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UNITED STATES DISTRICT COURT
DISTRICT OF NEW JERSEY

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4/20/87
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BALLY MANUFACTURING CORPORATION,
Plaintiff,

-against-

Civil Action No.
86-4764 (G)

DONALD J. TRUMP, TRUMP PLAZA
ASSOCIATES, d/b/a Trump Plaza Hotel
and Casino, and TRUMP'S CASTLE
ASSOCIATES, LTD. PARTNERSHIP,
d/b/a Trump's Castle Hotel &
Casino,

Defendants.

-----x

January 12, 1987
10:05 a.m.

Deposition of DONALD J. TRUMP, taken by
Plaintiff, pursuant to agreement, at the offices
of Skadden Arps Slate Meagher & Flom, Esqs., 919
Third Avenue, New York, New York, before Barbara
A. Bailey, a Registered Professional Reporter and
Notary Public within and for the State of New York.

Bailey & Shelkin
132 NASSAU STREET • SUITE 600 • NEW YORK, NEW YORK 10038

TRUMP ENTITY TEAM
FEB 9 1987
Division of Gaming Enforcement
CASINO LICENSING SECTION

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A P P E A R A N C E S:

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-and-

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BY: HARVEY D. MYERSON, ESQ.,
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DANIEL J. COOPER, ESQ., of Counsel.

Trump

D O N A L D J. T R U M P,

whose business address is 725 Fifth Avenue,
New York, New York 10022, having been first
duly sworn by the Notary Public (Barbara A.
Bailey), was examined and testified as
follows:

MR. LERNER: Before we begin, Mr.
Myerson, we had asked for copies of diaries,
calendars and things like that to aid us in our
examination. That was requested in a letter sent
last Thursday.

Could we have those, please.

MR. MYERSON: Mark.

MR. SEGALL: We have not received in
response to our document request of you any
diaries or like entries. I'm sure they were
equally within the definition of document
requests.

MR. LERNER: There was a letter
delivered by hand dated 8 January 1987 asking you
to specifically bring to the deposition telephone
logs, appointment calendars, and similar
documents dating from January 1986. We would be
prepared, obviously, to comply with any such

Trump

request by you.

MR. SEGALL: Well, Mr. Lerner, I got that late Thursday night, together with your letter to the court, which required immediate response. As you know, Mr. Trump has been out of town through the weekend and I just have not had an opportunity to inquire with respect to that.

We will inquire, obviously, as to whether there is anything that fits within that category, presuming you're willing to do likewise with respect to your clients.

MR. LERNER: All right. But the problem is, obviously the reason we need them is to facilitate the examination.

Would you mark as Exhibit 1 to Mr. Trump's deposition a letter dated 8 January 1986.

(Document, above referred to, marked as Trump Exhibit 1 for identification, as of this date.)

MR. LERNER: I take it, it goes without saying that the same response is true with respect to our request, that you identify for us to facilitate our examination the Bates numbers of the documents produced from Mr.

Trump

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2 Trump's file, which was also reflected in that
3 letter. Is that right?

4 We asked in the same letter for the
5 Bates numbers of those documents that came from
6 Mr. Trump's files just so we wouldn't have to
7 give Mr. Trump a stack because we didn't want to
8 delay the deposition.

9 MR. MYERSON: Let me cut through this.
10 We don't have the diaries. We got the letter
11 late Thursday night. We had to address your
12 inquiry to the court. Mr. Trump was in Florida
13 over the entire weekend.

14 We will try to get the diaries and
15 other things together promptly, as I'm sure
16 you're endeavoring to comply with our request.

17 Rather than waste time on this, why
18 don't the lawyers get together and work it out.

19 EXAMINATION BY MR. LERNER:

20 Q. Mr. Trump, you have stated your name
21 and address for the record?

22 A. Yes.

23 Q. You have been deposed before, sir?

24 A. Yes.

25 Q. How many times?

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A. A number.

Q. Approximately how many times?

A. I have absolutely no idea.

Q. How many times within the last year,
sir?

A. Within the last year? Meaning last
year, I assume, not the eleven days --

Q. The prior twelve months, preceding
today, sir.

A. I would say it could be eight times,
seven times.

Q. With respect to the deposition here
today, did you prepare for that with your lawyer?

A. Very moderately, yes.

DIR. Q. Were any documents shown to you to aid
your recollection?

MR. MYERSON: I instruct the witness
not to answer.

MR. LERNER: I think I'm entitled to a
yes or no answer under the rules of evidence.

MR. MYERSON: I know you think you are.
I instruct him not to answer on the ground of
attorney-client privilege.

Q. Were you asked, Mr. Trump, to search

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your files in connection with the document requests served by the plaintiff Bally in this action?

A. I believe I was asked, yes.

Q. Did you in fact search your files?

A. I believe that people in my office that are more familiar with my files were asked to do that and they did that.

Q. Could you tell me the names of the people who actually conducted the search of your files, sir?

A. Susan Heilborn would be, really, the person in charge. That was the person I would have instructed to search the files.

Q. What is her title, sir?

A. She is a vice president and she is an attorney, in-house attorney.

Q. In-house at Trump Organization?

A. Yes.

Q. Is that a corporation, sir?

A. The Trump Corporation is a corporation. If you're talking about the Trump Corporation, that is a corporation, yes.

Q. What is the relationship between the

Trump

1
2 Trump Organization and Corporation?

3 A. Trump Organization is an overall
4 masthead for lots of different organizations and
5 partnerships.

6 Q. Do you know who else's files were
7 searched other than yours?

8 A. I really am not familiar with it.

9 Q. Nobody told you who else's files were
10 being searched?

11 A. Not that I know of.

12 Q. Who is Mr. Harvey Freeman? Does he
13 work for you?

14 A. Yes.

15 Q. What is his title?

16 A. He is an executive vice president of
17 the Trump Organization.

18 Q. He's an attorney?

19 A. He's also an attorney, yes.

20 Q. Does he have a financial background?

21 A. He does have somewhat of a financial
22 background, but primarily it's a legal background.

23 Q. Does he advise you in connection with
24 acquisitions?

25 MR. MYERSON: I'm going to object to

Trump

1
2 the form of the question and ask you to define
3 what you mean, and also how this is relevant or
4 may lead to relevant information.

5 If you want to ask him in terms of
6 Bally, that's fine.

7 MR. LERNER: First I would like to
8 know generally.

9 Q. Is it part of his duties and
10 responsibilities to consult with you
11 concerning potential acquisitions?

12 MR. MYERSON: If any.

13 A. Not really in particular. I speak to
14 Mr. Freeman. I speak to a lot of people in my
15 organization. But that's not a primary purpose
16 of Mr. Freeman, no.

17 Q. Is it a purpose?

18 A. Not particularly, no. I speak to Mr.
19 Freeman about a lot of things. The word
20 "consultation" is a difficult word. I would say
21 I would really not get Mr. Freeman too much
22 involved in that regard, although I certainly
23 speak with Mr. Freeman on a regular basis about
24 various things.

25 Q. Is there anyone within the Trump

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2 Organization who would have as a primary
3 responsibility providing advice to you in
4 connection with any acquisition you may wish to
5 make?

6 A. As a primary responsibility? Not
7 within the Trump Organization.

8 Q. Would someone have a responsibility
9 within the Trump Organization?

10 A. Sure. I have a lot of people talking
11 to me about different deals: purchases of real
12 estate, land, whatever. Mr. Freeman would also
13 fall within that category, but I wouldn't say the
14 primary responsibility.

15 Q. What about to advise in terms of hotel
16 casinos? Is there anybody whose primary
17 responsibility would concern advising you in
18 terms of hotel-casinos?

19 A. Within the Trump Organization?

20 Q. Yes.

21 A. No.

22 Q. How about how at the Trump
23 Organization. Would there be such a person?

24 A. I would say the person that I most
25 generally would speak to would be a man on Wall

Trump

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2 Street who I regard highly. Would you like to
3 know his name, out of curiosity?

4 Q. I think I know who you're referring to.

5 Do you own and operate two hotel-
6 casinos in Atlantic City, New Jersey?

7 A. I do.

8 Q. Just as a matter of organizational
9 structure, with respect to Trump's Castle Hotel &
10 Casino, sir, that's one of the two hotel-casinos
11 that you own and operate?

12 A. Correct.

13 Q. That's actually the name by which the
14 limited partnership is known; is that correct?

15 A. Yes.

16 Q. The limited partnership is Trump's
17 Castle Associates Ltd. Partnership?

18 A. I believe that's correct.

19 Q. And you are a general partner as well
20 as a limited partner of that partnership?

21 A. Yes.

22 Q. You own a hundred percent of the
23 shares of a corporate general partner, do you not?

24 A. That is correct.

25 Q. With respect to the other hotel-casino

Trump

1
2 in New Jersey that you own, that would be Trump
3 Plaza Hotel and Casino?

4 A. Correct.

5 Q. That was formerly the joint venture
6 you had with Harrah's?

7 A. Correct.

8 Q. And Harrah's is the gaming subsidiary
9 of Holiday Inns?

10 A. Right.

11 Q. That was a 50-50 joint venture?

12 A. Right.

13 Q. There came a time, I guess, in May of
14 1986 when the Holiday Inns' 50 percent was
15 transferred to you personally; is that right?

16 A. It was purchased by me, not
17 transferred. It was purchased and then
18 transferred, yes.

19 Q. As a result of your ownership in the
20 two hotel-casinos in Atlantic City, do you
21 consider yourself a person with expertise in the
22 management of hotel-casinos?

23 A. Yes.

24 DIR Q. Have you an interest in acquiring
25 additional hotel-casinos in Nevada?

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A. If the right --

MR. MYERSON: Just one second. Are you talking about Bally or are you talking about generally?

MR. LERNER: Generally.

MR. MYERSON: I'm going to instruct him not to answer on the ground that it would be releasing competitive information which you're not entitled to.

If you want to ask him something about Bally, you go ahead and ask to your heart's content.

MR. LERNER: I asked a general question.

MR. MYERSON: I know. And I asked him not to answer on the ground just stated.

MR. LERNER: Because it involved competitive information?

MR. MYERSON: Right. He's involved in competition with your client and your client is not entitled to know what he is or may be thinking regarding other transactions.

Your client is entitled to know everything that it's entitled to know relating to

Trump

1
2 the Federal Rules relating to Bally, and I wish
3 we would get to that. It would move this along.

4 Q. Have you said to anyone that you're
5 keenly interested in looking into a Nevada gaming
6 resort?

7 MR. MYERSON: I object to the question
8 and instruct the witness not to answer.

9 MR. LERNER: Same ground?

10 MR. MYERSON: That's right.

11 MR. LERNER: That it's confidential?

12 DIR Q. Isn't it a fact, Mr. Trump, that you
13 have revealed the information that your lawyer is
14 terming as competitive, sensitive information to
15 the press in Nevada?

16 MR. MYERSON: I instruct the witness
17 not to answer.

18 MR. LERNER: On what ground?

19 MR. MYERSON: It's an improper
20 question. Ask if he made a statement. If you
21 have a newspaper to show he made a statement
22 publicly to the press in a newspaper --

23 MR. LERNER: It's a perfectly proper
24 question.

25 MR. MYERSON: I instruct the witness

Trump

not to answer on the same ground as before.

MR. LERNER: Would you mark an article that appeared in the Review Journal dated December 20, 1986.

(Article dated December 20, 1986, above referred to, marked as Trump Exhibit 2 for identification, as of this date.)

Q. Mr. Trump, would you be kind enough to review Exhibit 2 for identification.

MR. MYERSON: Do you have an extra copy?

MR. LERNER: Yes. As a matter of fact, I do.

A. What would you like to know?

Q. It quotes you, Mr. Trump, as saying, "I'd love to do something in Nevada."

Is that an accurate quotation of something that you told a reporter in Nevada?

A. I don't specifically remember this quote.

MR. MYERSON: Read the whole quote, please, before you answer the question.

A. The quote really refers to the second line of that quote. It's really an inaccurate

Trump

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2 statement, obviously, unless you read the second
3 sentence of that quote.

4 Q. With respect to the first portion of
5 the -- have you seen this article before, by the
6 way?

7 A. I don't know. I might have. I have
8 seen a lot of articles.

9 Q. It says, "'I'd love to do something in
10 Nevada,' Trump said."

11 MR. MYERSON: "'I'd love to do
12 something in Nevada,' Trump said. "Right now I
13 am satisfied with what I have. I am trying to
14 get a feel for everything in the state."

15 Q. With respect to doing something in
16 Nevada that you would love, what is that a
17 reference to, Mr. Trump?

18 A. Well, I think I'm really referring to
19 that it is possible that at some point I would
20 love to do something in Nevada, but what I'm
21 really doing is prefacing that with something I
22 said in the second sentence by saying right now
23 I'm satisfied with what I have.

24 Nevada is a wonderful state and at
25 some point I would love to do something in Nevada,

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but --

Q. With respect to your love of doing something, what is it that you would love to do?

A. If it were appropriate, if the time were right and discounting what I say in the second sentence, which is really referring to that period of time or this current period of time, some day in the future it is possible that maybe I would want to build a large hotel, a quality hotel and casino in Nevada.

MR. LERNER: Ms. Bailey, would you mark as Trump Exhibit 3 a document that appears to be an article in the Nevada State Journal dated 20 December 1986.

(Article dated 20 December 1986, above referred to, marked as Trump Exhibit 3 for identification, as of this date.)

Q. Mr. Trump, there has been a mark placed next to the third paragraph to which I refer you.

Do you see that?

A. Yes, I do.

Q. It says "the 40-year-old billionaire New York developer and casino magnate said he's

Trump

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2 keenly interested in buying into a Nevada
3 gambling resort...."

4 Did you in words or substance state
5 that to anyone while you were in Nevada on or
6 about the date of this article?

7 MR. MYERSON: Let's go off the record
8 for one second.

9 MR. LERNER: Excuse me. Could I
10 please have an answer to the question. There is
11 a pending question. You know as well as I do
12 it's a properly framed question. There is no
13 reason for consultation.

14 MR. MYERSON: Answer the question
15 briefly and then I would like to confer on an
16 attorney-client point.

17 A. Subject to all of the various vagaries
18 of doing business, I might very well be
19 interested in buying into a gambling resort, in a
20 building. I don't know that these -- these are
21 not stated as being my exact words. This is
22 written by a writer, a writer that I don't know.

23 MR. MYERSON: Let him just --

24 A. Subject to the vagaries of doing
25 business, I would be interested in possibly

Trump

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2 either buying in or building a casino in Nevada,
3 yes, but I don't remember this specific statement
4 being made. It might have been made, by the way,
5 but I don't remember it.

6 Q. Did you also say --

7 MR. LERNER: Excuse me. Mr. Myerson,
8 did you wish to consult with your client
9 concerning a matter of attorney-client privilege?

10 MR. MYERSON: No. Go ahead.

11 Q. It goes on to say, "He said we will
12 likely continue to buy the company's stock as
13 soon as he is legally allowed to."

14 Do you see that?

15 MR. MYERSON: I don't have quotes
16 around that --

17 MR. LERNER: I'm quoting the article.

18 Q. The article says, "He will likely
19 continue to buy the company's stock as soon as he
20 is legally allowed to."

21 Did you say in words or substance
22 those words to anyone while you were in Nevada on
23 or about the date of this article?

24 A. I don't remember having said that.
25 It's possible but I don't remember having said

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that.

DIR Q. When you say it's possible that you said that, would you have been concerned that you were giving out confidential, competitive information in making such a statement?

MR. MYERSON: I object to the question and I instruct the witness not to answer.

MR. LERNER: It's a foundation to address your prior objection, Mr. Myerson.

MR. MYERSON: I object and direct the witness not to answer.

Excuse me a second. Off the record a minute.

(Counsel conferring with witness.)

Q. Referring you back, sir, to Exhibit 2 for identification, which I believe is the Review Journal piece. Is that right, sir?

A. Yes.

Q. In the part that is denominated "From 1A," the lower portion of the page, under "Trump," do you see that?

A. Yes.

Q. In the third paragraph, you're quoted as saying, "If properly done, I see great

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potential in Nevada."

Can you tell me, sir, if you know, what was meant by the potential in Nevada?

A. Well, I think basically if a development were properly built and managed, I would say Nevada would have great potential.

Q. For a development?

A. A development. Most likely referring, I imagine -- I think it could refer to any development because I think the state has great promise. It doesn't specifically say but it could have been referring to a hotel or hotel-casino.

Q. When you say a hotel or hotel-casino or development, a development would be something other than a hotel --

A. No. It would be anything, including a hotel-casino.

Q. With respect to a hotel-casino, could you tell me why you feel there would be great potential in Nevada for such a development, if done properly?

A. Because it's my impression that the market out there would probably warrant a quality

Trump

1 facility that would be quality-managed.

2 That's just my feeling. I don't have
3 any statistics to back that up or any great facts
4 to back that up. I just felt that a quality
5 development, quality-managed, with good
6 management, could be quite successful.
7

8 Q. Have you reviewed the various casino-
9 hotels in Las Vegas in forming that conclusion,
10 sir?

11 A. Very moderately. Very moderately.

12 Q. Could you tell me what you mean in
13 terms of moderately.

14 A. I have looked at the Caesar's
15 statement and I have looked at, I guess, the
16 recent results of Bally but in a very modest way.
17 I have looked at some of the Hilton figures.

18 But when I say modest, I would say
19 just looking at some basic information that I had.
20 I think it might have been the various companies'
21 own issuances as to what they are doing,
22 approximately what kind of business they are
23 doing, but it was something, just really a
24 perusal.

25 Q. What about in terms of something well

Trump

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2 done. You said doing well there. Did you review
3 any of the properties as they are currently
4 managed in Nevada to reach the conclusion that
5 you reached?

6 MR. MYERSON: Reach what conclusion?

7 MR. LERNER: He said that it would be
8 appropriate for a development to be built and
9 there was promise for such a development.

10 MR. MYERSON: And he explained what he
11 meant by that.

12 A. I'm not excluding the fact that
13 certain properties may not be well-managed in
14 Nevada. I just think that another well-managed
15 and conducted project or concept, in my opinion,
16 based upon a certain amount of knowledge, could
17 be successful in Nevada.

18 Q. What I'm trying to get at, with
19 respect to the knowledge on which that conclusion
20 is based, a well-managed operation would do well,
21 have you had an opportunity to look at certain of
22 the other operations that are in Nevada at the
23 present time to reach that conclusion that
24 another facility might do well?

25 MR. MYERSON: Would do you mean by

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look at the operations? He already testified that he may have what he characterizes as taken a modest look at it which he then defined as looking at some of the things put out in their own filings, and he identified some of the companies. What do you mean by looking at the operations?

MR. LERNER: Looking at the actual hotels themselves.

MR. MYERSON: You mean a physical --

MR. LERNER: Yes, sir.

Q. Have you observed the hotels themselves?

A. Sure, I have looked at hotels in Nevada.

Q. Both in Reno and Las Vegas, sir?

A. Very modestly in both places, but I have looked at them, yes.

Q. Could you tell me which hotels you have observed?

A. In Las Vegas, I have looked at Caesar's Palace, and I have looked at the Hilton and I have looked at Golden Nugget, and on an even -- and I have looked at Bally. And to a

Trump

1
2 lesser extent, I guess we have looked at, on a
3 very cursory basis, Circus Circus and some of the
4 others.

5 In Reno, the MGM-Grand, which is Bally
6 now, and Harrah's, and basically that would be
7 about it.

8 Q. When did this occur? During 1986, sir?

9 A. During 1986. Recently, very recently.

10 Q. What, if any, review of the hotel-
11 casinos you mentioned did you do, sir, before
12 December of 1986, if any?

13 A. Is that before the purchase of stock?
14 I'm trying to --

15 Q. I know you were there, sir, in
16 December because of the press, and I'm trying to
17 find out whether during 1986 you were in Nevada
18 and had an opportunity to look at any of the
19 properties you referred to.

20 A. My only reviews or look at these
21 hotels, and it was very brief in all cases, was
22 done just recently.

23 MR. LERNER: Would you reflect the
24 conference, Ms. Bailey.

25 (Witness and counsel confer.)

Trump

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2 MR. LERNER: Would you mark as Exhibit
3 4 for identification an article from the Reno
4 Gazette Journal dated Sunday, December 21, 1986.

5 (Article dated December
6 21, 1986, above referred to, marked as Trump
7 Exhibit 4 for identification, as of this date.)

8 Q. Referring you, Mr. Trump, to Exhibit 4 --

9 MR. LERNER: I apologize, Mr. Myerson,
10 it's the only copy I have.

11 Q. -- the article refers on what is
12 denominated Trump 7 at the bottom, "Trump said
13 he's been 'looking at Nevada for quite a while; I
14 would love to do something in Nevada.'"

15 Is that something you said in words or
16 substance during your recent visit in Nevada?

17 A. In looking at any and all of these
18 newspaper articles, I can only refer you to my
19 feelings as to what I would have said by
20 referring you to what I said in my 13D, because
21 that was my intention. Very simple. Subject to
22 economic conditions, subject to rules and
23 regulations -- I can read it to you, if you like.
24 I'll get a 13D or anything you want and read it
25 to you. It would be subject to the various

Trump

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2 filings with the various agencies, the business
3 prospects, the economic conditions at the time.
4 Everything would be subject to that. Really just
5 exactly as I stated in my 13D filing.

6 MR. LERNER: Let the record reflect
7 that the 13D is before the witness. I didn't put
8 it there but I see it's there, Mr. Myerson.

9 I will show him the documents I would
10 like him to focus on, if you don't mind.

11 MR. MYERSON: Well, for purposes of
12 identity, it's there because he made a statement
13 about the 13D.

14 MR. LERNER: It got there before he
15 made a statement.

16 MR. MYERSON: Let me suggest something.
17 Your raising your voice doesn't help --

18 MR. LERNER: It is --

19 MR. MYERSON: -- so so why don't you
20 relax.

21 Why don't you let him finish his
22 statement and say whatever it is you want to say
23 on the record.

24 MR. LERNER: I was about to say, it's
25 your turn.

Trump

1 THE WITNESS: One at a time.

2
3 MR. MYERSON: Mr. Trump referred to a
4 13D as counsel for Skadden, I assume a number of
5 13Ds and amendments thereto have been filed.

6 The 13D, for record purposes, so that
7 it would be helpful to the court and counsel, is
8 the 13D which is dated in a block on the first
9 page November 24, 1986. And the date of the
10 event which requires the filing is referred to on
11 the first page as November 14, 1986.

12 And I assume, Mr. Trump, that you were
13 referring to pages 5 and 6 of that 13D when you
14 were making your statement on the record.

15 THE WITNESS: Correct, yes.

16 MR. LERNER: My turn. I just want the
17 record to reflect that Mr. Myerson put the 13D in
18 front of Mr. Trump immediately after the
19 consultation that they had and that I did not put
20 it there.

21 BY MR. LERNER:

22 Q. Now, going back to my statement, and I
23 heard what you said but I would like to ask you,
24 did you say in words or substance to anyone while
25 you were in Nevada that you have "been looking at

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Nevada for quite a while"?

A. I don't remember specifically having said it. It's very possible I did. I'm not disputing what they are saying. I'm just saying I don't remember specifically having made that statement but it's very possible.

Q. Since you are not disputing what is said here, how long is quite a while?

MR. MYERSON: I'm going to object to that.

Q. Tell me how long

A. I've been looking in Nevada since 21 years old. I look at a lot of places.

I look all over California, all over New York. I look in a lot of places. I have been looking in Nevada since I was 21 years old.

Q. And when it said, "I would love to do something in Nevada," that is also something you said?

MR. MYERSON: Asked and answered.

Let's move on.

MR. LERNER: It hasn't been.

MR. MYERSON: It has been asked and answered.

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MR. LERNER: You're instructing, I take it.

MR. MYERSON: Why don't we waste some more time.

Answer the question again.

A. I really refer back to my 13D. I look at a lot of different --

Q. I don't mean to interrupt you. All I'm asking is whether you said while you were in Nevada in words or substance, "I'd love to do something in Nevada," yes or no?

A. I really don't know. I'm not disputing it but I really don't know specifically if I said that. Is that in the form of a quote?

Q. Yes, sir.

A. I really don't know. I'm not disputing if I said it but I really don't know if I said it specifically.

DIR Q. The reference to something in Nevada would include, would it not, owning a hotel-casino?

MR. MYERSON: Objection. And I instruct the witness not to answer on the ground that he just said he doesn't remember if he said

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it or not.

MR. LERNER: He said he's not disputing what was said, Mr. Myerson.

Q. It says, "I'd love to do something in Nevada." Would that include the construction or ownership of a hotel-casino?

A. It would be one of the alternatives, one of the things you could do in Nevada, certainly.

Q. While you were in Nevada, Mr. Trump, did you meet with the Governor?

A. Yes.

DIR Q. Did you discuss with him your interest in doing something in Nevada?

A. Yes, I was talking to the Governor --

MR. MYERSON: The possibility of his doing something in Nevada?

MR. LERNER: That wasn't my question.

MR. MYERSON: Then I object and I instruct the witness not to answer.

MR. LERNER: I did not characterize his testimony.

MR. MYERSON: My objection stands.

MR. LERNER: Would you please read the

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question.

MR. MYERSON: Just rephrase your question.

MR. LERNER: I would like to hear the other question so I can rephrase it.

(The last question was read.)

A. I discussed with him the interest in the possibility of my doing something in Nevada, subject to a lot of conditions, economic conditions, et cetera, et cetera.

Q. What were the economic conditions you referred to when you talked to the Governor?

A. I would say the state of the country, the state of myself, the state of the state.

Q. Is that what you told him?

A. I don't know --

Q. I'm asking specifically for your conversation with the Governor.

A. I don't know specifically. I told him the general approach was subject to all of the things that I mentioned and that are mentioned in the 13D, that I would certainly perhaps enjoy, subject to the possibilities of changes and a lot of other things, and all mentioned very

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specifically, I think very specifically, that it would be very possible that I would be involved some day in doing business in Nevada.

My meeting with the Governor was for purposes of meeting the Governor, saying hello to the Governor. I have a major stake in a company which has a major stake in Nevada. I think it's appropriate for me to meet with the Governor of the state.

Q. Who else was present?

A. Mr. Nicholas Ribas.

Q. That's your lawyer?

A. Yes. And my brother, Robert Trump.

Q. Anyone else?

A. Yes. Keith Lee.

Q. Is he also a lawyer?

A. He's a lawyer in Nevada, yes.

Q. Does he represent you?

A. Yes.

Q. Who else was at the meeting?

A. Other than the Governor, I don't know.

Q. Did the Governor have any representatives?

A. I believe so.

Trump

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2 Q. How long did the meeting last?

3 A. Only about an hour.

4 Q. Did you have a copy of your 13D with
5 you?

6 A. I don't know if the lawyer had it. I
7 don't remember specifically.

8 Q. Did anyone show it to the Governor?

9 A. I don't think so.

10 Q. With respect to the economic
11 conditions, et cetera, would that refer
12 specifically to your conversation with the
13 governor?

14 A. I don't know. I don't really remember.

15 Q. Did you tell the Governor in words or
16 substance that you were very interested in coming
17 to Nevada?

18 A. It's very possible. I wanted to meet
19 the Governor, I guess was my primary reason for
20 being there, was to meet the Governor, say hello
21 to the Governor and tell the Governor about the
22 possibility of my coming to Nevada.

23 Q. What did you tell him about that
24 possibility?

25 A. That it's very possible that I would

Trump

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2 be interested in coming and doing something in
3 Nevada, that I already had a large stake in a
4 company, namely Bally, and that I thought it
5 would be appropriate for me to come and meet the
6 Governor. We discussed licensing and my
7 licensing and basically that was about it.

8 Q. When you referred to, in your
9 conversation with the Governor, "coming and doing
10 something," what was that a reference to?

11 A. Nothing in particular, just that I
12 have respect for him, I have respect for the
13 state, and it would be possible that we would
14 come and do something at some point in time, and
15 again subject to a lot of different conditions as
16 stated it would be possible that we would come
17 and do something in Nevada.

18 Q. Did you tell him whether that
19 something included buying more stock in Bally?

20 A. I don't remember specifically but it's
21 perhaps possible. I think I filed -- subject to
22 all sort of filings and everything that is only
23 legal -- I would say that I think I filed by that
24 time. I filed that I was going to purchase,
25 subject to approval, I was going to be purchasing

Trump

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2 more and maybe even substantially more stock in
3 Bally.

4 DIR Q. How much do you mean by "substantially
5 more stock in Bally"?

6 MR. MYERSON: Well, Mr. Trump, not
7 being a lawyer, you are unaware that any
8 representations, et cetera, made in the
9 Hart-Scott-Rodino filing are confidential and
10 these gentlemen are not entitled to know what was
11 said in that filing, so I'm going to instruct you
12 not to answer.

13 MR. LERNER: Which filing are you
14 referring to?

15 MR. MYERSON: The filing under
16 Hart-Scott-Rodino with the Federal Trade
17 Commission.

18 MR. LERNER: I'm referring to the
19 notification, and he didn't mention the
20 Hart-Scott filing.

21 MR. MYERSON: My concern, Mr. Lerner,
22 is not what you were referring to but what the
23 record might reflect Mr. Trump is referring to.

24 MR. LERNER: I --

25 MR. MYERSON: If you would, again,

Trump

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2 just permit me to finish, it would be very
3 helpful.

4 MR. LERNER: Go ahead.

5 MR. MYERSON: For your information,
6 Donald, I instruct you not to testify concerning
7 any information about what you may or may not
8 have said in connection with your
9 Hart-Scott-Rodino filing.

10 MR. LERNER: Would you read back Mr.
11 Trump's last answer.

12 First reflect Mr. Myerson is again
13 consulting with Mr. Trump.

14 (Counsel confers with client.)

15 (The last answer was read.)

16 Q. My question, what is the reference to
17 "more and substantially more stock in Bally" that
18 you were just talking about?

19 A. The Hart-Scott-Rodino filing.

20 MR. MYERSON: I instruct him not to
21 testify concerning that filing.

22 Q. Which Hart-Scott-Rodino filing, Mr.
23 Trump?

24 A. I assume it was the filing that was
25 sent in to the Federal Trade Commission.

1 Trump

2 MR. LERNER: I guess I'm unclear on
3 your objection, Mr. Myerson.

4 MR. MYERSON: I'm sorry we are unclear,
5 but can we move on to something that is relevant --

6 MR. LERNER: It may be --

7 MR. MYERSON: I think --

8 MR. LERNER: My turn in the Myerson
9 rules.

10 MR. MYERSON: I'm trying to clarify it.

11 Anything that was said by Mr. Trump or
12 anyone in his organization in connection with the
13 Hart-Scott-Rodino filing made with the Federal
14 Trade Commission or the Department of Justice, I
15 instruct him not to answer.

16 MR. LERNER: Confidentiality?

17 MR. MYERSON: A number of grounds.

18 MR. LERNER: Could you identify them.

19 MR. MYERSON: I already have. You are
20 not entitled to know what is in the
21 Hart-Scott-Rodino filing, as you know. Can't we
22 move on to something relevant?

23 MR. LERNER: I want to know if your
24 objection extends to the amount of shares.

25 MR. MYERSON: To everything said in

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the Hart-Scott-Rodino filing.

MR. LERNER: Does that include the notification, Mr. Myerson?

MR. MYERSON: Can we move on? I'm not going to answer that. I stated my objection. We are already at ten minutes after eleven.

MR. LERNER: A lot of it is colloquy, most of which is your objections.

MR. MYERSON: Fortunately, we have a judge to decide that.

Look, he has my instruction. Let's move on.

MR. LERNER: We will get back to it later.

BY MR. LERNER:

Q. It is a fact, is it not, that you have actually made efforts to acquire casinos in Nevada? Is that true?

MR. MYERSON: Wait a minute. Wait a minute.

I'm going to object to the form of the question and ask you to clarify what you mean.

Do you mean has he had stock investments in other companies that own casinos?

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What do you mean specifically by it? If you define what you mean, I have no objection to your question.

MR. LERNER: Would you read back the question, please.

(The last question was read.)

Q. Let's talk about hotel-casinos apart from stock in companies that own hotel-casinos.

A. I have looked into various possibilities on a pretty light basis. I haven't made any very strong attempts, I don't believe, but I have looked at a number of possibilities. There are certainly a number of possibilities out there.

Q. Did you commit \$10 million to buy the Aladdin Hotel with Johnny Carson in or about 1979?

A. I was told that I did but I don't remember having done it. There was a newspaper article or something that I was going to go into the partnership with Johnny Carson on the Aladdin Hotel, and I was rather surprised to read it because to the best of my knowledge I never spoke to Johnny Carson about doing it.

My name is mentioned in connection

Trump

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2 with the purchase of the Aladdin Hotel with
3 Johnny Carson and I literally -- as far as
4 anything I can remember, I never had any
5 discussions with Johnny Carson about the purchase
6 of the Aladdin Hotel, and the Aladdin Hotel would
7 not be of interest to me.

8 DIR Q. Did you have discussions with somebody
9 other than Johnny Carson about acquiring an
10 interest in that hotel?

11 MR. MYERSON: I object and instruct
12 him not to answer. You are not entitled to ask
13 questions concerning transaction eight years ago.

14 Can't we move ahead with something
15 that involves Bally?

16 MR. LERNER: This does involve Bally.
17 I'm sorry. You were going to say
18 something? I was going to just move on.

19 MR. MYERSON: Good idea.

20 Q. Did you in 1986 bid on approximately
21 80 acres of land next to Caesar's Palace?

22 A. Yes.

23 Q. That was owned by Summa Corporation?

24 A. Yes.

25 Q. What was the purpose of bidding on

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that land?

A. I would have probably had the land for an investment and over a period of time perhaps looked at the possibility of developing the land either as a hotel-casino or a combination of various different elements. It was a large piece of land.

DIR Q. What about the Desert Inn? Have you taken any action or had any discussions looking toward the acquisition of the Desert Inn?

MR. MYERSON: I object and instruct the witness not to answer on the same grounds as before.

I have no objection to his testifying at length concerning any discussions, proposals, intentions, relating to Bally. I do not believe you're entitled to know what, if anything, he's done with respect to companies unrelated to Bally.

MR. LERNER: I just want to know about the Desert Inn.

MR. MYERSON: I'm sure you do. My instruction stands.

MR. LERNER: The fact I'm asking about the Desert Inn --

Trump

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2 MR. MYERSON: Doesn't mean it's
3 relevant. We have a judge who is going to rule
4 on your objections tomorrow and mine today and
5 that's fine; that's what judges are for.

6 Q. Let's shift our focus for a minute to
7 Atlantic City, New Jersey, Mr. Trump.

8 You're eligible to own an additional
9 hotel-casino in Atlantic City, New Jersey. Is
10 that right?

11 A. That's correct.

12 Q. My understanding is that you can be
13 licensed to own up to three. Is that correct?

14 A. That is correct.

15 DIR Q. During 1986, did you make an offer to
16 acquire the Atlantis Hotel?

17 MR. MYERSON: Objection and
18 instruction not to answer on the same grounds as
19 before. And additional grounds.

20 MR. LERNER: What are the additional
21 grounds?

22 MR. MYERSON: It's not necessary.

23 MR. LERNER: I thought the magistrate
24 told us we should get our differences on the
25 record. That's what he said.

1 Trump

2 MR. MYERSON: You have my ground.

3 MR. LERNER: Is it relevance?

4 MR. MYERSON: It's relevance, yes.

5 MR. LERNER: It's relevance?

6 MR. MYERSON: Yes.

7 MR. LERNER: Confidentiality, too?

8 MR. MYERSON: Can we move on?

9 MR. LERNER: I'm trying,

10 MR. MYERSON: You can do a better job,
11 I'm sure.

12 MR. LERNER: I'm sure.

13 DIR Q. How about Elsinore Corporation?

14 MR. MYERSON: Continuing instruction --

15 MR. LERNER: Could I finish my
16 question?

17 MR. MYERSON: Continuing instruction
18 not to answer with respect to any other hotels,
19 casinos, properties, other than Bally, on the
20 same grounds as before.

21 MR. LERNER: So, if I ask him about a
22 series of statements from the Castle to the
23 Atlantis Atlantic, you would instruct him not to
24 answer?

25 MR. MYERSON: That is right,

Trump

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2 concerning alleged other bids, that's right.

3 DIR Q. Do you have an interest in acquiring
4 an additional hotel in Atlantic City?

5 MR. MYERSON: I object and instruct
6 the witness not to answer.

7 MR. LERNER: We went through Nevada.
8 Why is New Jersey different than Nevada?

9 MR. MYERSON: If you want to ask
10 concerning Bally, I have no objection. I let you
11 ask the preliminary things in Nevada and gave my
12 instructions. Same instruction applies.

13 Why is it so difficult to explain? To
14 use my friend's expression, it doesn't take a
15 rocket scientist.

16 MR. LERNER: That's not an expression
17 unique to Mr. Trump. It probably does take a
18 rocket scientist to understand why you would
19 allow a series of questions on Nevada but not New
20 Jersey.

21 MR. MYERSON: You're very quick, very
22 witty, but I would like to move on.

23 MR. LERNER: You're raising your voice --

24 MR. MYERSON: I am, because I'm
25 getting a little bothered.

Trump

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2 MR. LERNER: I'm more bothered than
3 you are. I'm the one who is being obstructed.
4 We had an agreement, we are not going to shout at
5 each other.

6 MR. MYERSON: I did breach that
7 agreement by prolonging it. You did get to me,
8 so I do acknowledge that on the record. Having
9 acknowledged that, let's move on.

10 MR. LERNER: There is a Wall Street
11 Journal article, Mr. Myerson, dated December 4th
12 which refers to the Atlantis proposal. Will you
13 allow me to examine the witness relating to that
14 newspaper article?

15 MR. MYERSON: No, I'll not allow you.
16 Anything relating to Bally I will allow you to
17 examine the witness to your heart's content with
18 virtually no objections.

19 Q. Holiday Inns Corporation, that has
20 properties in both Nevada and Atlantic City; is
21 that correct, sir?

22 A. That is correct.

23 Q. You're aware that it has properties in
24 Reno, Lake Tahoe and Las Vegas?

25 A. Yes.

Trump

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2 Q. And it also owns the hotel Harrah's in
3 Atlantic City?

4 A. Yes.

5 Q. There came a time when you bought
6 shares in that company; is that right?

7 A. Yes.

8 DIR Q. Did you acquire 4.9 percent of the
9 shares of Holiday Inn?

10 MR. MYERSON: I instruct the witness
11 not to answer on the same ground as before.

12 MR. LERNER: That's right in the
13 complaint.

14 MR. MYERSON: There are lots of things
15 in your complaint. That doesn't give you carte
16 blanche to examine on it.

17 MR. LERNER: That's part of the theory.

18 DIR Q. Did you acquire 4.9 percent of Holiday
19 Inns?

20 MR. MYERSON: Objection and
21 instruction not to answer.

22 Let me say one more time, I want it to
23 be as clear as possible. Any questions at all
24 relating to why Mr. Trump did something, what his
25 intentions were, what his plans were, what he

Trump

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2 meant, et cetera, relating to Bally, he may
3 answer without objection other than possibly as
4 to the form.

5 Anything unrelated to Bally, relating
6 to what you allege he did or didn't do concerning
7 other companies, is irrelevant and I instruct him
8 not to answer on the ground of relevancy,
9 confidentiality and possible other grounds. So,
10 if you will understand that's my standing
11 instruction, we will get a lot further.

12 MR. LERNER: I do understand. I
13 really do vehemently object to the scope that you
14 are imposing on the deposition.

15 I think it's so obviously relevant
16 that Mr. Trump is just going to have to come back
17 here. I think the theory that we have is very
18 clear and well-recognized in case law; it's not
19 foreign. The restriction to just asking
20 questions about Bally and eliciting the responses
21 referring to the 13D is overly restrictive and
22 clearly obstructive.

23 MR. MYERSON: That has been my
24 position, Mr. Lerner, as you know.

25 MR. LERNER: I think your position is

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clear, you're only going to allow him to answer about Bally.

MR. MYERSON: I allowed background with respect to Holiday and also with respect to what he did in Nevada, and then when he got to the specifics of particular transactions, proposals or allegations on your part, I instructed him not to answer.

We are just wasting a lot of time.

What Mr. Trump just said to me is "I don't want to be in a position where I'm giving Bally, who is a competitor, the benefit of knowledge of what I have done or my competitive information in the industry or what I'm going to do." That's what I said early on. I don't understand why it's so hard to --

MR. LERNER: To respond to Mr. Trump, there are ways of addressing that concern. Much of the information I'm seeking is not a matter of competitive information and is in the public information. Also, transactions completed have nothing to do with competitive advantage or disadvantage.

But we can fight that out before the

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judge.

MR. MYERSON: I think we will have to.

MR. LERNER: You said you would allow me some background --

MR. MYERSON: I didn't say I would. I said I did. I'm not going to allow any more.

MR. LERNER: That's a cutoff?

MR. MYERSON: Just ask your questions.

MR. LERNER: Forget it.

MR. MYERSON: Ask whatever questions you want.

BY MR. LERNER:

Q. Prior to the time that you commenced purchasing Bally stock, Mr. Trump, did you consult anybody about Bally within the Trump Organization?

A. I might have spoken with my brother and Mr. Freeman, yes.

Q. Your brother Robert?

A. Robert.

Q. Anybody else?

A. No.

Q. Outside of the Trump Organization, sir, with whom, if anyone, did you consult?

Trump

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2 A. Mr. Dan Lee, who was strongly
3 recommending Bally stock. He's with Drexel
4 Burnham Lambert.

5 Q. Anyone else?

6 -- A. Not that I remember.

7 Q. You didn't talk to Bear Sterns?

8 A. I told them to buy stock, because I
9 bought my stock through Bear Sterns, not through
10 Drexel, but I didn't per se consult with them
11 until -- you're talking about prior to my
12 purchase; is that correct?

13 Q. Yes, sir.

14 A. I don't know -- again, I might be
15 wrong, I might have asked their opinion, also,
16 but I don't believe I consulted with anybody at
17 Bear Sterns prior to the purchase of the stock.

18 Q. Incidentally, do you keep an
19 appointment book, Mr. Trump?

20 A. In very rough form. By the way, I
21 would be honored to give you whatever I have but
22 I have a very rough form of appointment book.

23 Q. What about a diary?

24 A. No.

25 Q. Just an appointment book?

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A. Yes.

Q. Do you keep a calendar on your desk that you make appointments on?

A. Generally I do. And after a period of time the past events are thrown out. I'll give you what I have. I don't think it has a major impact.

Q. Does your secretary keep one?

A. No. I think she uses whatever is on my desk.

Q. Phone log?

A. No. We don't have a phone log. We're not allowed to bill for our phone conversations.

Q. When did the discussion with your brother, if any, take place concerning Bally prior to the purchase of the shares of Bally?

A. Very quickly before. Because after I spoke with Dan Lee from Drexel, he felt very strongly about the stock. I had spoken to him over the years. I have great respect for him as an analyst, a stock analyst, and he felt very strongly about the stock. And based upon his feeling, in a large sense, more than my feeling -- I hadn't given it that much thought; it was based

Trump

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2 on Mr. Lee's feeling that it was a very good
3 stock -- that I went out and just started
4 purchasing some Bally stock.

5 Q. With respect to your conversation with
6 Robert Trump, can you recall such a conversation?

7 A. Not a specific conversation. Just
8 generally I had mentioned, I believe, that "I
9 think I'm going to start purchasing some Bally
10 stock." It was highly recommended.

11 I asked him what he thought of the
12 company from what he knows. He wasn't that
13 familiar with the company, he thought it was okay.
14 That was basically it.

15 Q. How long a conversation was it?

16 A. It could have been a couple of
17 scattered, very short little tidbits.

18 Q. Was it a meeting?

19 A. No, I don't believe it was even a
20 meeting.

21 Q. Telephone?

22 A. No. Most likely right in the office.

23 Q. What specifically can you recall about
24 that conversation in addition to what you have
25 testified?

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A. Nothing.

Q. What about Mr. Freeman?

A. Similar thing. And it would have been during the same conversation. They most likely were both together.

Q. You mean at same time?

A. Yes.

Q. What was Mr. Freeman's view of Bally?

A. I think he thought it was okay. I don't think he was that familiar with Bally, to tell you the truth.

Q. So, based on your conversation with Mr. Lee -- how long did that last?

A. With Mr. Lee?

Q. Lee.

A. Oh, it could have been a ten-minute conversation. I was discussing various companies. I was looking to make an investment in something, a number of things, and I speak to Dan Lee quite a bit because I think he has a good sense of the gaming industry and the hotel industry, which is what he does.

I think he's very talented at that. I think he's a very detail-oriented guy. So I call

Trump

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2 him every once in a while to find out what is the
3 world saying about the gaming stocks and the
4 hotel industry, et cetera, et cetera. And during
5 this particular conversation -- I think he might
6 even have called me, but during this particular
7 conversation -- I'm not sure who called who -- we
8 were talking about various companies and he felt
9 very strongly -- he was very high on Bally for
10 whatever reason.

11 And frankly, at the end of the
12 conversation I said, "Hey, I ought to buy some
13 Bally stock," and that's how it all started.

14 Q. What were the reasons Mr. Lee gave you
15 for buying Bally stock?

16 A. Basically he thought the price -- the
17 stock was 15 or 16 at the time, I remember -- and
18 he thought the price of the stock was low. I
19 don't think he touted a lot of -- he didn't tout
20 the management, this or that. He just thought
21 that the price seemed low relative to the value
22 of the company.

23 Q. What else did he say other than the
24 price was low?

25 A. That was primarily the conversation.

Trump

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2 He just felt -- and you have to understand, this
3 is a man that only studies these companies. We
4 discussed other companies which were perhaps
5 better companies than Bally but the stock was
6 high, and the stock was too high at the time.

7 Q. And the conversation in which Mr. Lee
8 made that recommendation took approximately ten
9 minutes?

10 A. Maybe less.

11 Q. During the course other companies were
12 also discussed?

13 A. During the course what?

14 Q. Of that conversation, other companies
15 were discussed as well?

16 A. During the course of that conversation
17 we discussed a number of other companies. It
18 wasn't just Bally. Frankly, I don't think before
19 that conversation I was specifically even
20 thinking about Bally. I was looking to make an
21 investment, a major investment, and at the end of
22 that conversation I felt -- in this area, at the
23 end of that conversation, I felt that Bally was
24 an appropriate company, based largely on its
25 stock price.

Trump

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2 Q. I take it from your testimony before
3 that your conversation with Lee preceded your
4 communication with Robert and/or Freeman; is that
5 right?

6 A. Yes, it did.

7 Q. The length of time of the
8 Freeman-Robert Trump conversation approximately?

9 A. Very quick. This was -- you have to
10 understand, they have offices right next to me.
11 It would have been three or four little tiny
12 sentences, what do you think of Bally or what do
13 you think of this? Well, seems okay or I don't
14 like it or whatever. It was just little -- no
15 specific, major conversation. The real impetus,
16 I would say, was the recommendation of a talented
17 stock analyst for Drexel.

18 Q. Other than the Lee communication and
19 the Robert Trump-Freeman communication which you
20 have testified to, were there any other
21 discussions between yourself and anyone at all
22 concerning Bally, prior to the time that you
23 determined to purchase shares of stock in the
24 company?

25 A. Not that I remember, no.

Trump

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2 Q. When did you determine the amount of
3 shares that you would acquire in Bally?

4 A. I don't understand the question. When
5 did I determine what?

6 Q. The amount of shares that you would
7 acquire in Bally.

8 A. That I would require?

9 Q. Acquire.

10 A. When did I determine how high to go?

11 Q. In terms of ownership.

12 A. I haven't determined that yet.

13 Q. You do own beneficially 9.9 percent of
14 Bally stock. Is that correct?

15 A. Approximately correct, yes.

16 Q. You bought shares on the 13th of
17 November, did you not?

18 MR. MYERSON: I don't want you to
19 speculate.

20 MR. LERNER: Would you be kind enough,
21 since you showed it to him before, the schedule
22 to the 13D. Schedule number 1, I believe, refers
23 to Mr. Trump's personal purchases as opposed to
24 those done by Bear Sterns.

25 MR. MYERSON: Do you want to mark this?

1 Trump

2 MR. LERNER: I'm going to mark the
3 whole thing, both of them together, amended.

4 Miss Bailey, would you mark as 5, 6
5 and 7 a schedule 13D and Amendment No. 1 and
6 Amendment No. 2.

7 I take it that's all the amendments
8 there are.

9 (Schedule 13D, above
10 referred to, marked as Trump Exhibit 5 for
11 identification, as of this date.)

12 (Amendment No. 1 to
13 Schedule 13D, above referred to, marked as Trump
14 Exhibit 6 for identification, as of this date.)

15 (Amendment No. 2 to
16 Schedule 13D, above referred to, marked as Trump
17 Exhibit 7 for identification, as of this date.)

18 Q. Would you examine Exhibits 5, 6 and 7 --

19 MR. MYERSON: The whole exhibits --

20 MR. LERNER: I would just like you to
21 identify those as copies of the 13D filed on your
22 behalf along with Amendments 1 and 2. No tricks.
23 If they're not complete or a page is missing, we
24 will stipulate to that.

25 A. Yes, it seems to be that.

Trump

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2 Q. Would you look at the 13D, sir,
3 Schedule 1. Page 13 at the bottom might be the
4 easiest way to find it.

5 That reflects shares purchased by you,
6 does it not?

7 A. Yes, I believe so.

8 Q. Does that indicate to you, sir, that
9 you bought shares on November 13, 1986?

10 A. Yes, it does.

11 Q. Subsequent to November 13, 1986, have
12 you acquired any shares personally?

13 A. Subsequent to when?

14 Q. Subsequent to this one day's buying,
15 did you buy any additional shares?

16 A. I don't think so, no.

17 Q. The 13D, flipping back to page 4, item
18 3, says, "The total amount of funds required to
19 purchase the 764,700 shares of common stock he
20 currently owns directly is \$14,996,242.50."

21 When did you determine to spend \$15
22 million to acquire shares of Bally?

23 A. I thought I more or less answered that.
24 Do you mean as to --

25 Q. The amount.

Trump

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2 A. I don't understand the question. Do
3 you mean when did I determine to start buying or
4 when did I determine to spend up to \$15 million?

5 Q. The amount of shares.

6 A. You mean up to \$15 million?

7 Q. Yes.

8 A. Or when did I determine to start
9 buying shares in Bally?

10 DIR Q. When did you make a decision to
11 acquire up to \$15 million of stock in Bally?

12 A. Sometime there was a decision, either
13 on that day or before that day, to buy a certain
14 number of shares.

15 Q. To stop at that level?

16 A. Yes, sir.

17 My lawyers had instructed me --

18 MR. MYERSON: Was any decision you
19 made based on conversation you had with legal
20 counsel?

21 THE WITNESS: Yes. It was entirely
22 based on that.

23 MR. MYERSON: Then I instruct you not
24 to answer.

25 Q. When did you first consult counsel

Trump

1 concerning the purchase of Bally shares?

2 A. Right from the beginning. From the
3 time I started purchasing I called Mr. Myerson.

4 Q. Don't tell me what Mr. Myerson said,
5 he wouldn't want that.

6 A. No. But at the beginning of my
7 purchase.

8 Q. How long prior to the day on which you
9 began purchasing?

10 A. Could have been simultaneously with.
11 I really started purchasing on the feeling that I
12 had about the stock.

13 DIR Q. Now, you told me that in terms of up
14 to \$15 million and you talked about legal advice;
15 lawyers are good and he may have told you to cap
16 it at 15.

17 What I'm trying to determine now is
18 when you decided from a business point of view to
19 go to at least \$15 million.

20 Do you understand my question?

21 MR. MYERSON: Objection -- finish your
22 question. I interrupted you.

23 MR. LERNER: I think I'm finished.

24 MR. MYERSON: Then I object and
25

Trump

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2 instruct him not to answer.

3 DIR Q. Did there come a time when you made a

4 decision that you were willing a spend \$15

5 million for Bally stock?

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-- xy

Trump

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2 instruct him not to answer.

3 DIR Q. Did there come a time when you made a
4 decision that you were willing a spend \$15
5 million for Bally stock?

6 MR. MYERSON: I object and instruct
7 him not to answer.

8 MR. LERNER: Why?

9 MR. MYERSON: The same ground as
10 before.

11 MR. LERNER: I'm not sure I understand
12 the ground.

13 MR. MYERSON: Do you want me to confer
14 with my client?

15 MR. LERNER: Maybe my question is not
16 clear. I know from Mr. Trump's testimony that he
17 consulted with his lawyer and I can infer that
18 somebody told him not to buy more, personally,
19 than \$15 million --

20 MR. MYERSON: You shouldn't make any
21 inference.

22 MR. LERNER: Somewhere on or before
23 November 13th Donald Trump made a decision that
24 he wanted to own at least \$15 million worth of
25 stock. He bought it. He had to make that

Trump

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2 decision somewhere along the line either on or
3 before that day.

4 MR. MYERSON: That's our argument. We
5 don't have any testimony to that effect. And in
6 order to --

7 MR. LERNER: That's what I was
8 explaining.

9 MR. MYERSON: If to get that testimony
10 we have to get into conversations that he had
11 with me, you're not going to get the testimony.
12 That's why I suggested that I confer with Mr.
13 Trump off the record.

14 MR. LERNER: Be my guest. I was just
15 trying to clarify the information I wanted.

16 (Witness and counsel confer.)

17 MR. MYERSON: If you want to try it,
18 try it. I just told him I don't want
19 conversation's with counsel, so the record will
20 be clear.

21 Q. I want to know, did there come a time
22 when you made a decision that you were willing to
23 spend up to \$15 million to acquire stock in Bally?

24 A. Obviously I was willing to spend \$15
25 million in Bally, I would say -- because I did it.

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Q. Right.

A. So, when you say did there come a time, I was buying stock. It was all subject to my own feelings at the time. It could have stopped at any moment.

As it turned out, obviously I had purchased the \$15 million, and, really the \$15 million cutoff or slightly less than \$15 million cutoff was on advice of counsel.

Q. When was the decision made to go up to \$15 million --

A. I don't know if there was a real, conscious decision.

Q. Were you in constant contact with the persons buying shares for you on November 13th?

A. I was in contact. I wouldn't say it was constant -- I was in contact with the people.

Q. What were your instructions to the broker?

A. I would say they were buying straight and I wanted to know price. If the price was too high, I would have stopped. But there was no --

Q. Did you give an amount, a limit order?

A. I don't specifically remember. I

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really don't remember.

Q. These shares were bought through Bear Sterns acting as broker. Is that true?

A. That is correct.

Q. Which department at Bear Sterns handled the purchases?

A. I don't really know. I don't know if they have a so-called department. Bear Sterns handled the purchase.

Q. You don't know if it was the block trader that did it?

A. I really don't know.

Q. What was your first conversation with Bear Sterns concerning purchases of Bally stock?

A. I don't know. As I normally -- I'll deal with an Alan Greenberg.

As I remember -- again, I could be wrong on this, but as I remember, Alan wasn't in or wasn't there. I called up and I believe I asked for Alan and he was away or something -- Again, I could be wrong -- in which case I asked for Don Scanlon at Bear Sterns and I said, "buy stock in Bally."

Q. And he said how much, and you said?

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A. No, just...

MR. MYERSON: Is there a question?

MR. LERNER: Yes.

MR. MYERSON: What is the question?

Q. Did he ask you how much?

A. Just what's available on Bally over a period of time. And again, I think it was him who called back and said I could buy X shares or buy this or that, and over a period of time this much stock was accumulated but I don't think any specific amount was said.

Q. The first conversation when you think you called Greenberg and he wasn't there and you talked to Scanlon, was that on the 13th or before the 13th?

MR. MYERSON: If you recall. I don't want you to speculate on this.

A. I really don't know. I tell you, I really don't know.

Q. Do you have any document that would refresh your recollection?

A. It was either -- it would be either the day before or the same day, in my opinion, but I really don't know. It wasn't before that.

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It was either the same day or the day before.

Q. Did you give him a price restriction in terms of the price you were willing to pay?

A. Yes. I basically didn't want to pay any more than 20, 21, something like that, you know, general trade restrictions. We deal on a pretty easy basis and I didn't want to go much above 20 or 21.

Q. During your conversation with Mr. Lee, did he tell you a level at which he thought Bally's shares were undervalued?

A. I think Mr. Lee thought that, as I remember that conversation -- I mean, Mr. Lee was just high on the stock at numbers anywhere below 25 to 30 and I think he mentioned in excess of 35 was a value of the stock, in his opinion.

But again, I don't want to be quoting too much about what Mr. Lee said because the primary feeling I got from Mr. Lee was just that he felt very high on the stock and its current price, which at that time again was, I guess, about 16 or so.

Q. Can you recall specifically in your conversation with Mr. Lee whether he mentioned a

Trump

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2 figure as to the value of Bally on the upside?

3 A. I believe he mentioned that he thought
4 that anything under 30 would be a good purchase.
5 And I think he felt even more strongly than that,
6 but I believe he felt anything under 30 would be
7 a good purchase. Again, it's a little bit hard
8 to -- it's a little bit hard to talk about. I
9 don't want to be quoted exactly. I think you
10 could ask Mr. Lee. But as I remember it, he felt
11 anything under 30 would be a good purchase.

12 Q. Now, during the day on the 13th of
13 November, 1986, in which 764,700 shares were
14 acquired for you, how many times were you in
15 communication with Bear Sterns?

16 A. Not very much, I don't believe.

17 I would say -- excuse me. This is the
18 one day you're asking?

19 MR. MYERSON: Is that the number you
20 have totaled up and it comes to? I'm willing to
21 accept that for record purposes.

22 MR. LERNER: I don't want to
23 inadvertently be incorrect, so I'll tell you.

24 I'm looking at page 4, item 3, and I'm
25 assuming, because that refers to the direct

Trump

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2 purchases made by Mr. Trump, and comparing that
3 to your Schedule 1. There is no total on the
4 page but I assume they are in consonance.

5 MR. MYERSON: All right.

6 -- A. So, during that one-day period? Not a
7 lot. Maybe a few times, a couple of times.

8 Q. How did Mr. Scanlon know when to stop
9 purchasing?

10 A. If it was Mr. Scanlon.

11 Q. Whomever at Bear Sterns.

12 MR. MYERSON: I'm going to object to
13 that on the grounds that there has been no
14 testimony that there was a point at which he was
15 supposed to stop purchasing.

16 MR. LERNER: He told me his lawyer
17 advised him not to go over \$15 million.

18 MR. MYERSON: No. You're
19 characterizing his testimony. I instructed him
20 not to answer anything in terms of that.

21 MR. LERNER: You did, but he still
22 testified to that.

23 MR. MYERSON: Mr. Lerner, I'm a very
24 easy fellow. We have no testimony from Mr. Trump
25 concerning whether or not limitations were put on

Trump

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2 other than his saying that he doesn't really
3 think that there was a number limitation put on
4 but that there was some stock price discussions
5 above which he didn't want Bear Sterns to go.

6 Now, what I'm suggesting to you is, if
7 you want to ask him about what he remembers
8 concerning those conversations with Bear Sterns,
9 I have no objection. But for you to just assume
10 implicitly in your questions that there was a
11 discussion with Bear Sterns whereby an
12 instruction was given to cut off stock purchases
13 once he reached a certain volume of shares, I
14 believe that's inconsistent with the testimony.

15 MR. LERNER: I'll ask that specific
16 question.

17 Q. Was there an instruction given to Bear
18 Sterns to stop purchasing at any level of stock
19 ownership, Mr. Trump?

20 A. Not that I remember.

21 Q. Bear Sterns didn't buy any stock for
22 you personally after the 13th of November, did
23 they?

24 A. I don't believe so.

25 Q. After that Bear Sterns did some shares

Trump

1 purchases that you beneficially owned; correct?

2 A. I guess that would be right, yes.

3 Q. Why was it that Bear Sterns did not
4 purchase shares for you directly after 11/13/86?

5 A. Well, I had spoken to my counsel and
6 they --

7 MR. MYERSON: That's all.

8 Q. Don't tell me what you said to your
9 counsel.

10 A. I had spoken to my counsel.

11 Q. What did you say, if anything, in
12 terms of a limitation to Bear Sterns before they
13 began to buy stock, other than a dollar
14 limitation that you testified to?

15 A. I don't believe I said anything.

16 Q. Do you know why Bear Sterns acquired
17 the number of shares they acquired directly for
18 you on November 13, 1986?

19 MR. MYERSON: Does he know why Bear
20 Sterns --

21 MR. LERNER: -- acquired the amount of
22 shares they purchased for Mr. Trump on 11/13/86.

23 A. I instructed them to buy shares and
24 that was the amount they purchased.
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Trump

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Q. Is it your testimony that Bear Sterns made the determination as to how many shares they would require?

A. In conjunction with my attorneys, that was the amount that they purchased.

Q. Do you know whether Bear Sterns talked to your attorneys about that subject?

A. I don't really know. You would have to ask Mr. Myerson and others. You'd have to ask Mr. Myerson.

Q. You don't know why they acquired the amount of shares they acquired?

MR. MYERSON: It has been asked and answered.

Q. Do you know?

MR. MYERSON: It has been asked and answered.

MR. LERNER: I won't want to go back in the record.

A. You would have to ask Mr. Myerson.

Q. Would you, Mr. Trump, look at page 16 of the 13-D, which is a copy of the letter dated -- I think -- looks like November 20, 1986.

MR. MYERSON: Just for record purposes,

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would you identify the exhibit. You're talking about exhibit --

MR. LERNER: I think it's 5.

Q. Do you recognize that as being the put-and-call agreement?

A. Yes.

Q. Did you reach an understanding between Bear Sterns and yourself? Did you reach an understanding with Bear Sterns concerning the contents of this agreement?

A. Basically, yes.

Q. With whom at Bear Sterns did you reach such an understanding?

A. I believe it would have been Mr. Greenberg. This is something that they had stated that they had reached with many people. I spoke with Mr. Myerson, I spoke with Mr. Schraeger.

Q. Who is he?

A. He's a lawyer at Dwyer & Traub, another law firm.

Q. He's the one who filed your Alexander's --

A. That's basically it.

Trump

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2 Q. With respect to your conversation with
3 Mr. Greenberg, when was that conversation?

4 MR. MYERSON: What conversation?

5 MR. LERNER: He said he talked to Mr.
6 Greenberg.

7 MR. MYERSON: You said does this
8 reflect the understanding, and he said who, and
9 you said Mr. Greenberg.

10 Q. I assume you reached it through that
11 type of communication.

12 A. I believe we had a brief conversation
13 and I believe it was with Mr. Greenberg.

14 Q. When did that take place?

15 A. I really don't know. It was just
16 about the time that this was sent out.

17 Q. Was your understanding with Mr.
18 Greenberg reached after Bear Sterns acquired
19 shares on your behalf?

20 Was that reached after shares had been
21 acquired by Bear Sterns?

22 A. I don't know.

23 Q. Bear Sterns bought shares for you on
24 November 13, 1986; correct?

25 A. Yes.

Trump

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2 DIR Q. This document appears to be dated
3 subsequent to that. Do you conclude from that
4 that you reached the agreement with Bear Sterns
5 subsequent to the time they acquired the shares
6 for you?

7 MR. MYERSON: Objection. Instruction
8 not to answer. I have no objection if he recall
9 of his own independent knowledge whether or not
10 they did or whether this document refreshes his
11 recollection if he doesn't have it, but I'm not
12 going to ask him to draw inference --

13 A. I just don't recall.

14 MR. LERNER: He can say he doesn't --

15 A. I don't know when. I just couldn't
16 recall.

17 Q. What was the subject matter of your
18 conversation with Mr. Greenberg about this
19 agreement? What did you say to Mr. Greenberg and
20 what did he say to you?

21 A. I don't really remember the
22 conversation. It was just -- I really can't
23 remember the conversation specifically. I'm
24 seeing the document and I signed the document and
25 I agree with the document, but I don't remember

Trump

1 specifically the conversation.

2 Q. Do you remember generally?

3 A. It's so vague it would be very hard to
4 recall.

5 Q. The total amount of shares purchased
6 as of the time this 13D was filed appears to
7 approximate --

8 MR. LERNER: And again, Mr. Myerson,
9 no tricks, and I'm sure I couldn't get any by you,
10 anyway.

11 Q. -- \$15 million for the stock owned by
12 you, and it seems to reflect approximately
13 \$45,446,936 that was acquired by Bear Sterns on
14 your behalf. That's approximately \$60 million.

15 A. Yes.

16 Q. Did there come a time when you made a
17 decision to invest \$60 million in Bally stock?

18 MR. MYERSON: Under the terms and
19 conditions of --

20 MR. LERNER: I just want a decision
21 made at to invest \$60 million. Forget
22 all of the legal mumble jumble --

23 MR. MYERSON: It's not legal mumble-
24 jumble.
25

Trump

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2 Q. You understand my question, don't you,
3 Mr. Trump?

4 A. With the caveat of this letter, yes,
5 there obviously did come a time when I decided to
6 do that because I invested -- with the caveat of
7 this letter.

8 Q. When did you reach the determination
9 to acquire \$60 million worth of Bally stock?

10 A. I don't think I have reached a
11 determination. I think that's a determination
12 that is really being made. It's possible. It's
13 possible that, subject to filings and regulations,
14 that I'll go very substantially more. I haven't
15 made a determination to go of over \$60 million.

16 Obviously I made a determination,
17 subject to the caveats of this letter, to go to a
18 minimum of \$60 million, but it could be much more.

19 MR. MYERSON: What is being referred
20 to, for record purposes, is the Bear Sterns'
21 letter dated November -- looks like November 20,
22 1986.

23 Q. I want to know, Mr. Trump, did there
24 come a time when you made a determination to
25 spend at least \$60 million to acquire Bally stock?

Trump

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2 MR. MYERSON: Do you want to add
3 anything to your prior answer?

4 THE WITNESS: No.

5 A. No.

6 DIR Q. You own \$60 million worth of the stock?

7 MR. MYERSON: Objection. Direction
8 not to answer. Calls for a legal conclusion
9 under the terms of this letter agreement.

10 MR. LERNER: I wasn't trying to be
11 tricky.

12 Q. You currently own, Mr. Trump, either
13 beneficially or directly, approximately \$60
14 million in Bally stock. Is that true?

15 A. I believe that's correct.

16 Q. Did you make a decision to acquire
17 those shares?

18 A. Obviously, somebody had to make it.

19 Q. Precisely, bingo.

20 A. I made a decision to acquire at least
21 that amount of stock because that's the amount of
22 stock I have.

23 MR. MYERSON: Subject --

24 A. Subject to the caveats of this letter.

25 Q. When did you make the determination?

Trump

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2 A. As I was purchasing it. I don't think
3 it was -- I don't think I said two or three months
4 ago that I'm going to buy \$60 million. I just
5 made it as I was going along.

6 Q. What were the factors that went into
7 the decision?

8 A. The primary factor, at the
9 recommendation of Drexel Burnham.

10 Q. That's the ten-minute conversation?

11 MR. MYERSON: Let's just try to ask
12 the questions and get answers.

13 MR. LERNER: I just want to make sure
14 we are --

15 Q. Is this the conversation with Mr. Lee?

16 A. That's the conversation with Mr. Lee,
17 that's correct.

18 Q. During the period in which the
19 approximately \$60 million of shares referred to
20 in the Schedule 13D were acquired, how many
21 communications did you have with Bear Sterns?

22 A. I have no idea, really. Not that many,
23 believe it or not. I just don't know exactly how
24 many or really even approximately how many.

25 Q. With respect to the Bear Sterns

Trump

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2 purchases as opposed to your own direct purchases,
3 what instructions did you give Bear Sterns? Were
4 they the same instructions that you gave them
5 with respect to your own shares?

6 A. I really don't remember. I really
7 can't remember.

8 Q. Did you talk to Mr. Greenberg about
9 the share purchases?

10 A. Only later on when, you know -- with
11 Mr. Greenberg, I told him that I was buying or I
12 would like to buy Bally stock, Bally shares.

13 Q. During those conversations, did you
14 discuss with Mr. Greenberg the wisdom of
15 acquiring shares of Bally?

16 A. Not too much. I mean, I don't
17 remember even having discussed the wisdom of
18 buying it. I gave them the orders but I didn't
19 feel that Mr. Greenberg knew very much about
20 Bally. I later on found out that he likes Mr.
21 Mullane -- he knows and likes Mr. Mullane. I
22 didn't know that at the beginning. But Mr.
23 Greenberg knows and likes as a person Mr. Mullane.
24 But Mr. Greenberg, I didn't feel, was an analyst
25 of Bally stock and I really didn't ask Mr.

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Greenberg's opinion relative to Bally.

Q. Did he volunteer any advice?

A. Not that I remember. I called Alan and said I want to buy Bally -- again, as I told you, I don't know if I spoke to Alan early in the purchase because I remember he wasn't there, and I might be wrong -- but I really called to tell Bear Sterns effectively just to buy shares in Bally.

Q. Other than Mr. Greenberg, did you discuss with anyone else at Bear Sterns the business aspects or wisdom of buying Bally?

A. You're not talking about any more at the beginning --

Q. I really --

A. Are you talking prior to my purchases?

Q. I'm talking about actually during the period from before you purchased until the approximately \$60 million worth of shares were acquired.

A. Prior to or during?

Q. Yes.

MR. MYERSON: You have already given testimony on this. Do you have anything to add?

Trump

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2 MR. LERNER: He talked to Mr.
3 Greenberg. This is a specific question as to
4 whether Bear Sterns rendered advice from a
5 business point of view.

6 A. The advice that Bear Sterns rendered --
7 again, it's hard to know when I started asking
8 advise with respect to potential future purchases,
9 et cetera, et cetera, but I believe -- again I
10 might be wrong -- but I believe the advice that
11 Bear Sterns gave me came after the purchases and
12 after the fact. They had some of their stock
13 people or some of their, I believe their
14 corporate people, analyzing, starting to analyze
15 Bally, but I believe that took place after my
16 purchases. It definitely, that I know, didn't
17 take place -- at least I believe that it did not
18 take place prior to my purchases. It might have
19 taken place a little bit before the end of my
20 purchases, but as far as I know, I had purchased
21 the position, the 9.9 position, however that may
22 be defined, and I believe that's when Bear Sterns
23 really started analyzing the stock in the company.

24 (Lunch recess: 11:55 a.m.)
25

1 Trump

2 A F T E R N O O N S E S S I O N

3 1:00 p.m.

4 D O N A L D J. T R U M P ,

5 resumed, having been previously duly sworn,

6 was examined and testified further as

7 follows:

8 CONTINUED EXAMINATION

9 BY MR. LERNER:

10 Q. Did Bear Sterns serve as a financial
11 advisor for you in connection with any other
12 transactions during November?

13 A. I don't really know what you mean by
14 financial advisor. I would say not. They were
15 involved in the purchase of stock with Holiday
16 Inn and I purchased other stock over the years
17 and I have generally used Bear Sterns, but I
18 don't really believe as a financial advisor, per
19 se.

20 Q. By financial advisor, I'm referring to
21 their investment banking function rather than as
22 a brokerage firm.

23 A. I'm sorry. They have done a wonderful
24 job for us. They've done bond issues, mortgage
25 bond issues in two instances at Trump's Castle

Trump

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2 and Trump Plaza, and they have done a really
3 wonderful job. It's a wonderful company.

4 MR. MYERSON: Excuse me. Before you
5 ask another question ...

6 (Counsel conferring with witness.)

7 Q. During the month of November 1986, did
8 Bear Sterns serve as an investment banker in
9 connection with any transaction or in any way for
10 you during that month?

11 A. Do you mean other than Bally?

12 Q. Yes, sir.

13 A. In terms of investment banker?

14 Q. Yes.

15 A. I don't know. I don't know the exact
16 date of the finalization of Holiday Inn or the
17 sale of the Holiday Inn stock. Again, in terms
18 of your use of financial advisor or whatever,
19 they look at the things I do, they look at a
20 Holiday Inn, they look at, you know, different
21 companies, but I don't consider it necessarily
22 financial advisor in the probably traditional
23 sense or true sense.

24 I don't remember anything else during
25 that month -- but I might be wrong -- I don't

Trump

1 think, during the month of November.

2 Q. You referred to Holiday as being
3 finalized. According to published reports, that
4 occurred on or about November 11, 1986. Does
5 that refresh your recollection?
6

7 A. I don't know exactly when it was
8 finalized. By finalized I mean the sale of the
9 stock, but I think it was around that time.

10 Q. Would that refresh your recollection
11 as to whether Bear Sterns served in an investment
12 banking function during that month?

13 A. Perhaps you could say they did in a
14 light sense because they purchased stock. I
15 talked to them. I talked -- but I wouldn't --

16 Q. I'm getting at the advisory role.

17 A. I would talk to Bear Sterns about
18 Holiday Inn, as an example. I would ask them
19 questions. I think they did, perhaps they did
20 some reports and studies and things like that,
21 you know, but I don't know what the definition,
22 where the cutoff is when you say financial
23 advisor.

24 Q. I was basically referring to a role
25 other than as broker.

Trump

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2 A. They play a pretty good role in a lot
3 of the things I do, yes.

4 MR. LERNER: Would you mark as Trump
5 Exhibit 8 for identification a copy of a Wall
6 Street Journal article dated November 21, 1986.

7 (Copy of Wall Street
8 Journal article dated November 21, 1986, above
9 referred to, marked as Trump Exhibit 8 for
10 identification, as of this date.)

11 Q. If you would be kind enough, Mr. Trump,
12 to look at this article, there is a quotatioP in
13 the article, "Donald has often said he was sorry
14 he was distracted by Holiday at the time
15 MGM-Grand was for sale, said a friend of the
16 developer."

17 Would you look at that and tell me if
18 you said that in words or substance to Mr. Lee?
19 It's the second page. I put a little mark next
20 to it.

21 A. Okay, I see it.

22 Q. If you go down to the last paragraph
23 on the page, the first sentence.

24 A. Well, I think that Bally paid far too
25 much for the facility, so at that price, whether

Trump

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2 I was distracted or not distracted wouldn't have
3 mattered, but I don't remember specifically
4 saying I was distracted by it. I do believe
5 Bally paid too high a price, but it wouldn't have
6 mattered because I would not have paid the price
7 they paid.

8 Q. You don't recall saying that in words
9 or substance to Mr. Lee?

10 A. I don't remember. By the way -- I
11 don't know if he means I said it or somebody else
12 said it. But what I do feel is it doesn't make
13 any difference, in any event, because Bally paid
14 far too much for the property, in my opinion. I
15 could have bought the property. I could have
16 bought this property if I was willing to pay the
17 price.

18 Q. Did you follow the bidding at the time
19 that it occurred?

20 A. I was told by Mr. Milken that the
21 price was going to be about \$550 million or
22 thereabouts and I told him that I wasn't
23 interested.

24 Q. That was at or about the time that it
25 was going on?

Trump

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2 A. Correct. I told Mr. Milken I wasn't
3 interested.

4 Mr. Milken is one of the top people at
5 Drexel Burnham. He called me when the properties
6 were for sale. He told me the price would be
7 about \$550 million, which was the price that
8 Bally paid, and I told him I wasn't interested
9 because I thought the price was too high. I
10 don't think it was a distraction, just the price
11 was too high.

12 Q. So, you would not have said --

13 MR. MYERSON: Asked and answered.

14 MR. LERNER: It's a different question.

15 Please.

16 Q. You would not have said in words or
17 substance based upon your view that you would not
18 want to bid that price. Is that correct?

19 MR. MYERSON: Do you have anything to
20 add to your prior answer?

21 THE WITNESS: No, I don't.

22 Q. Did you believe at the time that you
23 became aware that Bally paid approximately \$550
24 at or about the --

25 A. \$550 million. For \$550 it would have

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been a good deal. They paid \$550 million and I

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thought that was a --

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Q. You learned they paid that on or about the time they paid it?

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A. I can't tell you when I learned they paid it. Frankly, after I turned it down, Mr.

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Milken called me and offered the properties to me

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at just about that price. I rejected -- I

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thought it was very over-priced; I turned it down.

11

I really didn't follow it after that.

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And then I read that Bally bought the deal and it didn't have -- at the time they

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bought it, which was close to a year ago, it

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didn't have a great impact on me one way or

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another. I was surprised that Drexel was able to

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get so much for it, for the both buildings. That

18

was the only feeling I had. I don't remember the

19

exact price at that time. My one instinct or

20

feeling was that I was surprised that Drexel was

21

able to get that much for the buildings.

22

Q. Approximately when in time was this?

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A. At the time Bally bought them, I

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remember reading -- I just read it, like every

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body else, like you, I was reading it. And I

Trump

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2 read the price and my remembrance is that I was
3 surprised at how much Bally paid for the property
4 because I didn't think they were going to be able
5 to get that kind of money for them.

6 Q. Had you done an analysis on the MGM to
7 form that judgment?

8 A. Only in my head, very quickly. I just
9 felt that the facilities themselves were a lot
10 better than I saw when I visited Las Vegas
11 because they looked very tarnished to me. I
12 thought the price was high. Just breaking it
13 down, the Reno property was not doing
14 particularly well, and the MGM-Grand was doing
15 okay but it lost something since the fire, as
16 everybody knows, and if I divided it down into
17 basic terms, \$250 million for one and \$300
18 million for the other, that's a top price. You
19 can buy a lot of casinos for that kind of money,
20 \$550 million. So I was surprised at the fact
21 that Drexel was able to get so much from Bally
22 for those two properties. I thought Drexel did a
23 very good job.

24 Q. With respect to Bear Sterns, do you
25 have a fee arrangement with them?

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MR. MYERSON: What does that mean?

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Other than as set forth in the document we were
4 looking at?

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Q. Do you have any arrangement, fee
6 arrangement, with Bear Sterns?

7

A. Not that I know of. I mean, I buy
8 stock and I pay a commission on the sale of the
9 stock, which hopefully is at a very prime
10 commission rate, but I do not have an arrangement
11 with Bear Sterns, no.

12

Q. Have you retained Bear Sterns in any
13 capacity in connection with your purchases of
14 Bally other than the put-and-call arrangement?

15

A. No, I have not.

16

Q. Are you reimbursing Bear Sterns for
17 legal fees incurred in connection with the
18 transaction?

19

A. I am not.

20

Q. You have never discussed that with any
21 representative of Bear Sterns?

22

A. I have not.

23

Q. Subsequent to the time that you began
24 purchasing shares of Bally, have you had any

25

meetings at which Bear Sterns has been in

Trump

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2 attendance? When I say that, I mean any
3 representative of that firm.

4 A. After the purchasing of Bally?

5 Q. After the commencement of the purchase
6 of Bally shares.

7 A. Yes, I have.

8 Q. How many meetings have you attended at
9 which Bear Sterns has also been present?

10 A. I would say two or three.

11 Q. Let's try and break them down to the
12 extent you're able to do so.

13 When was the first such meeting?

14 A. I would say probably toward the end of
15 my recent purchases, or perhaps at the conclusion
16 of my purchases. They were fairly evenly
17 disbursed over a couple of weeks. I was looking
18 at the company actually much more closely after I
19 purchased my stock than I was before I purchased
20 my stock. I had a nice position in the company,
21 I'm very happy with that position. I was very
22 happy and I am very happy with the approximately
23 9.9 position, and I wanted to find out more about
24 the company.

25 Q. I'm surprised your counsel hasn't

Trump

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2 jumped in and instructed you just to answer the
3 question.

4 A. I hope he has a lot of confidence in
5 me. He just wants me to tell the truth.

6 Q. With respect to the first such meeting
7 that may have occurred at the end of your recent
8 purchases, can you give me the approximate date?
9 You can look at the 13D if it will help you.

10 A. I can't, no.

11 Q. Where did the meeting take place?

12 A. In my office.

13 Q. Who else other than Bear Sterns
14 representatives were present?

15 A. Mr. Paul Hallingby, who I believe is
16 the vice chairman of Bear Sterns.

17 Q. Who was he with?

18 A. He had a couple of people with him.

19 Q. Who were they?

20 A. I really don't know.

21 Q. Who else was present at the meeting?

22 A. My brother and Harvey Freeman.

23 Q. What was --

24 A. And I guess Mr. Myerson was at all two
25 or three meetings, yes.

Trump

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2 MR. LERNER: Is that your recollection,
3 that you were there, Mr. Myerson? |

4 MR. MYERSON: Come on, come on.

5 Q. Was Mr. Myerson there?

6 A. I think Mr. Myerson was there. He was
7 at two of the meetings, but I believe Mr. Myerson
8 was there. I don't know if he was or not but I
9 believe he was there. I think he was at two of
10 the meetings.

11 Q. Who was at the meeting he didn't
12 attend? Was there a meeting that he didn't
13 attend?

14 A. I don't know. I don't recollect the
15 exact details of who was or was not.

16 Q. Do you have a record?

17 A. I could look. I would be very happy
18 to give them to you.

19 Q. How long did the first meeting take,
20 the one with Mr. Hallingby?

21 A. About 20 minutes, 25 minutes.

22 Q. What was the purpose of the meeting?

23 A. Just wanted to find out something
24 about Bally.

25 Q. To get financial advice from Bear

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Sterns?

A. No. I wanted to start to learn a little bit about the company. I figured it was not a bad time to start. I had a big investment in there and I had, I guess, the subject of this letter, I had 9.9 percent in the company. I wanted to start to learn about Bally.

Q. So, this meeting would have taken place after you acquired the 9.9 percent?

A. I already said it occurred.

Q. What were you told about Bally at this meeting?

A. I guess the thing that stood out most about the meeting was they said the officers of Bally were exorbitantly paid. That was one of the first points, if not the first point, that the salaries were exorbitant and probably wouldn't pass very much scrutiny. That was one of the things I remembered, one of the things discussed.

Q. This meeting took place, I take it, prior to November 21, 1986?

A. I told you, I don't know.

Q. Was it before or after you met with

Trump

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2 Mr. Mullane?

3 A. I don't know. I really don't know.

4 Q. What else was said at that meeting
5 about Bally by Bear Sterns representatives?

6 A. We were discussing the various
7 elements of the company, the health club elements,
8 the slot machine elements, casino elements,
9 amusement park element, and a general discussion
10 concerning each of them.

11 We discussed a little bit -- I just
12 discussed -- as to what they thought of the
13 company, and the general consensus was it has a
14 lot of stockholder dissatisfaction, which I have
15 also found out to be the fact since the purchase
16 of my stock, great stockholder dissatisfaction
17 with the company. It was brought to light the
18 company was considered to be heavily -- meaning
19 heavy in terms of expense, based on the
20 conversations. And basically, these are
21 conversations that went through the two or three
22 meetings that we had.

23 Q. When you say heavy expense, is that
24 the same conversation?

25 A. That's in addition to.

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Q. Too many people?

A. The percentage, the people, the numbers, the opulence.

Q. What about the quality of the management?

A. Well, the comment as made by somebody in the room -- I think it might have been Mr. Hallingby -- for the kind of money these people are being paid, this should be the best managed company in the United States and it's not.

Q. Did anybody dissent?

A. I think it's pretty hard to dissent when they're getting this much money for running a relatively small company.

Q. Was that your opinion?

A. No. I didn't know how much Mr. Mullane and the group were being paid. When I met Mr. Mullane I didn't know the amount of money he was making and I was a little bit surprised to find out the extent -- I didn't know the extent he was working and others.

Q. Does that suggest that the meeting with the Bear Sterns representatives occurred after you met Mr. Mullane?

Trump

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2 A. I couldn't suggest anything. I could
3 possibly figure out when these meetings took
4 place relative to the meeting with Mr. Mullane
5 but I would have to do it through some form of
6 retraining my steps.

7 Q. That would be through the appointment
8 book?

9 A. If I had those appointments through
10 November, I would find it there.

11 Q. That would be helpful and would be one
12 of the things we would like.

13 A. That would be one way.

14 Q. Other than the discussion of the
15 exorbitance and the heavy expenses at the
16 management level, what else was discussed at that
17 meeting by the representatives of Bear Sterns?

18 MR. MYERSON: Do you have anything to
19 add to your prior answer?

20 A. I really don't know. I think I have
21 said much of it -- perhaps I have left things
22 out -- I don't know.

23 Q. Do you recall what you said about the
24 casino facilities?

25 A. Well, casino facilities -- what we

Trump

discussed is the price they paid for the facility,
the kind of price they got --

Q. Talking about the MGM --

A. On the MGM-Grand. I know the Bally facility, the Bally in Atlantic City, I'm familiar with it. Principally that is what we discussed.

Q. If I understand you correctly, you were already familiar with the Bally facility in Atlantic City?

A. Somewhat familiar. They are one of a number of facilities in Atlantic City. I'm fairly familiar with it.

Q. Who arranged a meeting in your office, Mr. Trump? Was that at your request?

A. I believe it probably was, yes.

Q. Did you call Mr. Greenberg?

A. Perhaps Mr. Hallingby in this particular case.

Q. Prior to that meeting, had you had any discussions about Bally with Mr. Hallingby?

A. I don't believe so.

Q. Did you ask Bear Sterns to do anything at this meeting?

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A. I asked them to familiarize themselves more with the company.

Q. In what respects?

A. I wanted them to get more familiar with the company I wanted them to come back and tell me what they thought perhaps with more accuracy than the first meeting. And they did.

Q. Prior to meeting with the Bear Sterns representatives, at any time had you reviewed a copy of the Bally most recent proxy statement?

A. I don't think so. I don't believe so.

Q. Did you have possession of the Bally proxy statement for the most recent year?

A. Might be somewhere in my files or one of my office's files, but I don't believe I have them, no.

Q. Did Bear Sterns bring any documents to the meeting with you, the one that took place with Mr. Hallingby in your office?

A. The first meeting?

Q. Yes.

A. I'm not sure but I don't think at the first meeting they did. Perhaps at the second meeting. I remember looking at something just

Trump

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2 quickly and briefly but I don't really that they
3 did.

4 Q. Was that the first time you received
5 any advice from Bear Sterns about Bally as a
6 company?

7 MR. MYERSON: I'm going to object on
8 the grounds there is no foundation he received
9 advice at that meeting.

10 MR. LERNER: He just testified.

11 MR. MYERSON: He didn't testify he
12 received advice from Bear Sterns at that meeting.

13 THE WITNESS: We discussed the company
14 at that meeting.

15 MR. LERNER: I'll rephrase the
16 question.

17 Q. Is that the first time at that meeting,
18 the one with Mr. Hallingby sometime at the end or
19 shortly after the purchases that you made in
20 Bally? Prior to that time had you discussed,
21 with any representative of Bear Sterns, Bally as
22 a company or the business in which Bally was
23 engaged?

24 A. I would say yes. Certainly in any --
25 even though it was a modest depth at that time,

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in a modest depth, yes.

Q. How many times did you do that?

A. Did I do what?

Q. What you just testified to.

MR. MYERSON: Let's ask the question --

A. How many times did I do what?

Q. Discuss with Bear Sterns prior to that meeting with Bally.

A. I'm not sure I discussed it at all. I just said buy stock. I called up Alan Greenberg's office and said buy stock.

Q. I mean talked about Bally as a company or the businesses in which Bally was engaged. I didn't mean to include the mechanical purchases of stock.

A. I would say prior to that meeting I really didn't discuss the company to any significant extent, if at all.

Q. Did you discuss the company at any extent prior to that meeting?

A. I don't think so. I don't want to totally exclude a possible conversation that in between saying buy stock I didn't mention one thing -- the fact is, I don't think that I did.

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Q. You asked Bear Sterns to familiarize themselves more with the company; correct?

A. Yes.

Q. Did you ask them to prepare any documentation reflecting that familiarization?

A. I don't think in that word. I would say that perhaps familiarizing yourself with a company, you will prepare your memos or whatever it might be. I asked them to familiarize themselves with the company.

Q. In words or substance, did you ask them to prepare anything?

A. I don't believe I asked him or I asked them to prepare anything, no. That doesn't mean they didn't. I don't believe I asked them specifically but it's possible that they did or I did.

MR. MYERSON: For record purposes, we are talking about what he asked Hallingby at the first meeting?

MR. LERNER: Yes.

Q. When you said or you did, were you referring to or you prepared something?

A. No, not at all. I didn't prepare. I

Trump

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2 did not prepare.

3 Q. Was it your understanding based on
4 your conversations with Hallingby at that meeting
5 that something would be prepared by Bear Sterns?

6 A. No. I just wanted them to familiarize
7 themselves with the company.

8 Q. Did there come a time when you had
9 another conference with representatives of Bear
10 Sterns?

11 A. Yes.

12 Q. When was that?

13 A. Probably a week or two after the
14 initial meeting.

15 Q. Who arranged that meeting?

16 A. They probably said we have become more
17 familiar with the company; can we have a meeting.

18 Q. Did the meeting take place, again, at
19 your offices?

20 A. Yes.

21 Q. Who attended the second meeting?

22 A. Pretty much the same group.

23 Q. Can fix that meeting in time in
24 relation to the meeting that you had with Mr.
25 Mullane?

Trump

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2 A. I'm sorry. I can't. I really can't.
3 Similar times -- I think it was a similar time,
4 within a given period. I'm just not sure.

5 Q. I don't know what you mean by similar
6 time.

7 A. I think they were fairly closely
8 grouped.

9 Q. The second meeting and the Mullane
10 meeting?

11 A. I think, but I would have to check. I
12 would be able to tell you a lot better if I had
13 time to check.

14 MR. MYERSON: Off the record a second.

15 MR. LERNER: Yes, sir

16 (Witness and counsel confer.)

17 Q. I asked Mr. Myerson's colleagues
18 originally, you don't have your appointment book
19 with you?

20 A. I do not. The meetings are fairly
21 similar in time. I think I might have probably
22 met with Mr. Mullane first, but I would be able
23 to check it and give you a much better answer.

24 Q. Okay.

25 You said that with respect to the

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first meeting Mr. Myerson was present?

A. I believe he was but perhaps you'd have to ask him.

Q. I tried. He didn't want to respond to me.

What was the basis of your belief that he was there?

A. I just thought he might have been there. We had two or three meetings and I know he was at one or two of them. I have no basis of belief. I think I remember the cigar.

Q. What was the purpose of Mr. Myerson having been there? What would that be?

A. One of my attorneys. He's a trusted attorney.

Q. Was it contemplated at the first meeting that litigation would occur?

A. I really can't -- I just don't know.

Q. Was it discussed?

A. I don't remember. Perhaps it was. I don't know. It was stated, I remember, that one of the things that they did expect was that the Bally officers would fight like hell to keep their jobs because of the kind of money they were

Trump

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2 paid, so I think it was suggested that perhaps
3 they would try to bring suit in order to keep it
4 going. Other than that, I don't know.

5 Q. That was at the first meeting?

6 A. I think it was early on, yes, very
7 early on.

8 Q. Was Bear Sterns compensated for its
9 time at the first meeting?

10 A. No.

11 Q. That wasn't a subject of discussion?

12 A. No, it wasn't, I don't believe.

13 Q. At the second meeting which you
14 referred to with representatives of Bear Sterns,
15 was anybody else present?

16 A. Similar group. Almost the same group:
17 Robert Trump, Freeman, Mr. Hallingby, a couple of
18 representatives of Bear Sterns.

19 Q. What did Mr. Freeman say at the
20 meeting?

21 A. I think you do have to ask him. I
22 don't remember.

23 Q. What about your brother? He was at
24 the meeting?

25 A. I would rather have you ask him. I

Trump

1
2 just don't recall.

3 Q. You don't recall what he said?

4 A. No, I don't.

5 Q. Do you recall Mr. Myerson being at the
6 second meeting?

7 A. I believe he was. I'm not sure, but I
8 believe he was.

9 Q. You remember the cigar?

10 A. No. He was good at that meeting. I
11 don't think he had the cigar at that meeting. I
12 remember that, too.

13 Q. What documentation, if any, was
14 brought to that second meeting?

15 A. I believe that Bear Sterns did an
16 analysis of Bally in some form. The meeting
17 didn't last very long. I don't remember too much
18 about what the analysis was, but I believe they
19 did an analysis of the company.

20 Q. What kind of analysis?

21 A. Analysis of what they thought of the
22 company.

23 Q. In terms of what?

24 A. The value of the stock, the price of
25 the stock, the value of the entities, the various

Trump

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2 entities, the kind of income that the company was
3 making, would be expected to make, had made.

4 Q. Did they suggest any improvements that
5 could be made to the company?

6 A. I believe they did, yes.

7 Q. Was there any discussion in the study
8 of the breakup value of Bally?

9 A. I don't remember specifically. I
10 don't remember. There was a discussion of the
11 asset value. I don't think it was referred to as
12 breakup, but it could have been. I just don't
13 recall.

14 Q. Was there any discussion as to whether
15 or not certain lines of Bally's business could be
16 sold?

17 A. I believe that they were talking about
18 the asset value of the company, and that would be
19 certainly one of the prime criteria of
20 determining asset value, what it would sell for,
21 what the various components would sell for.

22 MR. MYERSON: Off the record a second,
23 please.

24 (Witness conferring with counsel.)

25 Q. What was said at the meeting?

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2 A. Well, again, this was a meeting
3 similar to the first but I guess they had a
4 little more information at hand. They were
5 talking about the asset value of the company, the
6 income of the company, the expected income of the
7 company, and I was looking at it relative to the
8 possibility of increasing my investment in the
9 company, and I sat and listened.

10 Q. Which assets, if any, did they discuss
11 in terms of possible sale?

12 A. I wasn't interested in sale. I was
13 interested in what kind of assets they had.
14 Again, I was contemplating the possibility of
15 making a major, further investment in the company,
16 so I wasn't focusing and I didn't give them
17 instructions per se to focus on -- if that's a
18 criteria for determining the company's value,
19 perhaps that's one of the ways they approached
20 that little task -- but I wasn't looking at the
21 sale of individual components and I didn't
22 instruct them to do so.

23 Q. How long did this meeting take?

24 A. They weren't particularly long
25 meetings. I would say maybe half an hour, 45

Trump

minutes, something like that.

Q. And how long was the analysis that was prepared?

A. I really have no idea.

Q. How many documents were there?

A. It was one. As I remember, one.

Q. Did it have a fancy cover with exhibits?

A. No.

Q. Just a report?

A. Just a xerox copy of the work that they had done.

MR. LERNER: I take it, Mr. Myerson, that that is the document that was referred to on Friday.

MR. MYERSON: I don't want to testify for the witness. My understanding after I spoke with Mr. Trump is that he recalls being shown a small portion of a document which I believe, based on the document conversations we had with Bear Sterns and you on the telephone, is the portion of the one document that I referred to. I talked to Mr. Trump about that and he was unable to identify what that document was because

Trump

1
2 he didn't even see the whole document, just a
3 portion of it, so I instructed him to give you
4 his best recollection of whatever it was that he
5 saw and get it on the record under oath.

6 MR. LERNER: I take it you consulted
7 with Bear Sterns to identify the document.

8 MR. MYERSON: They were unable to
9 identify the documents he was shown.

10 MR. LERNER: Bear Sterns is unable?

11 MR. MYERSON: As of my last
12 conversation. But I want you to understand I did
13 specifically instruct Mr. Trump following our
14 conversation that without objection he could
15 testify under oath as to everything he remembers
16 he saw in that document. I think it was a
17 limited segment of one document.

18 Let me just add, so we have it on the
19 record in case we are going to explore this down
20 the road, my understanding -- and again he can
21 expound on this -- is that he was not given that
22 document and did not have the document in his
23 files, that he was just shown a portion of it
24 during the course of that meeting.

25 Q. How many copies of the document were

Trump

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2

at the meeting, Mr. Trump?

3

A. I have no idea.

4

Q. Did they distribute them?

5

A. I don't know.

6

Q. You don't recall?

7

A. I do not.

8

Q. How many pages did the document have?

9

A. I have no idea.

10

Q. What is the title of the document?

11

A. I have no idea.

12

Q. What, substantively, did it say?

13

MR. MYERSON: I don't want you to

14

speculate as to the portions of the document

15

other than what you remember seeing, what was

16

shown to you. As to that, I want you to give

17

your full testify.

18

A. I don't know what the document said.

19

I know the general feeling was that Bally could

20

be an attractive investment under certain

21

circumstances.

22

Q. You did review a portion of the

23

document at the meeting?

24

A. I remember seeing a small portion. I

25

think somebody put something in front of me to

Trump

1
2 show me a graph or something. That was about it.

3 Q. Copies of the documents weren't given
4 to Mr. Freeman?

5 A. I don't know. You'd have to ask him.

6 MR. LERNER: I take it, Mr. Myerson,
7 Mr. Freeman didn't have a copy, either.

8 MR. MYERSON: You were given
9 everything we have in our files -- the Trump
10 Organization.

11 MR. LERNER: I'm trying to determine
12 if Mr. Freeman's files were searched.

13 MR. MYERSON: Yes, they were searched.

14 MR. LERNER: And Mr. Robert Trump,
15 also?

16 MR. MYERSON: Yes.

17 Q. Do you know of any reason why Bear
18 Sterns did not leave a copy of the document with
19 you?

20 A. No.

21 Q. Did the document explore an
22 acquisition of the entire company, Mr. Trump?

23 MR. MYERSON: Again, I don't want you
24 to speculate as to what the document did or
25 didn't do.

Trump

1
2 A. I don't know if the document per se
3 did.

4 MR. LERNER: I want to suggest that
5 he's highly intelligent and does not need
6 consultation. He's not going to tell me anything
7 he doesn't recall.

8 MR. MYERSON: I agree as to his high
9 intelligence and I'll continue to instruct as I
10 see fit. It seems he's so intelligent even he
11 doesn't understand what he's saying. It happens.

12 THE WITNESS: Right. It happens.

13 MR. LERNER: Would you mark as Exhibit
14 9 a document entitled "Answer and Counterclaims."

15 (Answer and
16 counterclaims, above referred to, marked as Trump
17 Exhibit 9 for identification, as of this date.)

18 Q. Have you ever seen that document
19 before, Mr. Trump?

20 A. It was shown to me, yes.

21 Q. Did you review a draft before it was
22 filed?

23 A. Very briefly.

24 Q. But you did review it before it was
25 filed?

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A. Yes, very briefly, yes.

Q. You have seen it after it was filed;
right?

A. Yes, I have.

Q. Would you identify the document for me?

A. It's our answer and counterclaims.

Q. Could you look at paragraph 111, which
is on page 23.

A. Page 23?

Q. Page 23, paragraph 111.

Could you look at the first sentence.

A. Yes.

Q. Do you believe that that is correct?

MR. MYERSON: Why don't you read the
whole paragraph for context, Mr. Trump.

A. Yes, I do believe that's correct. I
think they're proven that with their construction
expertise, or lack of it.

Q. When did you first come to believe
that the Bally management's "manufacturing
experience left them untrained in the
complexities of building a casino, hotel or any
other large-scale public accomodation"?

A. When the entire country was laughing

Trump

1 at the cost overruns in Atlantic City. They
2 built a facility in Atlantic City which came in
3 very, very incredibly high over what their
4 original estimates were in terms of cost overruns.
5 To this day I guess it's one of the highest cost
6 overruns that I have ever seen, perhaps equalled
7 by -- equalled, perhaps even exceeded by the
8 Tropicana. At the time the Bally cost overrun
9 was the highest I had ever seen.
10

11 Q. Approximately when was that incurred?

12 A. Well, I read about it during and after
13 the completion of their facility in Atlantic City
14 which was in the early '80s, early '80s.

15 Q. With respect to construction teams
16 working around the clock -- do you see the
17 sentence?

18 A. Yes.

19 Q. Could you review that sentence.

20 A. Yes.

21 Q. Do you believe the information in that
22 sentence is correct?

23 A. I believe it is. I think it is.
24 That's what I had heard. That's what I believe.

25 Q. Where did you hear the information

Trump

1 referred to in the second sentence of paragraph .

2 111?

3
4 A. I believe I read it years ago and I
5 think it's -- I thought it was fairly well-
6 documented, but I read the information from
7 various newspaper reports, et cetera, that they
8 worked tremendous overtime -- spending tremendous
9 amounts of money on overtime to try to get the
10 facility open. And when they did get the
11 facility open, it was December of '79, which is
12 literally the worst month that you can open a
13 facility.

14 MR. MYERSON: Let's go off the record
15 just a second.

16 (Counsel conferring with witness.)

17 Q. Mr. Trump, the last sentence says,
18 "Bally has run into similar difficulties more
19 recently in the construction of other facilities."

20 Do you see that?

21 A. Yes, sir.

22 Q. What is that a reference to, if you
23 know?

24 A. I have heard that their new addition
25 to the Bally Hotel, which has been under

Trump

1
2 construction for the longest period of time -- I
3 jokingly say it could be the longest period of
4 time I have seen one floor being built. They are
5 building a new hotel tower, as you're aware. I
6 don't know what Bally is stating publicly, but I
7 believe they are very, very seriously over budget,
8 that it's turning out to be a total nightmare and
9 monster, and I believe when completed it will be
10 no different than the fiasco of their original
11 hotel and casino. They have been building it for
12 a long time and I believe to this day they have
13 one floor of steel up.

14 Q. When did you learn this information?

15 A. It's a rumor in Atlantic City. It's
16 circulating as a rumor in Atlantic City. In the
17 construction business, I can look at a building
18 and tell you within a few percentage points what
19 that building cost, based upon the performance,
20 based on watching it, without looking at a sheet
21 of paper. And I can tell you they've got
22 themselves a disaster.

23 Q. When did you first conclude that?

24 A. In the last year. And I have been
25 watching them put in a floor. And I hope they're

Trump

going to be careful because I own a big percentage of that company.

Q. Other than the tower they are building -- it says facilities, plural. Is there anything other than the tower?

A. Yes. They built a health club which as I read and heard cost \$36 million -- 35, excuse me, \$35 million -- in Atlantic City. It is, I guess, just about the most expensive health club per square foot in the history of the world.

It's a disgrace that they were allowed to spend this kind of money to build a facility which is hardly any better, if it's any better at all, than the other health facilities in Atlantic City costing in many cases 1/35th of the amount. The fact that they could spend that much money to build that facility is to me just mind-boggling because I know the facility --

Q. When was the facility constructed?

A. Last year.

Q. When did you become aware of the \$35 million cost?

A. I heard about it, read about it, and I found it hard to believe.

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Q. Approximately when did you hear that?

A. A few month ago when I heard it was completed, probably five or six months ago. After its completion I learned its final cost was \$35 million. To build a health club, it's preposterous.

MR. MYERSON: Can we go off the record.

(Counsel conferring with witness.)

Q. You testified previously somewhat on the purchase of the MGM hotel, sir. There is a reference in paragraph 113, which is on page 24, to the fact that "Bally's management set out to repeat its prior mistakes by grossly overspending to acquire MGM-Grand hotels in Reno and Las Vegas, Nevada for \$572.9 million."

A. Yes.

Q. Do you believe that's correct?

MR. MYERSON: Again, I'm going to ask to you read the whole paragraph for context purposes, Mr. Trump.

A. Yes, I believe it's correct.

Q. When did you form that belief for the first time?

A. As I have already stated, I thought

Trump

1 that the price was preposterous, that the deal
2 was offered to me at a lesser amount -- it was
3 offered to me at \$550 million by Drexel, and I
4 thought that price was far too high and I didn't
5 want to pursue it. And Bally paid something in
6 excess of that, I guess, but I thought the price
7 was preposterous and still do, thought the price
8 was too high.
9

10 Q. Where, Mr. Trump, did the funds come
11 from that were utilized to purchase shares of
12 Bally stock?

13 A. From my own account and from a line of
14 credit, I guess, at one of the banks. I think it
15 was --

16 Q. Manufacturers?

17 A. I don't know. I think it was Bankers
18 Trust.

19 Q. How much of the funds are personal
20 funds and how much are borrowed?

21 A. I don't know. I could check. I just
22 don't know.

23 Q. Could you ascertain that information
24 from item 3 of your Schedule 13D?

25 MR. LERNER: Would you show Mr. Trump

Trump

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2 Exhibit 5 -- I think you have it in front of you.
3 Look at item 3, which is on page 4.

4 MR. MYERSON: What is the question?

5 MR. LERNER: Whether Mr. Trump, after
6 reviewing item 3, can tell me how much of the
7 funds utilized to purchase the shares reported in
8 the Schedule 13D were borrowed.

9 A. I really can't, not by -- I don't
10 believe by this. Maybe I'm misreading it.

11 Q. I don't think so. You can't tell the
12 amount of funds which were personal funds --

13 MR. MYERSON: That's what he said.

14 MR. LERNER: I said borrowed.

15 A. I really can't, no. I cannot tell
16 from this.

17 DIR Q. What is the interest rate at which the
18 funds that are borrowed against the line of
19 credit are charged?

20 A. Again, this would be a personal line
21 to me. This would not necessarily or not at all
22 reflect on the shares. The interest rate that I
23 pay?

24 Q. Yes.

25 A. Is prime --

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MR. MYERSON: Hold on one second.
I'm going to instruct him not to
answer.

MR. LERNER: Why?

MR. MYERSON: None of your business.

MR. LERNER: Yes, it is.

MR. MYERSON: I instruct him not to
answer.

Q. Did you do any computation in
connection with your percent of Bally shares as
to the cost of carrying the investment?

A. No, not really. It's pretty simple to
figure out in your head. You don't have to be a
mathematical genius.

DIR Q. What is the cost of carrying your
investment?

MR. MYERSON: Hold on a minute.
I'm going to object and instruct the
witness not to answer.

MR. LERNER: He's not going to tell me
the cost to carry the investment?

MR. MYERSON: You're right.

MR. LERNER: You're instructing him
not to answer? I think that's obstructive but

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there is nothing I can do right now.

MR. MYERSON: My purpose is not to be obstructive. My purpose is not to give any confidential information as a result of what we consider to be a highly specious lawsuit brought by you. That's his position. He's entitled not to answer. Goes on.

MR. LERNER: Now that you have adjudicated the speciousness of the lawsuit --

MR. MYERSON: Save the garbage. You're wasting a lot of time. Let's move on.

MR. LERNER: First of all, you're screaming at me again.

MR. MYERSON: It's hard not to.

MR. LERNER: No. Second of all, you made your speech and I didn't interrupt you and I wasn't rude to you, and I expect the same courtesy. Okay?

MR. MYERSON: No. Let's move on. I said it in a plaintive voice.

MR. LERNER: You made your speech --

MR. MYERSON: Don't get rattled.

MR. LERNER: I'm not the one who is screaming.

Trump

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2 MR. MYERSON: Neither of us are. We
3 have wasted about three hours of Mr. Trump's time.
4 He's leaving here at 4:30. We are not bringing
5 him back for matters that could or should have
6 been covered.

7 MR. LERNER: You are the one that is
8 filling up the record. You have adjudicated the
9 speciousness of the lawsuit and therefore told us
10 you are going to deprive us of information.
11 That's what you said.

12 BY MR. LERNER:

13 DIR Q. Do you know whether the dividends
14 received from Bally stocks are in excess of the
15 costs that you're paying to carry the investment?

16 MR. MYERSON: I object and instruct
17 the witness not to answer.

18 Q. When did you first consider purchasing
19 all of Bally's stock, Mr. Trump?

20 A. All of Bally's stock?

21 Q. All of it, the entire company.

22 A. Using the word "consider"?

23 Q. I did use that word.

24 MR. MYERSON: Consider the possibility?

25 MR. LERNER: My question stands.

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MR. MYERSON: I object to the question.
There is no foundation.

A. Do you mean consider the possibility of purchasing all of Bally's stock?

Q. Did there come a time when you considered the purchase of the entire company, referring to Bally?

A. I absolutely have considered the purchase of the entire company, yes.

Q. When was the first time that you considered that?

A. Well, I guess you'd have to say the first time I considered it was when I was talking to Drexel Burnham and they were telling me what a wonderful company it was. That was probably the first time I considered it.

Q. That was in your mind at the time?

MR. MYERSON: What was in his mind, the possibility of that happening?

MR. LERNER: When he considered buying the entire company.

A. A lot of things were in my mind. There were the possibilities of purchasing ten shares, the possibilities of hundreds of

Trump

1 purchasing millions of shares, the possibilities
2 of purchasing a million shares, the whole
3 company -- there was a possibility of a lot of
4 things.
5

6 Drexel was the one who told me it was
7 a good company. But I did not do that. I stand
8 by my 13D filing one hundred percent.

9 Q. Did you discuss with Drexel a takeover
10 of the company?

11 A. No, I did not.

12 MR. MYERSON: Off the record a second.

13 (Counsel confers with client.)

14 Q. You had occasion to speak to Mr.
15 Mullane on or about November 21, '86, did you not,
16 Mr. Trump?

17 A. I believe so, yes.

18 Q. November 21 was a Friday, if memory
19 serves. Do you recall that?

20 A. I do recall that, yes.

21 Q. Now, did you discuss a possible
22 meeting with Mr. Mullane, with Mr. Greenberg,
23 prior to the time such meeting occurred?

24 A. I don't know how it came about. I
25 don't know how the meeting came about, but Mr.

Trump

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2 Greenberg, I believe, suggested it. Mr.
3 Greenberg likes Mr. Mullane, I think he stated
4 they were friends, and I believe it was his
5 suggestion that we meet, which was fine with me.

6 Q. The meeting that you had with Mr.
7 Mullane was a breakfast meeting at the St. Regis?

8 A. That's correct.

9 Q. And the prior day you had a conference
10 call with Mr. Greenberg?

11 A. Conference call? You mean a telephone
12 call, a two-way telephone call?

13 Q. Was there a two-way telephone call?

14 A. I don't know of anybody else who was
15 on it -- let's say, I guess Mr. Mullane -- I
16 think they were together, and Mr. Mullane was on
17 one end of the phone and Mr. Greenberg was on the
18 other end.

19 Q. It fits my definition of telephone
20 conversation, I believe that's correct.

21 A. At which point I had not spoken to Mr.
22 Mullane. I had at that point just spoken and
23 said hello, how are you.

24 MR. MYERSON: Before you ask a
25 question, go off the record a second.

Trump

(Counsel confers with client.)

Q. Did you ask Mr. Greenberg to arrange the meeting with Mr. Mullane?

A. I don't remember how exactly the meeting came about. I believe it was Mr. Greenberg's suggestion; I just don't remember.

Q. What was said during what you referred to as the two-way conversation?

A. Just pleasantries. A meeting was arranged and I think -- the conversation, I think, was a few days before the meeting. A meeting was arranged and I said I look forward to seeing you, and he said the same thing to me.

Q. Did you discuss with Mr. Greenberg what he was saying to Mr. Mullane?

A. With regard to?

Q. Bally, and your interest in Bally.

A. I think we left most of the discussion for that breakfast meeting.

Q. Did Mr. Greenberg tell you prior to the meeting that he said in words or substance that "Don wants the company"? --

MR. MYERSON: I object to the form of the question. Are you making a representation

Trump

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2 that that is what Mr. Greenberg said?

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4 MR. LERNER: No, I'm not making a
representation

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(The last question was read.)

6

Q. Did you say that?

7

A. I didn't say it that way or any way
8 like that, I don't believe, no.

9

Q. Did he say that to you? .

10

MR. MYERSON: Did he --

11

Q. Did Mr. Greenberg indicate to you that
12 he had told that to Mr. Mullane?

13

A. No. I think that just a meeting was
14 set up. I don't think there was an indication of
15 anything. I was a large stockholder of the
16 company and I think Mr. Greenberg, being a friend
17 of Mr. Mullane and being a friend of mine, I
18 think he just set up a meeting. I don't think
19 there were any major representations one way or
20 another, but you'd have to ask Mr. Greenberg. I
21 wasn't there.

22

Q. What I'm trying to get now is whether
23 Mr. Greenberg informed you after his phone call

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with Mr. Mullane what he said to Mr. Mullane

25

about that subject, the subject being whether "Don

Trump

1 wants the company"?

2 A. I don't believe he said that to me. I
3 don't know what he said to Mr. Mullane. I don't
4 know what he said to me.
5

6 Q. The breakfast meeting took place at
7 approximately 6:30 to 7:30 on the 23rd of
8 November?

9 A. Approximately, yes, approximately at
10 that time.

11 Q. What did you say to Mr. Mullane at
12 that meeting?

13 A. What do you want for breakfast? And
14 when we got through with that, I said that I
15 would be interested on a friendly basis of making
16 a larger investment in the company or if he
17 thought it was appropriate, if everybody thought
18 it was appropriate, if it met the approvals, all
19 the necessary legal and various approvals of
20 purchasing the entire company.

21 The first time this really came to my
22 mind in terms of the purchasing was sometime
23 after I had my position, my 9.9 percent of the
24 company, the first time I really began to
25 consider it as something that I would be willing

Trump

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2 to do, go forward with. It was probably for the
3 most part after I had the 9.9 position. Although
4 Drexel, just relating back, really suggested very
5 strongly -- Mr. Lee -- that it was a company that
6 was right for total acquisition. I was really
7 more interested, and in fact initially and
8 exclusively interested in purchasing a segment of
9 the company or part of the company for investment
10 purposes. I think Drexel, at least in the form
11 of this one person, really felt more strongly
12 about the company, initially speaking, than I did.

13 Q. How long had you had your 9.9 position
14 prior to the time you met with Mr. Mullane on the
15 21st?

16 A. I think we would be able to see by
17 looking at the documents.

18 I think I had 9.6 when I met with Mr.
19 Mullane and I increased it to 9.9 at some point
20 after the meeting.

21 Q. Do you know how long prior to the time
22 you met with Mullane that you had ownership of
23 9.6?

24 A. I don't know.

25 MR. MYERSON: Presumably you will be

Trump

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2 able to figure that out. We give you the dates
3 of purchases I have confidence in you.

4 MR. LERNER: Thank you. I appreciate
5 the compliment.

6 MR. MYERSON: So let's move along.

7 MR. LERNER: I'm trying as best I can.
8 It's hard to figure out.

9 THE WITNESS: Why don't you help.

10 Q. The last purchases referred to, which
11 add up to the 9.6 reported in the first Schedule
12 13D -- the others reporting 9.9 -- indicate that
13 Bear Sterns purchased shares on the 20th of
14 November. That would be the day preceding the
15 meeting.

16 A. Fine. Then you have your answer.

17 Q. Now, what led you to advise Mr.
18 Mullane at the meeting on the 21st that you would
19 be willing, subject to the caveats that you have
20 indicated, to acquire the entire company?

21 MR. MYERSON: Consider.

22 A. I look at things perhaps differently
23 than others, but the way I looked at the company,
24 if they could waste hundreds of millions of
25 dollars I saw them waste and still be a viable

Trump

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2 company, I said to myself, can you imagine how
3 good they would be if they didn't waste those
4 hundreds of millions, so I imagine the company
5 could be, with proper management and
6 leadership -- and I'm not saying, by the way,
7 that there is anything wrong with the current
8 people working there that some good leadership
9 can't solve, some good, top-level management
10 can't solve -- but I thought the company would
11 make an adequate investment and a reasonable
12 purchase.

13 MR. MYERSON: Off the record. Excuse
14 me.

15 (Counsel confers with client.)

16 Q. Mr. Trump, you still have in front of
17 you, I believe, the counterclaims and --

18 A. Yes.

19 Q. Could you turn to paragraph 118 for a
20 minute.

21 There is reference in the second
22 sentence about a proposal, "By not considering
23 the proposal for a friendly acquisition of Bally
24 seriously" -- do you see that?

25 A. Yes.

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Q. What is the proposal --

MR. MYERSON: Read the whole paragraph before you answer. Read the whole paragraph, please, before you answer.

A. Okay.

Q. What is the proposal to which that refers, sir?

A. Well, I had suggested to Mr. Mullane that if he thought it appropriate and subject to all of the rules, regulations and laws of the country that, if a friendly transaction were possible, perhaps that would be wonderful for everyone and effectively at the end -- without having mentioned price or anything, and much to my surprise, frankly, and much to the detriment of the Bally stockholders and hence to the anger of so many other Bally stockholders that I have found, frankly, Mr. Mullane never came back to ask a price.

You'd think even if he didn't want to necessarily do it at a so-called fair price, I would think he has an obligation to come back and at least state a ridiculously high price. Mr. Mullane didn't even come back and talk about

Trump

price, like price was no object. If I were going to offer \$100 a share for a \$20-a-share stock, he wouldn't have taken that. He obviously wants to keep his job or protect his job or whatever. It's just preposterous.

Q. Flipping back momentarily, if you would, please, to the preceding paragraph, which is 117, there is a reference to the fact -- it's around the third or fourth sentence down -- "As subsequent events would reveal, the Bally defendants were not considering such a proposal in good faith, did not even discuss the price Trump would have been willing to pay for the company."

Did you have in mind at that meeting a price?

A. No.

Q. Did you mention --

A. I would have assumed Mr. Mullane would have come back. In fact, I expected that he would come back and say, "Mr. Trump, what do you have in mind? "And if it wasn't a high price, he would have objected to that and I would have said" "That's reasonable."

Trump

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2 For the head of a company representing
3 thousands of stockholders who have not done well
4 with their stock, for the head of a company to
5 not even ask what price you have in mind is a
6 great disservice to the stockholders.

7 Q. But you didn't put one on the table?

8 A. I was expecting Mr. Mullane, and I
9 thought the meeting was left on that basis. I
10 was expecting Mr. Mullane to come back and make a
11 suggestion. He didn't want to hear a price, talk
12 about a price.

13 Q. You didn't put a price on the table at
14 that meeting; is that correct?

15 A. I didn't put a price on the table,
16 that is absolutely correct.

17 Q. Hanging in with paragraph 117 for a
18 minute, it says that the discussion with Trump
19 was never disclosed by the Bally defendants to
20 the Bally stockholders.

21 A. Which I was surprised at.

22 Q. When did you become surprised?

23 A. I frankly became surprised immediately.
24 I was under the impression that as an official of
25 a public company, they had an obligation to

Trump

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2 discuss any major events taking place with regard
3 to their company. I was frankly surprised the
4 next day when I didn't read about it. It was an
5 important meeting, a major meeting. We are not
6 talking about selling off an entity within a
7 company. We are talking about a discussion
8 relative to the company as a whole and I'm very
9 surprised that they didn't inform the public of
10 this, very surprised.

11 Q. The next sentence, "The reason for
12 secrecy is obvious." Do you see that?

13 A. Which sentence is that?

14 Q. The one that says "The reason for
15 secrecy is obvious." Do you see that? It
16 follows right after "The discussion was never
17 disclosed"

18 A. Yes, I certainly do.

19 Q. Isn't it true that your 13D makes
20 reference to the meeting with Mr. Mullane?

21 A. Perhaps mine does but I'm not supposed
22 to be disclosing. I'm not the public entity.
23 With me, I just did it as a matter of the fact
24 that it was an appropriate and truthful filing,
25 but the Bally people should have filed, in my

Trump

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2 opinion -- in my lawyer's opinion, more
3 importantly.

4 Q. He told you that?

5 A. He told me they certainly should have
6 let the public know what was done.

7 DIR Q. Even though no price was mentioned?

8 MR. MYERSON: Let's not argue with the
9 witness. I'm going to instruct him not to answer.
10 Let's go off the record.

11 (Counsel confers with client.)

12 A. To conclude --

13 Q. Well, you don't have to. You just
14 consulted with your lawyer. You don't have to be
15 prompted by your lawyer.

16 MR. MYERSON: Let's stop with the
17 self-serving garbage.

18 MR. LERNER: I have been sitting here
19 very patiently --

20 MR. MYERSON: You're very patient.
21 We're appreciative.

22 You filed a lawsuit, sir --

23 MR. LERNER: So did you.

24 MR. MYERSON: We filed a lawsuit as a
25 counterclaim to yours. We are here pursuant to

Trump

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2 what we consider to be a specious lawsuit. We
3 have already taken up about four hours of Mr.
4 Trump's time. And you tell us about your
5 patience. We are very gratified.

6 MR. LERNER: I have been very patient
7 as a result of your discussios with Mr. Trump. I
8 don't need to have the witness consult with you
9 and go on the record and make statements.

10 MR. MYERSON: We are not going to
11 respond to that kind of nonsense.

12 MR. LERNER: Okay. I'm making
13 progress.

14 BY MR. LERNER:

15 Q. Could you go back, Mr. Trump, to
16 paragraph 118.

17 A. Go forward to 118.

18 Q. Yes, sir. We referred previously to
19 the first clause about the proposal for friendly
20 acquisition.

21 A. Right.

22 Q. It goes on to say, "The Bally
23 defendants not only were denying Bally and its
24 stockholders an opportunity to obtain the
25 managerial expertise that would benefit the

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company."

Do you see these words?

A. Yes.

Q. What is that a reference to?

A. That would be my managerial expertise and my company's.

Q. What form of managerial expertise are you referring to?

A. Well, I get you could consult the City of New York. They spent seven years trying to build an ice skating rink and I did it in three and a half months.

I'm not talking about the management of the casinos when I look at Reno and Las Vegas, but if Bally had somebody that knew about the construction business, I think they could save hundreds of millions of dollars. I would say nobody has a better track record than me, and I think you would probably agree with that, in the construction of a facility.

So, when I see \$35 million in the building of a health club, way way behind and way over budget in the construction of their new facility -- depending on what budget they show

Trump

1 .
2 you -- they certainly need managerial expertise
3 and they don't have the kind of expertise that
4 they need at the moment. I'm sure you know that
5 better than they do.

6 Q. Does the management expertise include
7 the operation of casino hotels?

8 A. Yes, it would, perhaps to a lesser
9 extent, but it would.

10 Q. At the time that you made the proposal
11 that is referred to in paragraph 118, can you
12 recall whether you had seen the Bear Sterns
13 document you referred to earlier?

14 MR. MYERSON: Excuse me. For record
15 purposes, the testimony was not that he saw the
16 document but that he saw a limited portion of a
17 document. I want to have that continuity because
18 we may have a fight down the road as to
19 identification of what the document is.

20 MR. LERNER: So the record is clear, I
21 wasn't suggesting he saw all of it or part of
22 it --

23 MR. MYERSON: I understand.

24 MR. LERNER: Just in shorthand, to
25 refer to a document.

1 Trump.

2 MR. MYERSON: The only reason I wanted
3 to clarify it was for the identification issue.

4 Q. The last clause of that very lengthy
5 sentence, paragraph 118, talks about an
6 opportunity to reap substantial tax benefits that
7 would have been available had an acquisition been
8 completed prior to the effective date of the Tax
9 Reform Act of 1986.

10 A. Yes.

11 Q. On November 21, 1986, subject to the
12 regulatory approvals and consents, would you have
13 been prepared to acquire Bally prior to the end
14 of the year 1986?

15 A. Would I have been?

16 Q. Were you.

17 MR. MYERSON: Just a minute. Subject
18 to the regulatory approvals and consent? Subject
19 to all that he said it was subject to, which
20 included price? Or are you limiting it only to
21 the regulatory sense?

22 MR. LERNER: No; price.

23 A. Subject to the various consents and
24 approvals, et cetera, et cetera?

25 Q. Right.

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A. Absolutely, yes.

Q. I take it you had some price in mind at that time; is that right?

A. I had a general range of price involved, yes. I would have had a specific price had I been asked.

Q. In reaching that general price level you referred to, what, if any, advice was that based on?

A. Very little advice at that point. Very little advice. Drexel probably just felt strongly about the company itself, but very little advice, per se. It was just sort of a gut feeling.

Q. Have you heard the name Sam Klein?

A. I don't really -- I don't really know. I think Alan Greenberg, in conjunction with Alan Greenberg. I believe that Alan said they are friends or something like that. I believe that's where I heard the name.

Q. Do you know whether he's a mutual friend of Greenberg's and Mr. Mullane?

A. I don't know much about Sam Klein.

Q. Do you know whether Mr. Klein called

Trump

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2 Mr. Mullane and indicated that your stock might

3 be available to be sold for \$25 a share?

4 A. I don't know. I don't know.

5 Q. Mr. Greenberg never told you that?

6 A.

Trump

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2 Mr. Mullane and indicated that your stock might
3 be available to be sold for \$25 a share?

4 A. I don't know. I don't know.

5 Q. Mr. Greenberg never told you that?

6 A. Mr. Greenberg did not -- I don't
7 believe. He said Sam Klein was somebody that
8 used to be in Bally or something like that, but I
9 don't know too much about Sam Klein. He's not a
10 person -- I don't believe I ever met Sam Klein.
11 I think he's a friend of Alan Greenberg.

12 In any event, I would not have sold my
13 stock at \$25 a share.

14 MR. LERNER: Would you mark this,
15 please.

16 (Document, above
17 referred to, marked as Trump Exhibit 10 for
18 identification, as of this date.)

19 Q. Could you review what has been marked
20 as Trump Exhibit 10 for identification. Tell me
21 if you recognize that.

22 A. Okay.

23 Q. Could you tell me what it is?

24 A. It's the release of the purchase of
25 the Bally shares, I guess.

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Q. Did you review it before it was issued?

A. Yes, briefly. Very briefly.

Q. With whom did you discuss it?

A. Mr. Myerson.

Q. Anybody else?

A. Mr. Myerson and Mr. Freeman.

Q. Any public relations company?

A. Not that I know of. Perhaps used a public relations company.

Q. Did you use Howard Rubinstein?

A. On occasion.

Q. Have you discussed him on the Bally transaction at all?

A. I don't believe so, no.

Q. Are you aware of any public relations firm utilized in the Bally transaction?

A. You'd have as to ask my people. I personally am not, but it's possible.

Q. This release was issued on November 20, 1986; correct?

A. Yes.

Q. What prompted the release to be issued?

A. I think the attorneys wanted me to suggest that it be made.

1 Trump

2 MR. MYERSON: The release was made in
3 consultation with us and I'm going to instruct
4 him not to answer as to any conversation
5 surrounding it.

6 (Discussion off the record.)

7 Q. At the time this press release was
8 issued, Mr. Trump, isn't it a fact that you had
9 concluded that you would be willing to acquire
10 all of Bally subject to regulatory consents and
11 agreement as to price?

12 A. The meeting with Mr. Mullane was on
13 what day?

14 Q. November 21st.

15 A. And this is on November 20th?

16 Q. Right.

17 A. I see. I believe this says it very
18 accurately. I don't know how I can improve upon
19 it.

20 MR. LERNER: Would you read back my
21 question.

22 A. I know what your question was. You
23 couldn't have to have it read back.

24 Q. Could you answer it, please?

25 A. My intent is exactly what I have

Trump

1 stated it here. I think that covers it verbally.

2 MR. LERNER: Ms. Bailey?

3 (The last question was read.)

4 A. As I just stated, my answer remains
5 the same. It would be, among factors, the
6 company's business and prospects, the position of
7 the board -- just as it says here, the position
8 of the board, directors, management of the
9 company, other business opportunities available
10 to me.

11 Q. Maybe my question is not clear. That
12 must be it.

13 On November 20, 1986 --

14 A. Is that before my meeting --

15 Q. Right.

16 A. Go ahead.

17 Q. Were you willing to acquire all of
18 Bally subject to regulatory consents and
19 agreements as to price and subject to price?

20 A. It's very hard to say. If somebody
21 came up to me and said, "Donald, you can have
22 Bally at a certain price," it's possible this or
23 that, I have no intention of -- I will leave it
24 exactly what it says. I'm honored with the way
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it is written.

Q. So, we have the proposal referred to in your counterclaims --

A. Subject to numerous things.

Q. Right, we had your testimony on that.

Now we are going to November 20th. My question is, on November 20th, were you prepared to acquire all of Bally subject to agreement to price and regulatory --

MR. MYERSON: He answered the question three times, saying it was subject to the various things.

MR. LERNER: You're testifying.

A. It says "and my ultimate position will depend on," and it goes on. That's exactly correct. My holding will depend upon -- and his ultimate holding depends upon, among other factors.

Now, if you came to me on November 20th with the understanding did I say that, certainly you have to consider anything. If you said, "Donald, you can have Bally for \$5 less than it is selling for in the public market" -- I'm not saying anything different than right here. I

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think it's accurate and a generous statement.

Q. You made a proposal the following day you, did you not? If the meeting had taken place on the 20th of November instead of the 21st, would you have made the same proposal?

A. The meeting didn't -- you are asking me to speculate would take place at a meeting that never happened. How could I do that? I don't know.

Q. When did you formulate the proposal you made at 6:30 or 7:30 on the 20th of November?

A. Maybe at 6:15. I will tell you I sat down with Mr. Mullane, we had breakfast, we talked about a lot of things, and one of the things was the possibility of a purchase on a friendly basis of this particular company, and it was subject to all rules, regulations, et ceteras, and proper filings.

MR. MYERSON: And price.

A. And price.

Q. Did you give thought on the 20th to the proposal that you described that you made to Mr. Mullane on the 21st?

A. Very little contemplation. I wanted

Trump

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2 to see what was going to take price at a meeting.
3 I was meeting with a man who I didn't know, I had
4 never met, to the best of my knowledge, and I
5 wanted to see what would take place. If I saw
6 Mr. Mullane and had zero in common, I might not
7 have said anything to Mr. Mullane.

8 You're asking me to speculate on what
9 would have taken place at a meeting had it been a
10 day earlier. I don't know.

11 Q. I moved off that question. Now I'm
12 asking you whether you contemplated or gave
13 thought to the proposal you made on the 21st.

14 MR. MYERSON: He answered.

15 Q. I want to make the record clear.

16 MR. MYERSON: It is. Move on.

17 Q. You had a conversation with Mr.
18 Greenberg on the 20th concerning the proposal you
19 would make to Mr. Mullane on the 21st. Is that
20 correct, Mr. Trump?

21 A. I don't know what conversation I had
22 with Mr. Greenberg. I have so many conversations
23 with Mr. Greenberg and other people that I can't
24 relate back to a specific point in time -- nobody
25 else could, either, by the way, as to exactly what

1 Trump

2 conversation and exactly what was said.

3 Mr. Greenberg is a friend of Mr.

4 Mullane, Mr. Greenberg represents me, Mr.

5 Greenberg set up a meeting, it was a very

6 pleasant meeting. Nothing happened,

7 unfortunately, for the stockholders of Bally.

8 Nothing happened, and it was no big deal, except

9 for the stockholders of Bally -- for them it was

10 a very big deal. Because as you know, they are

11 very unhappy.

12 Q. Well, I don't know anything about that.

13 A. You don't? Surprised.

14 Q. The question is, did you discuss with

15 Mr. Greenberg on November 20th the proposal that

16 you made to Mr. Mullane on November 21st, 1986?

17 MR. MYERSON: Asked and answered. He
18 said he doesn't recall whether he not or did. He

19 testified that he doesn't remember when he came

20 up with the proposal, that he wanted to see what

21 Mr. Mullane was like, he never met the man.

22 Let's not go back over pages and pages. His

23 testimony is clear.

24 Q. Is that your testimony?

25 A. My testimony is clear, I believe.

Trump

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2 Q. Prior to the issuance of the press
3 release of November 20, 1986, Mr. Trump, had you
4 given any thought to how to remove Bally's board
5 of directors without cause?

6 A. I don't know. Perhaps somebody
7 thought of it. As far as myself, have I
8 personally given any thought to it?

9 Q. Had you?

10 A. When you say without cause, what does
11 it mean? Removing anybody without cause, what
12 does it mean?

13 Q. Your testimony is you can't understand
14 that expression?

15 A. Not in the context in which you're
16 phrasing it, no.

17 Q. Did you give any thought prior to
18 November 20, 1986, to the manner of effectuating
19 a second step of a cash merger?

20 A. I really -- I just don't know. I
21 really don't know. I don't know. A lot of
22 things were discussed. We had meetings, they
23 were long meetings. You had some of your lawyers
24 present at meetings. I really don't know exactly
25 what was discussed, to tell you the truth.

Trump

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2 Q. So the record is clear, I'm talking
3 about on or before November 20, 1986. I'm not
4 aware that any of our lawyers were present at any
5 meetings around that time frame, Mr. Trump.

6 MR. MYERSON: That's the reason I
7 don't want you to speculate unless you can recall.

8 Q. You made reference to some long
9 meetings. I would like to know what you're
10 referring to.

11 A. Some long meetings?

12 Q. Yes, you just testified.

13 A. I don't know. To me a long meeting is
14 half an hour, 45 minutes. That's a very long
15 meeting. This is considered a monumental
16 deposition or meeting. To me a long meeting is
17 anything over an hour.

18 Q. However you mean it, I'm asking what
19 you were referring to.

20 A. I was referring to, I guess, and not
21 knowing when those meetings took place, but to
22 the various meetings I had with Bear Sterns,
23 which were already referred to.

24 Q. My question related to prior to
25 November 20, 1986. Do you understand what I'm

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asking?

A. Yes.

Q. With respect to the time period preceding the issuance of this press release, had you given any thought or had you wished to know information about how to unstagger Bally's board of directors?

A. I don't specifically remember that. It's possible that somebody might have brought it to my attention but I don't specifically recall having asked that.

Q. Were you interested prior to November 20, 1986 in how stockholders could act without a meeting?

A. Not particularly, no. Not particularly. I'm getting more and more interested, but not particularly.

Q. Had you asked anyone to review Bally's charter?

A. I really don't know. I don't think I said that specifically. It's possible that somebody reviewed it; I don't know. It's very possible.

MR. LERNER: Would you mark this, Ms.

Trump

Bailey.

(Memorandum, above referred to, marked as Trump Exhibit 11 for identification, as of this date.)

Q. Could you review Trump Exhibit 11 for identification and tell me if you have ever seen that document before.

MR. MYERSON: I'm going to say on the record, before Mr. Trump answers, this is a document entitled "Attorney Work Product Privileged and Confidential." It's an internal memorandum of my law firm that was not produced by my law firm, and I can only assume that it was inadvertently produced --

MR. LERNER: No. It wasn't produced by your law firm inadvertently or otherwise.

MR. MYERSON: Therefore, as far as we are concerned, it and related documents are privileged documents inasmuch as it has been produced I can't foreclose you from asking him what he knows about it.

Q. Could you review Trump Exhibit 11 for identification and tell me if you have seen that before?

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A. I have not. Not to my knowledge, I haven't.

Q. Did you request that the review reflected in this document be made?

A. I don't believe I did, no.

Q. Did you not wish to have the information contained in the document?

A. I personally, did I want to have it? I would say it would not be the kind of thing I was asking for. It was a document which I had not seen.

MR. LERNER: Why don't you mark this as Exhibit 12.

(Letter, above referred to, marked as Trump Exhibit 12 for identification, as of this date.)

Q. Trump Exhibit 12 for identification is a copy of a letter written by Mr. Myerson's law firm under the signature of Mr. Segall to the magistrate last week.

My reference is to page 6, the first full sentence.

A. Page 6, first paragraph?

Q. Yes, the carryover paragraph, the

1 Trump

2 first full sentence, starting with the word
3 "given."

4 "Given that Mr. Trump acquired
5 beneficial ownership of approximately \$63 million
6 of Bally stock during this time (approximately
7 9.9 percent of Bally) it is no wonder that Mr.
8 Trump would want to know certain basic
9 information concerning the provisions of Bally's
10 certificate of incorporation."

11 A. Right.

12 Q. Is it your testimony that you did not
13 want to know the information referred to here?

14 A. I don't think that relates to what we
15 are saying here, does it?

16 Q. Yes, it does.

17 MR. MYERSON: I think we have Mr.
18 Trump's testimony on the record.

19 MR. LERNER: I'm entitled to an
20 examination.

21 MR. MYERSON: Since this is an
22 internal document of my firm, let me put my own
23 statement on the record in terms of the document.
24 This was not a document Mr. Trump asked me to
25 have prepared. I had it prepared, acting as

Trump

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2 counsel to Mr. Trump and the companies, because
3 it was information that I wanted to have acting
4 as counsel in the overall situation. I feel
5 confident it's information that you or anyone
6 else would but that's neither here nor there.

7 The fact is, Mr. Trump did not ask for
8 that; that is a document you should not have
9 received. This is an internal document of my
10 firm I asked my associates to prepare for me
11 based upon my representation of Mr. Trump and the
12 companies.

13 MR. LERNER: That having been said, I
14 may ultimately get to depose you about the letter.

15 MR. MYERSON: You may depose me
16 anytime you like, sir.

17 MR. LERNER: But I do note for the
18 record, since you made that statement, it seems
19 apparent that there is a suggestion in the letter
20 that Mr. Trump would --

21 MR. MYERSON: In my judgment, Mr.
22 Trump would, and I, acting as his counsel, did it.

23 Q. Did anybody communicate this
24 information to you on or about the date of this
25 document?

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A. I do not remember that.

Q. You don't recall discussing this information with anybody, any of the information?

A. I do not.

Q. Do you recall discussing with anybody the removal of the directors without cause on or about December 17, 1986?

A. I do not.

Q. What about a cash merger? Do you recall discussing with anyone a cash merger on or about December 17, 1986, Mr. Trump?

A. I do not, not specifically.

Q. Do you know how, Mr. Trump, this document got to Bear Sterns?

A. You'd have to ask Mr. Myerson.

Q. I may get to.

A. I'm sure you will. But he's the one.

MR. MYERSON: Actually, I would like to have the same answer.

MR. LERNER: I'm going to take a two-minute break.

(A brief recess was taken.)

MR. LERNER: Why don't you mark this.

1 Trump

2 (Document, above
3 referred to, marked as Trump Exhibit 13 for
4 identification, as of this date.)

5 A. Okay, go ahead.

6 Q. Do you recognize that exhibit, which
7 is Trump Exhibit 13?

8 A. Yes.

9 Q. Could you tell me what it is?

10 A. This is a notice, I guess. I cannot
11 tell you the exact legal term. But it's a notice
12 of a capsulated form of my Federal Trade
13 Commission filing which was sent to Bally
14 Corporation.

15 Q. There is a reference in paragraph 3.
16 It says, "The acquiring person" -- which is
17 you -- "has a good faith intention, depending on
18 market conditions and subject to the satisfaction
19 of appropriate regulatory requirements and
20 certain other factors described in the Schedule
21 13D... to acquire an indeterminate number of
22 shares of common stock... of Bally, which,
23 together with shares of Bally common stock
24 presently held by the acquiring person, could
25 result in the ownership of Bally voting

Trump

1 securities of Bally valued in excess of the 25
2 percent notification threshold under the act."

3
4 When did you acquire that good faith
5 intention?

6 MR. MYERSON: Wait a minute. Is this
7 the same letter?

8 MR. LERNER: There is a reference to
9 the good faith intention in paragraph 3.

10 Q. My question is, when did you acquire
11 that intention, Mr. Trump?

12 MR. MYERSON: Good faith intention to
13 do what?

14 MR. LERNER: What it says.

15 MR. MYERSON: The problem is the way
16 you read it isn't what it says. Maybe it's the
17 ellipses.

18 Q. With respect to the entire sentence,
19 there is a good faith intention to do the things
20 set forth in that sentence, which you can read in
21 its entirety. I was just making ellipses for
22 clarity in the record.

23 When did you make the good faith
24 intention referred to in paragraph 3?

25 A. I would say shortly before November

Trump

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2 25th of 1986.

3 Q. How much prior?

4 A. I think very shortly prior.

5 Q. How did you acquire the good faith
6 intention?

7 A. Just really a feeling I had based on
8 what I had been able -- the little knowledge that
9 I had been able to accumulate over a fairly short
10 period of time.

11 Q. What would it cost to acquire
12 securities of Bally valued in excess of the 25
13 percent notification threshold under the act, in
14 the first sentence of paragraph 3?

15 A. I would say about --

16 MR. MYERSON: Hold on a minute. I'm
17 sorry.

18 A. The 25 percent?

19 Q. Yes, sir.

20 A. I would say about a hundred and --
21 well, about \$160 to \$170 million.

22 Q. In reaching that determination to
23 spend that amount of money --

24 MR. MYERSON: Don't say that, Mr.
25 Lerner, that's the problem.

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MR. LERNER: I was just referring to his last answer.

A. You asked me how much it would cost, approximately, to acquire. And I'm saying based on basic market values, I would say \$160 to \$170 million.

MR. MYERSON: The language says not that it would do that but that it could result in the ownership of voting securities of Bally valued in excess of the 25 percent notification threshold.

MR. LERNER: Nobody is --

MR. MYERSON: You have a very confusing record.

MR. LERNER: I don't think so. We are off that and have moved on to something else.

MR. MYERSON: I understand, but your question is what would it cost to do that and your language is in terms of conditional, what could happen, not in terms of the specifics.

MR. LERNER: I hear what you're saying. What is being done here, the cost is approximately \$160 to \$170 million if it were done.

Q. In reaching the conclusion to the good

Trump

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2 faith intention referred to, you said there was
3 little information. What information exactly are
4 you referring to?

5 A. The information that I was able to
6 just --

7 MR. MYERSON: I'm sorry, but this is
8 important. You're talking about the good faith
9 intention to acquire an indeterminant number of
10 shares?

11 MR. LERNER: What it says here.

12 MR. MYERSON: Let's talk about what it
13 says. A good faith intention to acquire an
14 indeterminant number of shares which could exceed
15 25 percent?

16 MR. LERNER: He understands.

17 MR. MYERSON: Now, what is your
18 question?

19 MR. LERNER: Do you want to read the
20 question back.

21 (The last question was read.)

22 A. I didn't say there was little
23 information. I said I acquired little
24 information. I'm sure there was --

25 Q. What information did you acquire?

Trump

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2 A. The questions I had asked people. My
3 own knowledge of Bally in Atlantic City from just
4 being there, knowledge that I had, just as an
5 example again -- not to bore you with this -- but
6 when I speak to people such as a Dan Lee at
7 Drexel or other people, I felt I had a very basic
8 but little amount of information, and based on
9 that I have a statement that effectively I
10 imagine states that I may acquire additional
11 shares, and I think that based on the knowledge
12 that I had I felt and feel very comfortable with
13 it.

14 Q. What, if any, contribution did you
15 feel you could make to the company as a
16 significant shareholder as of November 20, 1986,
17 sir?

18 A. As I stated before, I think one
19 contribution I could make very significantly
20 would be the fact that I don't believe they would
21 suffer multi-million dollar cost overruns in
22 their construction programs, which they have
23 suffered ever since I have been watching this
24 company.

25 I think I could help them in creating

Trump

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2 the right ambiance with regard to their casinos,
3 which I don't think they have. I think they do
4 their best job in Atlantic City but I believe we
5 could certainly give them a certain amount of
6 help in terms of that.

7 But if you just looked at the
8 construction almost alone, so much money is
9 squandered by this company and the cost overruns
10 and the problems in getting things built, I would
11 say if nothing else -- and there are many other
12 things -- but if nothing else we could help them
13 very substantially.

14 Q. Anything else?

15 A. I think I could help the company very
16 substantially in reducing its payroll, which
17 would have a major effect based on the numbers
18 that I have seen.

19 DIR Q. As a 9.9 percent shareholder, you
20 would feel it appropriate to make suggestions to
21 the management based on your management expertise?

22 MR. MYERSON: You didn't ask that --

23 MR. LERNER: Now I'm asking.

24 MR. MYERSON: How is that really
25 relevant? I'm going to instruct him not to

1 Trump

2 answer. Let's move on.

3 Q. Since you acquired 9.9 percent of
4 Bally shares, have you purchased any other shares,
5 Mr. Trump?

6 A. I have not.

7 DIR Q. Why not?

8 MR. MYERSON: I instruct the witness
9 not to answer.

10 MR. LERNER: What ground?

11 MR. MYERSON: Any number of them.
12 None of your business, irrelevant to the lawsuit,
13 attorney-client privilege. I could probably
14 think of more.

15 MR. LERNER: You have argued at length
16 before the magistrate that there was significance
17 attached to purchasing additional shares.

18 MR. MYERSON: I will, and I agree.
19 That's why I allowed you to ask the question
20 whether he bought additional shares.

21 MR. LERNER: But you wouldn't allow me
22 to inquire as to the reasons?

23 MR. MYERSON: That's right. Let's
24 move on.

25 MR. LERNER: I take my exception.

1 Trump .

2 MR. MYERSON: Come on.

3 MR. LERNER: I'm trying. It would
4 have helped if we had the appointment calendar.

5 MR. MYERSON: It would help if I had
6 99 percent of the production which we didn't get.
7 Let's not burden Mr. Trump's time. Let's let the
8 lawyers argue about that..

9 MR. LERNER: I'm only responding to
10 you.

11 Q. Subsequent to the time you filed your
12 13D, Mr. Trump, with whom have you discussed your
13 ownership of Bally's stock?

14 A. It has been filed quite a while. My
15 ownership of Bally stock --

16 MR. MYERSON: Can we narrow this.

17 A. It's a strange question.

18 MR. MYERSON: What are we talking
19 about? Anybody he ever mentioned it to?

20 MR. LERNER: Right now you have the
21 better of me. I have no documentation or
22 anything and I'm trying to elicit some relevant
23 evidence and I can't tell until I get the answer.

24 MR. MYERSON: I'm asking what it is
25 you want. Anybody who he ever had a discussion

Trump

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2 with that he owns some Bally stock?

3 Q. I'm interested in discussions
4 concerning Bally. Just tell me how many
5 conversations you have had.

6 A. I don't know how to answer a question
7 like that. I spoke to my wife. I spoke to my --
8 I have a driver who I actually said I just have a
9 stake in Bally. Do you want important
10 conversations? It's hard to say, who. People
11 come up to me on the street and say, "Mr. Trump,
12 I read where you bought Bally." I say yes. I
13 don't know their names. Do you want me to try to
14 find out who they are? What do you want me to do?

15 Q. I guess your answer is you have had so
16 many conversations about your Bally shares you
17 couldn't enumerate.

18 A. I have had a lot of conversations
19 having no bearing.

20 Q. Let's talk about people within the
21 Trump Organization. Why don't we do it that way.

22 A. Okay. I have spoken to Mr. Harvey
23 Freeman, Mr. Robert Trump. I'm --

24 MR. MYERSON: Can I make a suggestion.
25 This isn't to try to hide anything but he's given,

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I think, pretty full disclosure.

Other than the conversations that you have already testified that you had with people or other people at Trump Organization, can you recall any others?

MR. LERNER: That was implicit in my question.

MR. MYERSON: He didn't know that.

Q. I was referring to after the 13D was filed.

A. Any relevant conversations of import --

MR. MYERSON: Other than with me.

A. -- other than saying --

Q. Let's exclude one-line conversations where you didn't discuss the reasons for your actions.

A. I don't know.

Q. But we know Freeman and your brother?

A. Yes.

Q. Anybody else within the Trump Organization? You said your wife. She's an executive?

A. I mentioned to my wife that I had a stake in Bally, that I purchased, as per my 13D,

Trump

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2 that I purchased a stake in Bally. I would say
3 perhaps my secretary, I told her, "Guess what, I
4 have a stake in Bally."

5 MR. MYERSON: He's saying now anybody
6 where you discussed your reasons.

7 A. I don't think anybody -- look, there
8 could have been somebody that I spoke to, and
9 I'll think about it and if I remember it, I'll
10 let you -- the fact is, I don't know anything
11 other than the people I already discussed with
12 you. I think the Bear Sterns people.

13 Q. With whom at Bear Sterns?

14 A. The group.

15 Q. The same group?

16 A. Mr. Hallingby.

17 Q. I am excluding the two meetings.

18 Other than those two meetings.

19 A. I don't believe so.

20 Q. You haven't discussed at all with Bear
21 Sterns other than those two meetings?

22 A. I spoke to Mr. Greenberg.

23 MR. MYERSON: Plus the meeting with --

24 A. I spoke to Mr. Greenberg, I spoke to
25 Mr. Hallingby.

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Q. Frequently?

A. About the stock. I have a big interest in a fairly large company. Do I speak to him? Of course I spoke to him. I'm entitled to spoke to him. I think anything over 9.8 percent and you're entitled to speak to your stockbroker. Right?

Q. You're entitled to speak to him with a smaller percent, too.

A. I would say -- generally -- generally that's the group that I would speak to.

Q. Let's talk about Greenberg. How many conversations have you had with him since the 13D was filed?

A. I speak to him three or four times a day. We talk about it. I tell Mr. Greenberg I'm very happy with my position; I like where I am; with proper management I believe it could be a really good company. I have mentioned that to Mr. Greenberg quite a few times. I discuss the possibility that I might very well go substantially higher, with Mr. Greenberg -- as per my filings again, I would like to go substantially higher. I believe I mentioned that

1 Trump

2 to Mr. Hallingby, also. That's basically it.

3 That's basically it.

4 Q. You said you talked to Mr. Greenberg
5 about going substantially higher?

6 A. Yes.

7 Q. What did you say about that?

8 MR. MYERSON: Excuse me. What he said
9 was he talked to Mr. Greenberg about going
10 substantially higher, either what he said in his
11 filings or --

12 MR. LERNER: Would you read back Mr.
13 Trump's answer.

14 A. I said "as per my filings." I was
15 going to say that.

16 MR. MYERSON: The only reason I did
17 that, when you recharacterize his testimony in
18 prelude to a question, that is what gives rise to
19 the objection. His testimony is what his
20 testimony is.

21 (The last answer was read.)

22 Q. Which filings are you referring to now?

23 A. We filed under the Federal Trade
24 Commission and my 13D SEC filing.

25 Q. What does Mr. Greenberg say in these

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conversations?

A. He basically says, "With your money you can do pretty much whatever you want to do."

Q. You just don't say that three times a day, every day?

A. No.

Q. Tell me --

A. Mr. Greenberg, in my opinion, thinks that I have a good position in this company. Mr. Greenberg, for better or worse, likes Mr. Mullane, and that's one thing I do find in my conversations with Mr. Greenberg. He does like him. I don't know where they know each other from, but obviously there is a relationship or personal relationship of some kind. Mr. Greenberg knows what I can do and can buy and he thinks this is a very easy one in terms of if I wanted to buy more stock.

Q. What do you mean --

A. If I wanted to increase my position in this company, again as per filings and as per market conditions and as per all of the other information listed in the SEC filing, the 13D, Mr. Greenberg knows that I have the wherewithall

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2 to buy additional stock, 25 percent, as much as I
3 want to buy, and, you know, from the standpoint
4 of that he basically says, "Look, if you like the
5 company, you do whatever you want to do," and we
6 talk a little bit about the company. But Mr.
7 Greenberg isn't that familiar with this
8 particular company.

9 Q. Let's move back in time because that's
10 easier to remember.

11 A. Sure.

12 Q. Today is the 12th. Last week did you
13 have any conversations with Mr. Greenberg?

14 A. A few. I would say a few.

15 Q. What do you mean by a few? Two, three?

16 A. Three or four.

17 Q. All on one day? Different days?

18 A. Different days.

19 Q. During any of the conversations, did
20 you discuss with Mr. Greenberg your purpose in
21 owning Bally stock?

22 MR. MYERSON: Did you discuss with him
23 your purpose in owning Bally stock?

24 A. No, other than I'm happy with my
25 investment.

Trump

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2 MR. MYERSON: Your purpose in owning
3 Bally stock.

4 A. No.

5 MR. MYERSON: Okay. Next.

6 Q. Between December 23rd and through
7 January 4th, did you discuss with anyone your
8 reasons for purchasing the Bally stock?

9 A. No.

10 Q. The purpose in owning Bally stock?

11 A. The purpose? What's the purpose? I
12 don't think I discuss purpose with a lot of
13 people.

14 MR. MYERSON: Off the record.

15 (Counsel confers with client.)

16 A. By the way, do you mean purpose in a
17 legal sense? It's stated in all of my filings
18 but I didn't know that you were using purpose in
19 that form. I'm sorry.

20 Q. Well, I don't understand your --

21 A. I thought you meant my moral purpose.
22 My purpose is investment purposes as per my SEC
23 filing. I didn't know what meaning you were
24 putting on the word purpose.

25 Q. I was putting the common ordinary

1 Trump

2 English purpose. The reasons.

3 A. Okay. The reasons, I think, are
4 stated.

5 MR. LERNER: Would you mark this as
6 the next exhibit.

7 (Letter from Mr. Trump
8 to Mr. Mullane dated December 23, 1986, above
9 referred to, marked as Trump Exhibit 14 for
10 identification, as of this date.)

11 Q. You have in front of you, sir, do you
12 not, a document dated December 23, 1986?

13 A. Yes.

14 MR. MYERSON: Wait a minute. Let's do
15 them in the order marked --

16 MR. LERNER: I just marked one.

17 MR. MYERSON: So you're not doing it
18 chronologically?

19 MR. LERNER: No. I gave him only one.

20 Q. I'm referring to December 23rd. Is
21 that a copy of a letter that you sent to Mr.
22 Mullane on or about December 23, 1986?

23 A. Yes.

24 MR. LERNER: Can we mark this letter,
25 December 22, 1986.

1 Trump

2 (Letter dated December
3 22, 1986, above referred to, marked as Trump
4 Exhibit 15 for identification, as of this date.)

5 MR. LERNER: Are you reflecting the
6 consultation?

7 (Counsel confers with client.)

8 Q. Is that a copy of a letter that you
9 sent to Mr. Mullane on or about December 22, 1986?

10 A. Yes.

11 Q. There is a reference in the first line
12 to rumors. Do you see?

13 A. Yes.

14 Q. From whom did you receive those rumors?

15 A. Heard them from an attorney who works
16 for me.

17 Q. Who did you hear those rumors from?

18 A. Actually, I heard them from more than
19 one person. There were rumors circulating around
20 Atlantic City. I think I heard them from one of
21 my casino people. I think from two of my
22 attorneys, I believe Mr. Ribas and I believe Mr.
23 Pat McGann.

24 Q. Who is Mr. McGann?

25 A. He is an attorney in Atlantic City.

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Q. Anybody else?

A. I think that's basically the group.

Those rumors are circulating.

Q. Which segments?

A. Pardon me?

Q. Which segments?

A. Which segments of what?

Q. Rumors are circulating that it is your intention to sell off segments of Bally Manufacturing. Which segments?

A. I had heard they were going to sell off or give away the health club segment and I had heard that they were going to -- they were looking at giving away, in a sense, in a little bit different sense, the amusement area, the amusement parks. By giving away, I mean at a low price.

Q. What was the price?

A. I don't know. I just heard that's what they were talking about.

Q. Who told you?

A. As giving a way, I'm talking about a low and not market value price.

Q. Who told you --

Trump

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2 A. I believe Mr. Ribas told me. I don't
3 know where he heard it but I'm not totally
4 surprised.

5 Q. Did you ask him where he heard it?

6 A. I did not. I don't know that he would
7 have told me. He's an attorney, works for me. I
8 don't know if he would have told me.

9 Q. Did you ask whether he believed it?

10 A. I think a lot of people realize that
11 Bally representatives are trying to entrench
12 themselves --

13 Q. You wrote a letter to Mr. Mullane and
14 it talks about rumors. I'm trying to identify
15 the source and basis of the rumors. We have
16 Ribas, and you don't know his source?

17 A. No. I think I also heard it, just to
18 add something else, from my brother Robert, who
19 is involved in Atlantic City to an extent, and I
20 believe I also heard it from Robert.

21 MR. MYERSON: May I ask, because
22 you're asking the questions, characterizing them
23 as rumors, are you prepared to put those rumors
24 to rest on behalf of Bally?

25 MR. LERNER: What are you talking

1 Trump

2 about? A position is not being taken today. I
3 don't know what the rumors are.

4 MR. MYERSON: He just told you.

5 THE WITNESS: The rumors are stated
6 right here.

7 MR. MYERSON: I was asking, as counsel
8 for Bally, whether Bally was prepared to make a
9 representation that these rumors have no basis?

10 Q. Now, with respect to McGann, did you
11 ask him his source for the rumors?

12 A. I don't remember.

13 I don't believe I did. He just called
14 and told me that he had heard this. And I wasn't
15 particularly surprised, to be perfectly honest.
16 I didn't think I had to go any further than that.
17 I heard it from a couple of different people.

18 I hope it's not true. If it is true,
19 we will see them in court, in addition to the
20 fact that we are already seeing them in court.

21 Q. Did you hear from Ribas the about the
22 amusement parks or health clubs?

23 A. I think both.

24 Q. Mr. McGann?

25 A. I think both.

Trump

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Q. And Robert?

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A. I think both. They were amazingly similar rumors.

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Q. Did you ask Robert where he heard the rumors?

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A. I don't know if I asked the question. What I decided to do is go out and send this letter because I wanted to tell Bally that we are going to meet them with great force if they try doing it.

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Q. When you referred to the low price or the give-away, did you ask any of them whether they were aware of the price?

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A. I don't believe anybody was aware of the price other than, from what I understand, Bally was trying to destroy the company to save their jobs.

19

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Q. How would selling the amusement parks for a low price preserve their jobs?

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A. It would make the enterprise unattractive so somebody like me would sue vigorously, but the company would obviously be less attractive. There are certain managements like that. I guess you have heard about them

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before, haven't you?

Q. Which ones have you heard about?

A. I just hear that there are certain managements like that. That's a nasty rumor, too.

Q. During the period between December 23rd and January 4th, did you indicate to any person that you had no interest in merely being an investor in Bally?

A. I don't know. I really tend to doubt that very much. I have an interest in being an investor, substantial investor, and perhaps substantially more than I have right now, so -- what was the time limit?

Q. December 23rd through January 4th.

A. I just don't know who I spoke to. I have so many conversations during the course of a day, people can misinterpret what I say.

MR. MYERSON: He was on the slopes.

A. I was getting ready for the slopes.

Q. You were in Aspen?

A. I was getting ready to go to Aspen.

Q. You don't recall having said to anyone during that period that you had no interest in being merely an investor in Bally?

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A. I don't remember that, no. I mean, I really don't remember that. I have an interest in being a major investor in Bally, perhaps, and I'll stand by that.

Q. Did you say to anyone during that period in words or substance, that "You know me. I'm not an investor"?

A. No.

MR. MYERSON: That wouldn't make sense.

A. If that were said -- people have said that about me and I might have been related to somebody that people might have been saying that about me, but I don't believe -- I guess I'm considered an investor. Come to think, I have certainly made a lot of investments, haven't I?

Q. Did you say to anyone during that period that you were "going for the company"?

A. Going for the company?

Q. Going for the company.

A. Not that I know of. Not that I know of.

Q. Did you tell anyone during that period that you expected to get licensed in Nevada because if you did not receive a gaming license

Trump

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2 you would close the Bally Nevada casino?

3 A. I spoke with Mr. Roy Zurkowsky, who is
4 a gentleman in Bally, who is somebody I knew, who
5 was until this negotiation in a couple of health
6 clubs with me -- one at the Alexander's site at
7 Third Avenue and 58th Street and the other at
8 West Side of Manhattan in what is called
9 Television City. They would be the largest
10 health clubs in the world; one on the East Side,
11 one on the West Side. And so I have gotten to
12 know Roy.

13 I heard Roy fell and broke his leg,
14 and he is supposed to be a nice guy, and I called
15 to see how he was doing. And it happened the day
16 before, but he suggested I come over and have
17 breakfast with him and his wife, and a couple of
18 other people, so I did and we had breakfast and
19 talked generally about things.

20 Mr. Zurkowsky told me it would take
21 six months to a year to get licensed and if I
22 wanted to go after the company I couldn't. I
23 stated to Mr. Zurkowsky on a couple of bases that
24 he's not correct, that if I wanted to -- not
25 saying I did or didn't, and I told him that very

Trump

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2 distinctly -- but that if I wanted to, I could
3 absolutely, again subject to all filings and
4 everything else, I could absolutely go after the
5 company, and if I didn't get a quick license in
6 Nevada, I would do one of two things, either put
7 the hotels in trusteeships -- I believe I could
8 do that -- or close the hotels. I discussed that
9 with Mr. Zurkowsky. But that was not the 23rd;
10 that was sometime after that because I was in
11 Aspen on the 26th.

12 Q. The time was the 23rd or the 24th?

13 A. If it was that time period, yes,
14 around -- I don't know, sometime in that period I
15 saw Mr. Zurkowsky in Aspen and I told him that I
16 would always have that alternative on a
17 hypothetical basis, and subject to all filings
18 and everything else.

19 I didn't say it's something I'm going
20 to do. I said it's something I'm entitled to do
21 if I wanted to do it.

22 Q. Tell me what you meant by subject to
23 filings. What did you mean by that?

24 A. Subject to any and all filings other
25 than in Nevada.

Trump

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2 Q. Other than --

3 A. You could buy Bally stock. And what
4 they would do -- you could, I could, anybody else
5 could -- and even without a license. It means
6 acquiring and operating the hotels as they did
7 with the Aladdin: close the hotels. The
8 financing is very expensive but it is against
9 that facilities and those facilities. So, if
10 they were unable to license somebody, you could
11 close the hotel and probably not pay the debt on
12 the financing.

13 And I told him we were discussing
14 various scenarios because he was telling me why
15 it couldn't be done and I was telling him if I
16 wanted to or somebody else wanted to, it could
17 indeed be done. But I wasn't saying I was doing
18 it.

19 Q. Had you given any thought to that
20 before you talked to Mr. Zurkowsky?

21 A. I don't think -- I wouldn't
22 characterize it as deep thought. It's pretty
23 simple, pretty basic.

24 He had said, "Well, it will take you
25 six months to get licensed." I said, "The

Trump

1 license, if you want to avoid that, just go and
2 buy it and worry about your licensing later and
3 just close it up." But again, that was
4 hypothetical and was something that could be done
5 but I wasn't saying I was doing it.

7 Q. Did you tell Mr. Zurkowsky in words or
8 substance that if the Nevada authorities wanted
9 to cause the casinos to go out of business and
10 cause the termination of the casino employees,
11 that would be their responsibility, not yours?

12 A. If the Nevada authorities were unable
13 to license someone, whether me or someone else,
14 purchasing the stock or company in an expeditious
15 fashion, I would say yes, that would be the
16 Nevada authority's, that would be the Nevada
17 authority's difficulties.

18 Q. Did you tell Mr. Zurkowsky that you
19 had no interest in merely being an investor in
20 Bally?

21 A. No. In fact, he told me that. As far
22 as I can remember, he said, "Come on, Donald.
23 You're not an investor, you're not an investor,
24 per se." I said, "Roy, right now I have a stake
25 in the company. And he kept saying, I think in a

Trump

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2 friendly way -- who knows. In all fairness, he
3 works for the company. I don't know him that
4 well, and, you know, certainly I'm not going to
5 say anything that would be foolish such as that.

6 But Mr. Zurkowsky said to me, "Come on,
7 Donald, you're not an investor, you're not an
8 investor." a couple of times. I just laughed it
9 off and frankly said "I'm indeed an investor and
10 it is possible I will be a much bigger investor."

11 Q. In fact, didn't you tell him that you
12 were going for the company?

13 A. I told Mr. Zurkowsky that it's a
14 possibility I would go for the company, a lot of
15 possibilities, as per my filings, SEC filings,
16 and one of the possibilities certainly was that I
17 would go for the company.

18 Q. How many conversations did you have
19 with Mr. Zurkowsky in Aspen?

20 A. Basically one. I called him on the
21 phone to find out how he was. He invited me to
22 breakfast.

23 Q. Did he initiate the first conversation
24 with you or did you call him?

25 A. He invited me to the breakfast. It

Trump

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2 was his breakfast. I called him to find out how
3 his leg was because I had heard that he had
4 broken it.

5 I also called to recommend a broker
6 for his house because with all of the money that
7 Bally is paying he's able to buy a mansion in
8 Aspen and in his particular case he's entitled to
9 it, perhaps because he told his company and he's
10 a nice buy -- and he is a nice guy. What the
11 heck, everybody else is making it in that company,
12 why shouldn't Roy? But he wants to buy a mansion
13 in Aspen, so based upon that, I recommended a
14 broker.

15 The first was to find out how he was
16 doing with his newly broken leg and the second
17 was to give him a broker.

18 Q. Mansion broker?

19 A. He only deals in multi-million dollar
20 numbers. But from what I understand, he wanted a
21 better one than what they were able to show him.
22 So I think it was suggested he build his own.

23 Q. Did you tell him either on the phone
24 or at breakfast that investing in companies is
25 not your style?

Trump

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2 A. Well, it's not my style. I have made
3 my money by going into real estate deals.

4 Q. Your style is basically operating
5 companies?

6 A. No. Real estate. In all fairness,
7 I'm primarily in the the real estate business.
8 This business of buying stock is very new to me.
9 Investing in companies has not traditionally been
10 my style. I usually buy a piece of land and
11 develop it.

12 Q. You just invested in Alexander's. Is
13 that true?

14 A. That's correct.

15 MR. MYERSON: Objection.

16 Q. Is that truth?

17 A. Yes.

18 DIR Q. You intend to actively participate in
19 the management of Bally's?

20 MR. MYERSON: I instruct the witness
21 not to answer.

22 MR. LERNER: It's public record.

23 MR. MYERSON: I instruct the witness
24 not to answer.

25 DIR Q. Have you ever invested \$60 million in

1 Trump

2 a public company other than Holiday Inns, Mr.

3 Trump?

4 MR. MYERSON: Objection. I instruct
5 the witness not to answer.

6 MR. LERNER: Perfectly valid. Cases
7 make it absolutely --

8 MR. MYERSON: Let's not waste time.
9 Same grounds as before.

10 MR. LERNER: I'm going to tell Mr.
11 Kadet you're yelling at me again. You're yelling
12 at me again. I have a sore throat or I would
13 scream back right now.

14 MR. MYERSON: Mr. Who?

15 MR. LERNER: Mr. Kadet, who you will
16 see tomorrow.

17 Q. Did you tell Mr. Zurkowsky that unless
18 you received \$30 a share in cash for all of your
19 shares of Bally stock within one week, you would
20 go after the company?

21 A. No.

22 Q. Did you mention the figure of \$30 per
23 share in connection with the possible sale of
24 your shares of stock to Mr. Zurkowsky?

25 A. Mr. Zurkowsky asked me what I would

Trump

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2 sell my stock for and I told Mr. Zurkowsky that
3 I'm not really interested in selling my stock,
4 and I didn't even refer to it in terms of selling
5 it back to the management, and I think the stock
6 is worth more than \$30 a share. And I think it
7 would be unlikely that I would sell my stock back
8 to the company. And I told that to Mr. Zurkowsky.

9 Now, I don't know what Mr. Zurkowsky
10 is saying, because, to be perfectly honest, he
11 does work for the company. But I told that to
12 Mr. Zurkowsky. He may try to go back and make
13 points so he can increase his salary.

14 Q. Did you use the words "a real
15 blood-bath" during your conversations with Mr.
16 Zurkowsky?

17 A. I don't know. I don't know.

18 Q. That's a pretty graphic description.

19 A. I might have used that because I
20 believe this will be a very interesting and tough
21 battle, and I could have used the words to
22 describe that it would be. Yes, I might have.

23 Q. Did you say there was not going to be
24 any turning back?

25 A. I don't think I can turn back and I

Trump

1
2 don't think they'll turn back because I think
3 they'll want to protect their salaries.

4 Q. Did you say that to Mr. Zurkowsky?

5 A. I don't know. Turning back.

6 Q. Did you say in words or substance
7 there was not going to be any turning back?

8 MR. MYERSON: From what?

9 A. From what?

10 Q. Going after the company.

11 A. I thought you meant in terms of the
12 lawsuit. Because you people instituted a lawsuit
13 against me and I would say there is no turning
14 back on that. I believe you made a major mistake,
15 I'm afraid.

16 As far as turning back from the
17 company, I want to -- I said that in my 13D -- I
18 want to increase my stake very substantially, and
19 I would like to clean out. If I do this and am
20 able to do something meaningful, I think I could
21 help the stockholders very much. I have heard
22 from a lot of stockholders.

23 Q. How many of the stockholders have you
24 communicated with?

25 A. I have gotten calls from people

1 Trump

2 leaving messages -- and I don't have their names,
3 no numbers, nor did my secretary ask -- that they
4 were unhappy with the company, that if we did
5 anything with the company, they would back up to
6 the fight, whether a proxy fight, whether to take
7 control of the company; anything we did they
8 would back us a hundred percent with the votes.

9 Q. These people didn't leave their names?

10 A. First of all, they didn't. Second of
11 all, with all the calls, my secretary did not
12 have the good grace to take their names and
13 numbers. But I'm sure if I put out a little
14 solicitation in the newspaper, they would be
15 calling back.

16 Q. How do you know they are stockholders?

17 A. I believe they are. I don't think
18 many non-stockholders are going to be wasting
19 their quarter.

20 MR. MYERSON: Let's move on to
21 something relevant to the complaint.

22 Q. Did you ask Mr. Zurkowsky to take a
23 message back to Mr. Mullane?

24 A. He asked me what message he should
25 bring back, specifically and repeatedly. I said,

Trump

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2 "I don't see there is a message to bring back,
3 Roy. I would say the only thing is we are going
4 to have one hell of a fight" -- I might have
5 mentioned the word blood-bath -- "one hell of a
6 fight and damn interesting to see, no message to
7 take back."

8 One of the things I did talk to Mr.
9 Zurkowsky about, and I think if there was any
10 message it's this -- and I can give you the
11 message because you will let me know what to do.
12 We were starting to negotiate the concept of
13 these huge health clubs that I spoke about,
14 specifically Television City on the West Side.
15 Because of what happened, I don't think -- and I
16 told this to Roy -- I don't think it's
17 appropriate -- yet I'm speaking against myself
18 because it would be very big and profitable and
19 has the potential of being the best in the
20 country because of the size of the land and the
21 location. Despite my ownership in the company,
22 which is not helped by what I'm going to tell him,
23 that I don't think it would be appropriate for
24 Mr. Zurkowsky to continue to deal with Bally with
25 regard to health clubs on the West Side of

Trump

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2 . Manhattan.

3

MR. LERNER: Would you read the last
4 part of that answer, please.

5

(The last answer was read.)

6

Q. And it's your testimony that you
7 didn't initiate the discussion of selling your
8 stock for \$30 a share --

9

A. Mr. Zurkowsky asked me, "What would
10 you sell your stock for?" He specifically asked
11 me on a number of different times, including
12 telephone conversations, what I would sell my
13 stock for. And I'm really not -- and I told him,
14 very specifically. And I'm not saying that I
15 would never, ever sell, et cetera, et cetera.
16 Anybody that would be that hard-and-fast would be
17 a fool. But I told him that I am not interested
18 in selling the stock and that I certainly
19 wouldn't be interested in selling the stock at
20 anything less than \$30, and certainly not back to
21 the company. It creates bad press. In Holiday I
22 sold it -- bad press not for me. In Holiday Inn
23 I sold it to the public, and I feel much better
24 about that.

25

Q. So, you did mention \$30 a share during

Trump

1
2 your discussion with Mr. Zurkowsky; is that right?

3 A. I told Mr. Zurkowsky that I wouldn't
4 be interested in selling the stock back probably
5 even at \$30 a share, which I don't even think is
6 a high price anymore.

7 Q. Did you --

8 A. I'm very satisfied with my investment,
9 just so you understand. When Roy continues to
10 ask me what would you sell your company back or
11 your stock back, just so you understand, I'm very
12 happy with my investment. I think it's going to
13 do very well when it's cleaned up and
14 straightened out on a management level. And at
15 the end of this lawsuit it might do even better.

16 MR. MYERSON: I have 4:20. Where are
17 we?

18 Q. Other than the one document that you
19 have testified to, a portion of which you saw in
20 a meeting with representatives of Bear Sterns,
21 have you seen any other work product of Bear
22 Sterns?

23 A. I don't believe so, no.

24 Q. Do you know whether or not you have?

25 MR. MYERSON: He just said --

1 Trump

2 A. I don't believe I have. I saw a
3 portion of this one document. I don't believe I
4 have seen any others.

5 (Counsel confers with client.)

6 MR. LERNER: I'm prepared to adjourn
7 at this time.

8 MR. MYERSON: Our position is that Mr.
9 Trump is, obviously, willing to come back,
10 assuming the magistrate upholds your position on
11 various of the instructions that were given. If
12 the court upholds our position, then as far as we
13 are concerned, the Trump deposition is concluded.

14 MR. LERNER: First of all, I have a
15 couple of other lines of questioning. And second
16 of all, there is a substantial amount of
17 documents which we have forthcoming from you,
18 which I -- I'm not saying I need to; I'm going to
19 spare Mr. Trump's time. I recognize you're a
20 busy man. I'm not going to unduly burden you any
21 more than I have to. I'm sure Mr. Myerson would
22 be equally respectful of Mr. Mullane. But there
23 are still areas in which we will be seeking
24 documents and a couple of areas which I don't
25 feel it's mandatory to go into at this time. Mr.

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Myerson will object anyway because they go beyond Bally and Mr. Trump's control. I assume you would object.

MR. MYERSON: I would indeed.

MR. LERNER: In that case, I reserve my rights to those areas.

(Time noted: 4:25 p.m.)

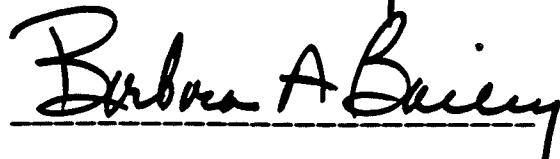
DONALD J. TRUMP

Subscribed and sworn to before me
this ___ day of _____, 1987.

Trump

C E R T I F I C A T E1
2
3 STATE OF NEW YORK)

4 : ss.

5 COUNTY OF NEW YORK)
67 I, BARBARA A. BAILEY, a Registered
8 Professional Reporter and Notary Public
9 within and for the State of New York, do
10 hereby certify:11 That DONALD J. TRUMP, the witness
12 whose deposition is hereinbefore set forth,
13 was duly sworn by me and that such
14 deposition is a true record of the testimony
15 given by the witness.16 I further certify that I am not
17 related to any of the parties to this action
18 by blood or marriage, and that I am in no
19 way interested in the outcome of this matter.20 IN WITNESS WHEREOF, I have hereunto
21 set my hand this 12th day of January, 1987.22
23 24 BARBARA A. BAILEY, R.P.R.
25

Trump

January 12, 1987

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PG LN	DIR		DIR Q.	Were any
6 16	Very moderately, yes.		DIR Q.	Have you
12 24	-casinos? A. Yes.		DIR Q.	Isn't it a
14 12	That it's confidential?		DIR Q.	When you
20 3	having said that.		DIR Q.	The
30 20	I said it specifically.		DIR Q.	Did you
31 14	Governor? A. Yes.		DIR Q.	How much do
36 4	more stock in Bally.		DIR Q.	Did you
41 8	be of interest to me.		DIR Q.	What about
42 9	a large piece of land.		DIR Q.	During 1986
43 15	A. That is correct.		DIR Q.	How about
44 13	MR. LERNER: I'm sure.		DIR Q.	Do you have
45 3	bids, that's right.		DIR Q.	Did you
47 8	that right? A. Yes.		DIR Q.	Did you
47 18	part of the theory.		DIR Q.	When did
61 10	buying shares in Bally?		DIR Q.	Now, you
62 14	I had about the stock.		DIR Q.	Did there
63 3	him not to answer.		DIR Q.	This
76 2	; correct? A. Yes.		DIR Q.	You own \$60
79 6	No. A. No.		DIR Q.	What is the
124 17	cannot tell from this.		DIR Q.	What is the
125 16	a mathematical genius.		DIR Q.	Do you know
127 13	said. BY MR. LERNER:		DIR Q.	Even though
141 7	know what was done.		DIR Q.	As a 9.9
169 19	that I have seen.		DIR Q.	Why not?
170 7	? A. I have not.		DIR Q.	You intend
194 18	that truth? A. Yes.		DIR Q.	Have you
194 25	witness not to answer.		DIR Q.	

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