump World, Trumped!), Trump University will integrate its brand, products and message through live sound bites and in print quotes from its most important spokesman. Audience members who tune in and listen through these media channels will be directed online to act on Mr. Trump's advice. The Company does not plan on purchasing any advertising during its launch year.
- **Online Marketing** – Online marketing is an effective tool to generate click-throughs to Trump University. We will utilize contextual and search marketing programs, opt-in email along with limited online advertising to deliver our message and ensure that we are easily found on the web.
- **Database Marketing** – The most successful marketers on the Internet today are database marketers. Trump University will send targeted promotions to each segment of their customer and prospect lists, measure the value of each individual customer, track promotional efforts, measure responses, purchases, course completion and the return on investment for every dollar spent. Trump University will use every opportunity to gather information on our registered customers, leads, and prospects. Through sophisticated data segmentation techniques Trump University will be able to target new course offerings by market segment and customer characteristics. In addition, the stored information will be compiled in a marketing database and be used at both the strategic and tactical levels to drive targeted marketing efforts. Trump University will continually gather, refine, and analyzes data about its customers, their buying history, demographics, etc. Trump University will analyze the data to turn it into information that supports all direct marketing, telemarketing and sales programs. In summary, database marketing will result in enhanced sales with limited marketing expenses – and a better return on our marketing investment.
- **Viral Marketing** – Distributing semi-weekly newsletters and incorporating various techniques that facilitate the quick spread of the Trump University brand, including encouraging members to pass Trump University content and information on to friends and coworkers.
- **Telemarketing** – Telemarketing is one of the most effective means of converting registered users into buyers. Trump University will hire an outbound telemarketing firm to follow up and sell course offerings to online registrants. Because the Company does not offer government loan programs, it is not bound by federal restrictions barring incentive-based pay for sales and marketing individuals. Outsourcing telemarketing will allow the Company to

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## Trump University Business Plan

meet the spike in interest created by its launch without having to staff up internally. Our telemarketing partner will have state-of-the-art equipment to obtain the highest dial rates, penetration and conversion. For example, incoming call routing systems use ANI (Automatic Number Identification), allowing the call center representative to view screen-pops with a customer's case history plus information regarding different online learning products. This technology dramatically increases sales and improves customer service levels. DNIS (Dialed Number Identification Service) identifies a particular toll-free number dialed for better reporting in multiple campaigns. Additionally, several vendors offer performance-based pricing which would only charge Trump University for the number of orders generated. After year one, Trump University plans to develop an internal blended contact/call center, which would handle both inbound and outbound contacts, where telephone calls, emails, chat are routed to the same agent pool. A blended environment gives Trump University a more complete view of its customers and prospects; allowing us to be more proactive in building customer relationships and direct marketing/response campaigns around new offerings.

- **Strategic Alliances and Partnerships** – The Company will develop cross marketing programs with complementary online and offline partners to prominently display the Trump University banner and logo on their websites and on point-of-purchase materials. Trump University will attract a large mainstream business audience and several targeted niche audiences. Mr. Trump's existing relationships with leading organizations such as Visa, Office Depot and Yahoo! HotJobs are excellent opportunities to secure additional sponsorship revenues. Advertisers on the Apprentice are also ideal candidates for sponsorships. Trump University will offer these organizations the ability to build brand exposure over a registered network of online learners with a highly attractive demographic profile. These online partners will enjoy continued exposure and sponsorship over the Trump University network and brand while helping to leverage online traffic and qualified prospects for the Trump University.com website. For example, tapping into Monster.com's 40 million registered users as a lead stream is invaluable. These relationships may also be structured as revenue sharing partnerships.

**7.2 Pricing:** Trump University courses will be priced at \$300 per course. This price point brings the offering within reach of a broad audience that can not afford the \$1,000 - \$1,300 per course price that accredited universities charge for individual courses. Bundled, certificate-granting programs will retail for \$1,000-\$1,500. The pricing strategy is geared to make quality content accessible to the broadest market possible.

**7.3 Positioning:** As branding experts put it, Mr. Trump is among a small handful of "living" brands that have found widespread fame. In the consumer's view, Mr. Trump's brand is tied to both his business success and his lifestyle and sense of

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## Trump University Business Plan

personal style. The Trump brand connotes a premier product and Trump University will be consistent with that image. By seeking the participation and endorsement of premier businesspeople, institutions and corporations we will help define and craft our image and commitment to lifelong business education. A registered Trump University member and course graduate will offer a clear, unmistakable means to demonstrate for current or potential employers, peers and the general public that one has a commitment to business, success and personal improvement.

Trump University will attract an affluent audience of over a half million unique users each month. These users will have a higher than average household income: According to Nielsen Media Research, the Apprentice episodes drew between 20 and 28 million overall viewers and won the hour in every key demographic including the top ranked Adults 18-49 show on any network for the evening. The Apprentice's Adults 18-49 finale numbers rank as the third largest entertainment telecast of the 2003-04 season, behind only the Academy Awards and the post-Super Bowl episode of Survivor: All-Stars. The two-hour finale of The Apprentice was seen by more than 40 million viewers who watched all or some of the reality hit's conclusion. Trump University will use the upcoming season finale of the Apprentice 2 as a forum for its launch.

Trump University intends to officially launch its website in December 2004. The company will be building traffic and registration off the launch of the final episode of The Apprentice 2, featuring the live reveal of the winner. The live two hour finale from last year was seen by 40 million viewers. In addition to national television, Trump University will run a public relations campaign that focuses on education, its value, its competitive advantage and its brand name. Trump University also believes that because of Mr. Trump's public persona and media attention, word-of-mouth will play a strong role in building a large following and website traffic. In addition Trump University is developing strategic partnerships with complementary online and offline companies to help drive traffic back to the site.

### **8.0 COMPETITION**

Existing providers of continuing education business curriculum are either for-profit companies such as The New School or The Learning Annex or not-for-profit associations such as the American Management Association. These providers have just recently begun to migrate content online and use this channel primarily as a hook to attract customers to much higher priced live events (e.g., lectures). The provider market is highly fragmented and geographically dispersed without any

Non-branded providers are struggling to gain traction in the market and to build a viable customer base. Although the online learning market is in its early development, the vast majority of for-profit providers have chosen to focus on accredited learning, especially in

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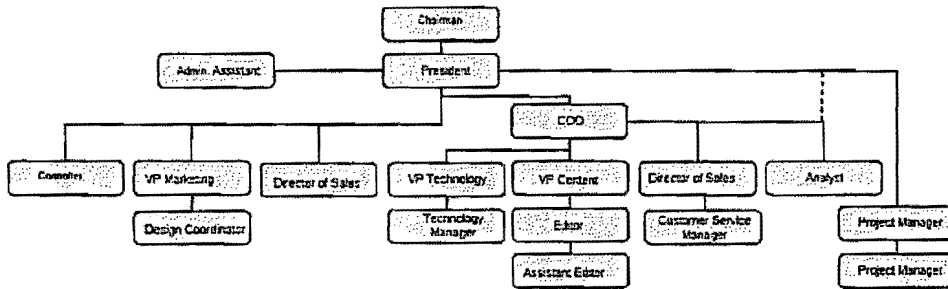
Trump University Business Plan

the healthcare and information technology fields. The market for continuing business education is large and underserved.

**9.0 ORGANIZATION**

The development and launch of Trump University requires a senior management team comprised of accomplished professionals that can execute the Company's strategy. Given the accelerated timeframe of the Company's launch, the senior management team will be recruited immediately to support the complexity of the build phase. We anticipate that the team in place through the first year of operations will be sufficient, with very few additions, to support the growth of the Company going forward.

*Organization Structure*



Members of Trump University's senior management team include:

- **Chairman:** Trump University's Chairman is Mr. Donald J. Trump. The Chairman is responsible for the overall governance of the Company and the setting and sustaining of its vision. The Chairman is the visible and vocal face of the Company to the public and the media.
- **President:** The President shall be the chief executive officer of the Company and serve as the main point of contact for the Chairman. The President is responsible for developing and managing the implementation of the Company's business strategy and operating plan. He is accountable for achieving profit and return on capital targets and will lead sales and marketing activities while managing and representing the company through the national media launch during Phase 1. The President will lead and develop strategic partnerships across new and existing brand partners. The President will be responsible for hiring senior management and establishing the organizational structure. The President will develop the long term strategy of the University and oversee Phase 2 launch of corporate learning programs and Phase 3 deployment of specialty degree programs. The President shall obtain the necessary business and technical requirements to achieve long term growth and future accreditation of the University.

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## Trump University Business Plan

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- COO:** The Chief Operating Officer (COO) plans and directs all aspects of an organization's operational policies, objectives, initiatives. This position will report to the President. The COO will be responsible for the attainment of short- and long-term financial and operational goals including initial contract negotiation, purchasing, implementation, and integration of all technology platforms within Phase 1. The COO will bring leadership, strategy, sound judgment and structure to the company's eLearning team and outsourced vendors to achieve world-class curriculum and customer satisfaction. He will ensure that core online products of sufficient quantity and quality are developed yearly to achieve above-industry revenue growth performance and sustain high margins. The COO will set instructional strategies, project scope, time frames and resources requirements for web interface, course creation and deployment. Additionally, the COO will direct the purchasing/licensing and refinement of all eLearning courses to ensure sales and repeat customers. The position will ensure service strategies and levels of service are aligned to customer needs and measurable standards and benchmarks are in place.
- VP Technology:** The VP of Technology will manage multiple outsourced development teams and software engineering efforts for company Web and online learning products. The VP of Technology is responsible for Web application development and architecture, enterprise systems architecture, management of LMS and CMS software development and integration. He/she will drive design and create technical specifications for development of course products and outside vendors. Additionally, the position will be responsible for developing plans, requirements, specifications, timelines, estimations, resource allocation, tracking, milestones and development of the entire eLearning platform. The VP of Technology will handle oversight of complex Learning Management System, including decisions for best practice, enhancements, upgrades, and expanded usage. Act as liaison with external and internal staff/vendors while managing the reporting, metrics, evaluation, logistics, infrastructure, and administration of all company technology.
- VP Content:** The Vice President of Content will oversee the development, implementation and continuous refinement of a curriculum architecture that meets the needs of our core customers. The VP of Content will work with an outside team of professors/practitioners and be responsible for drafting eLearning content for courses to be published on a Learning Management System (LMS). Additionally, he/she will collaborate with other eLearning specialists, internal contractors, external vendors, and/or supplier training specialist in the creation of eLearning deliverables. The VP of Content will work with the technical team to ensure course content (audio scripts, on-screen copy, digital media descriptions, and programming) is integrated into the LMS, and oversee testing of the online course to ensure accuracy. This position would be required to coordinate with multiple teams to gather content, solicit feedback and oversee edits to website,

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marketing materials and course materials. Additionally, the VP of Content will be required to conduct usability test and pilots to assess training effectiveness.

- **VP Marketing:** Reporting to the President, the Vice President of Marketing is responsible for the co-development and implementation of marketing programs and strategies to drive growth from the retail market. The Vice President of Marketing oversees development of policies, procedures and objectives for marketing and selling the University products and services. The VP of Marketing will oversee product/service pricing, marketing budgets, and sales and tracking of online courses. This will include all forms of market outreach, follow up and results reporting on the effectiveness of acquisition efforts across multiple channels. The VP Marketing will be responsible for lead generation marketing efforts including online customer acquisition and database marketing efforts. Specific responsibilities include: executing marketing programs using media and strategic partners; tracking of industry, products, customers and competitive trends; identifying new opportunities for marketing eLearning products to corporations; ensuring marketing programs are delivered on time and on budget; negotiating media buys; managing media buys and budget; creative positioning; results analysis; and working collaboratively with the Director of Sales and Vice President of Content.
- **Director of Sales:** Reporting to the President, the Director of Sales is responsible for generating sales from corporate customers. He/she will be recruited during the first quarter of 2005 to develop and execute a sales strategy targeting corporate learning buyers in small and middle market companies. The Director of Sales will be required to establish revenue and measure profitability goals by client, product and service. This position will interact with the marketing team to help develop and fine tune product positioning strategy.

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**DEx. 7**

**Lodged Under Seal**

DECLARATION OF MICHELLE GUNN

I, Michelle Gunn, declare:

1. I am over the age of 18 and not a party to this action. The following facts are based on my own personal knowledge and, if called as a witness, I could testify to them.

2. I am providing this declaration freely and voluntarily. I have had the opportunity to review the contents of this declaration and to make any changes I believe are necessary so that it is accurate. I understand that Trump University (aka Trump Entrepreneur Initiative) may use this declaration to support its defense in *Makaeff v. Trump University et al.*, and/or *Cohen v. Donald J. Trump*, and/or *The People of the State of New York v. The Trump Entrepreneur Initiative et al.*, cases described to me.

3. In approximately May 2010, I received a postcard in the mail from Trump University advertising a free seminar on May 25, 2010. I decided to go to the seminar because I am a believer in constantly continuing to learn and adapt to new times and situations. I come from a family of contractors, including my husband who is a general contractor, and we were feeling the effects of the downturn in the real estate market, so I was hoping that Trump University could give me new information that could help us find a new way to make money in the real estate market.

4. At the free seminar I decided to sign-up for the three-day seminar. I made the decision to sign-up for the three-day seminar because I felt that after listening to the speaker explain the curriculum and the individual coaching available, Trump University was offering the type of seminar I was looking for.

5. I was an owner of a dance studio and as part of that occupation I attended many seminars related to that industry so by the time I went to Trump University I understood the difference between a traditional university education and the education from a seminar business. Even though Trump University had the word "university" in its name, I understood that I was purchasing programs from a seminar business, not a traditional university. I knew that I wouldn't be receiving any degrees or educational credits from my participation in Trump University, and my understanding was that Trump University was not an accredited university.

1           6.       Prior to signing up for the three-day seminar, I don't recall ever seeing a video in  
2 which Donald Trump appeared. I also was not given the impression that Donald Trump would  
3 be "handpicking" all of the instructors or mentors. Even if he did "handpick" the instructors or  
4 mentors, that was not something significant to me in deciding to purchase Trump University.  
5 For me, what was important were the topics that Trump University taught.

6           7.       I attended the three-day seminar with a free guest, my mother, and I also brought  
7 my two sons, Austin and Houston, with me. At the time, Austin was 15 years old and Houston  
8 was 13. I asked the instructor, Steve Goff, if it was okay for Houston and Austin to also sit and  
9 listen and he graciously allowed them to also attend for free.

10          8.       Throughout the three-day seminar, we learned a lot of great information. For me,  
11 the most valuable things I got from the seminar included:

12                   (a) I was able to erase the fear I had in buying real estate that was not in my  
13 backyard. I learned enough information to feel confident investing anywhere the  
14 right deal was located.

15                   (b) I was introduced to the opportunities of private money lending. In my  
16 previous real estate transactions I had used traditional bank financing. With the  
17 downturn in the real estate market, traditional financing was no longer an option  
18 because the banks had cut us off. Thus, learning how to finance real estate  
19 transactions with private money was very important to my family's ability to  
20 continue with real estate investing.

21                   (c) Learning how to leverage the properties I already owned. Before Trump  
22 University, I used to buy properties and rent them out. After Trump University, I  
23 learned that I could leverage the properties I purchased into buying new properties  
24 as well as just renting them out.

25                   (d) I learned how to partner with others on real estate deals. Before Trump  
26 University, I limited my investments because I felt it could only be me and my  
27 husband or me and my mother investing together. After Trump University, I  
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1 learned to work with other investors outside my family and ways to protect  
2 myself when doing so.

3 9. Because I learned so much from the three-day seminar, I decided to purchase the  
4 Gold Program. I purchased the Gold Program because I thought it would be very helpful to have  
5 a mentor who could guide me, especially with the new financing techniques I had learned.

6 10. Initially, upon signing up for the Gold Program I was assigned a mentor that I did  
7 not think was the right fit for me and my investing goals. Because I felt he was not the right fit, I  
8 contacted Trump University and was assigned a new mentor, Lee Arnold. The most important  
9 things Lee Arnold helped me with was learning about buying properties from foreclosure  
10 auctions and obtaining private money lending.

11 11. Within the first twelve months of being in the Trump University program I  
12 purchased several investment properties by using private money or leveraging properties I  
13 already owned – techniques I had no idea about before attending Trump University. I either  
14 flipped these properties or am currently renting them out.

15 12. My biggest investment since attending Trump University was an investment I  
16 partnered with my mother on, for the purchase of seven commercial parcels in Washington. We  
17 purchased the parcels at auction (something I learned how to do from Trump University),  
18 arranged for private money to finance the purchase (also something I learned how to do from  
19 Trump University). We purchased the property for \$651,000, and today it is valued at  
20 1,700,000. We are holding on to the property and leasing it. This investment was something I  
21 would not have known how to, or had the confidence to do without Trump University.

22 13. Because I learned so much with Trump University, my family now has the  
23 freedom to live where we want to live and do what we want to do.

24 14. In addition to my positive experience with Trump University, my son Houston  
25 has been able to apply what he learned by attending the three-day program into his own real  
26 estate success. He has not only purchased properties and made profits, but he even wrote a book  
27 in which he discusses his experiences with Trump University. I have attached the relevant  
28 excerpts from the book hereto as Exhibit A.

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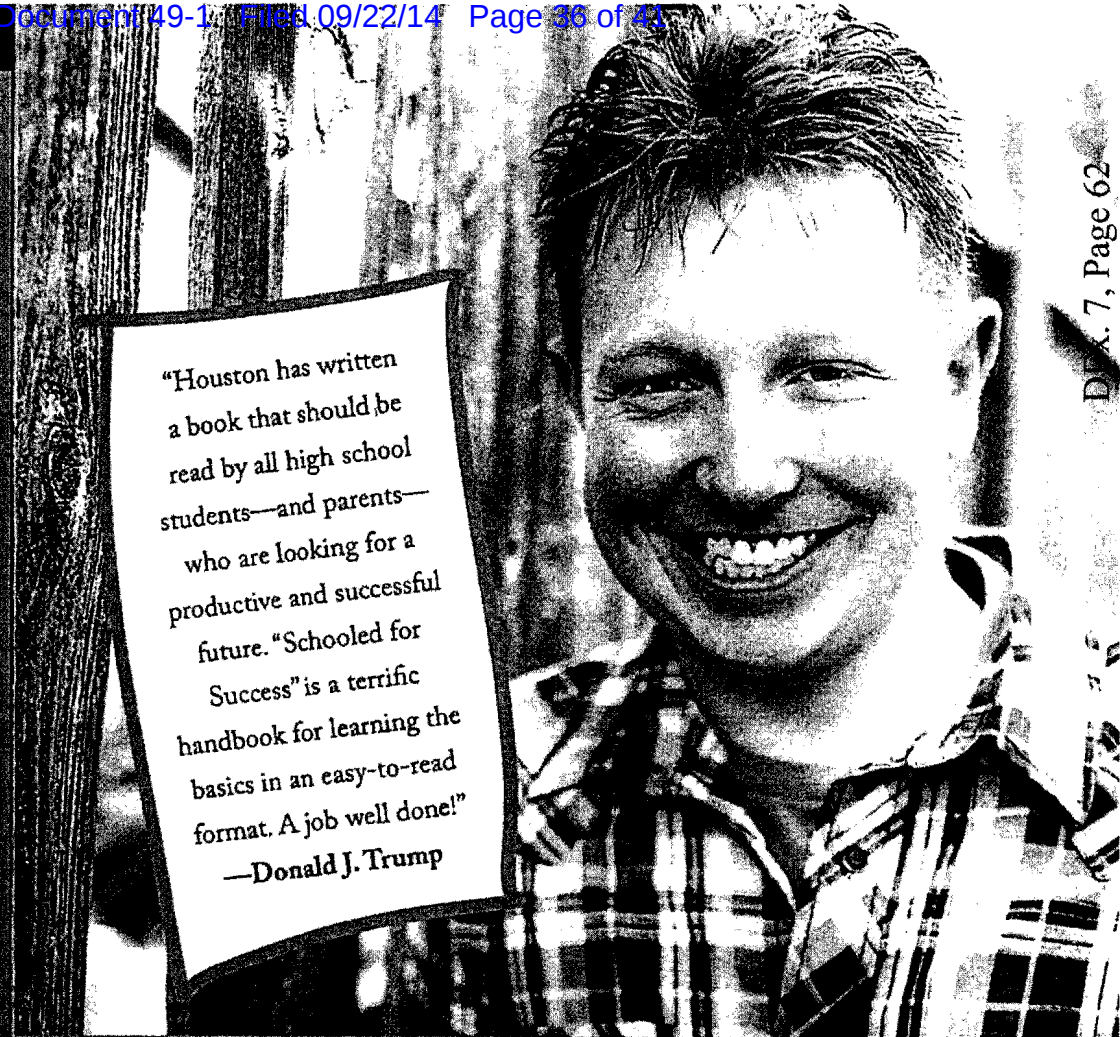
I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 16<sup>th</sup> day of May 2014 at Gallatin, Tennessee.

  
Michelle Gunn

# **EXHIBIT A**





“Houston has written a book that should be read by all high school students—and parents—who are looking for a productive and successful future. “Schooled for Success” is a terrific handbook for learning the basics in an easy-to-read format. A job well done!”  
—Donald J. Trump

EX. 7, Page 62

# SCHOOLED FOR SUCCESS

*How I Plan to Graduate from High School a Millionaire*



## CHAPTER 2

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### Back in Time

MIDDLE SCHOOL WAS FUN, AND I had great seventh- and eighth-grade years. I took great classes and learned so much compared to sixth grade. In addition to my classes at middle school, I got introduced by my mom to a whole new arena in business and the entrepreneurial world. She had started inviting my brother and me to attend conferences and seminars with her. They are two to four days in length and are all over the United States. These events are held on a variety of topics depending which business you are in. The events my mom was attending were on real estate and private money lending.

My first real-estate seminar was when I was twelve years old. It was put on by Trump University. I was excited to attend not only to miss a Friday of school, but also to see what these things were about and what they did all day long. Grandma Linda and my brother went too. It was a family affair that weekend. I had my notebook in hand and was anxious to see what I would see and hear and learn.

HOUSTON GUNN

Little did I know how much this would start to make an impact and change my life. This is where I began to learn about the following:

- » money
- » how to make money
- » how to work for money
- » how to make money work for you

I like the last one the best.

Thank you, Donald Trump, for putting on that event. I am glad I attended those 3 days.

After that event, I wanted to go with my mom to other conferences around the country. She began to speak at them as well. I have only missed two events over the course of three years, and that was because I had events or tests at school that I could not miss without my grade being affected. At each event I would sit in the front row and take as many notes on my pad as I could. I would also fill up the binders that were given to you when you register. Over time, I even started getting comfortable networking with the attendees as well. One of the events included *speed networking*. This is where for the first sixty minutes, you mix and mingle and swap seats with other attendees every sixty seconds, when the music sound rings out. This results in you meeting a new person every minute.

I found this to be a great exercise and liked talking to people from all over the United States. Most all of them complimented me and said they wish they had been able to attend these types of events when they were twelve, thirteen, or fourteen years old. The nice thing was I treated them with respect and greeted them with a handshake and introduction, they treated me with respect right back.

**DEx. 8**

**Lodged Under Seal**



**DECLARATION OF NICHOLAS PERIOUX**

I, Nicholas Perieux, declare:

1. I am over the age of 18 and not a party to this action. The following facts are based on my own personal knowledge and, if called as a witness, I could testify to them.

2. I am providing this declaration freely and voluntarily. I have had the opportunity to review the contents of this declaration and to make any changes I believe are necessary so that it is accurate. I understand that Trump University (aka Trump Entrepreneur Initiative) may use this declaration to support its defense in *Makaeff v. Trump University et al.*, and/or *Cohen v. Donald J. Trump*, and/or *The People of the State of New York v. The Trump Entrepreneur Initiative et al.*, cases described to me.

3. In July 2009 I attended a free Trump University seminar because I was interested in learning more about real estate.

4. Following that seminar, I signed up for a three day seminar. I made the decision to sign up for the three day seminar because at that time I was getting into construction so I thought that attending the seminar would help open my mind to the possibilities of working in the real estate field.

5. When I signed up for the three-day seminar, it was clear to me that I was not attending a traditional "university". I knew that Trump University was a seminar business. While I was attending Trump University I was also attending McNeese University and I was not under the impression that Trump University was an accredited school or that it was going to give me a degree, like I was working toward with McNeese University (where I received a degree in the Fall of 2010). When I first read in the news that people were suing Trump University for using the term "university" in its name I thought that was ridiculous because I never felt that Trump University deceived me into believing it was anything other than a seminar business designed to teach real estate.

6. I do not recall ever hearing that the instructors and mentors for Trump University were handpicked by Donald J. Trump. Even if I had heard this, it was not significant to me, because I

DECLARATION OF NICHOLAS PERIOUX

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did not sign up because I thought the instructors were handpicked by Donald J. Trump. The way I look at it, you can go to an Outback Steakhouse restaurant anywhere in the country and you don't expect the owner of Outback to be there giving you your food. It is known that Outback is a brand, just like Trump is a brand. When I signed up, I understood that Donald Trump had put his name on the business and that was enough for me. I didn't expect that he would have personal involvement.

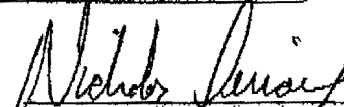
7. I thought that the 3-day seminar taught a lot of useful information. To this day, I have kept the materials I received and still reference them from time to time. Some of the things I remember learning about were short sales, getting a power team involved and who you needed on a power team, real estate contracts, and how the bank process works.

8. I have found my niche in construction, where I currently build and sell homes. Because I found this niche, I have not yet taken the opportunity to really apply what I learned at Trump University. Even though I haven't applied what I learned, I still thought the seminar was good and I got what I paid for. And, I know that I may very well use some of what I learned from Trump University sometime down the road.

9. I went into Trump University understanding that it was not a guarantee to get rich quick. I remember the instructor saying that Trump University could not guarantee that people would make money. I am a strong believer that seminars like Trump University can only give you the information, but you have to go out and do something with what you were taught. For me, even though I don't directly use what Trump University taught me, I think there is value in learning, so I do not consider anything I learned with Trump University to be a waste.

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

Executed this 19 day of June 2014 at 5:33 P.M., Louisiana.

  
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Nicholas Perioix