

# [***Donald Trump Risks Losing Financial Lifeline***](https://advance.lexis.com/api/document?collection=news&id=urn:contentItem:6BFM-K041-JBR6-91YT-00000-00&context=1516831)

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**Length:** 504 words

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**Highlight:** The Republican has been sued by the co-founders of his social-media company, putting its finances at risk.

**Body**

A merger that could have provided [*Donald Trump*](https://www.newsweek.com/topic/donald-trump?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) with billions is under threat, after the Republican was hit by a lawsuit from the co-owners of his social-media platform.

Earlier this month, the Securities and Exchange Commission [*approved a merger*](https://www.newsweek.com/donald-trump-truth-social-deal-merger-1834467?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) proposal of Trump Media & Technology Group (TMTG), the entity behind his social-media platform, Truth Social, and Digital World Acquisition Corp. Trump is poised to potentially [*gain nearly $4 billion from the merger*](https://www.newsweek.com/trump-sec-approval-dwac-merger-truth-social-billion-stake-1870406#:~:text=Gaining%20an%20approval%20that%20could,social%20media%20platform%2C%20Truth%20Social.?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships), which would see him own at least 58.1 percent of the new entity's shares.

However, the co-founders of TMTG accused executives including Trump of trying to "drastically dilute" their stake in the business via a stock grab, according to a Wednesday Delaware Chancery Court filing. The court filing, from United Atlantic Ventures (UAV), a partnership set up by Andy Litinsky and Wes Moss, has been widely reported, but *Newsweek* was unable to obtain it in its original form. *Newsweek* contacted a representative for Trump by email to comment on this story.

The merger was announced in October 2021, but it has since been frequently delayed. Last September, Digital World investors voted to give an extension of up to one year to complete the deal.

If issues with the merger emerge, it may prevent Trump from financially benefiting from it, thus making it more difficult in turn to pay his legal bills, an expert said. "If the case is successful, then the merger and any windfall to Trump would be in jeopardy," Todd Landman, professor of Political Science, School of ***Politics*** and International Relations at the University of Nottingham, in the U.K., told *Newsweek*.

"The merger has been delayed for some time now, and further delay to the merger and public listing would limit any financial benefit to the former president at a time when he needs liquidity," Landman said.

UAV has an 8.6 percent stake in TMTG and has said that the company plans to increase its share count from 120 million to 1 billion, diluting its ownership. It also called plans to allow the former president to transfer his stock to family members or a trust "alarming".

"This is particularly alarming given the over $500 million in civil judgments Trump owes judgment creditors, who are at his door," it states. "Indeed, the merger represents a potential (and perhaps existential) liquidity event for Trump, which may explain his last-minute stock grab," the court filing said, as reported by U.K. newspaper *Financial Times.* The Republican is facing multiple legal bills, with commentators speculating he may have to sell some of his prized assets to cover court penalties.

Last month, Judge [*Arthur Engoron*](https://www.newsweek.com/topic/arthur-engoron?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) officially entered a judgment, ordering Trump to pay some $464.6 million in damages and interest for committing fraud. In January, a jury decided that the Republican must pay[*$83.3 million in damages*](https://www.newsweek.com/donald-trump-ordered-pay-e-jean-carroll-83m-defamation-damages-trial-1864497?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) to the former journalist [*E. Jean Carroll*](https://www.newsweek.com/topic/e-jean-carroll?utm_source=Synacor&utm_medium=Attnet&utm_campaign=Partnerships) for statements made in 2019 that were ruled to be defamatory. Trump has consistently denied wrongdoing and is appealing both of these verdicts.

[*Link to Image*](https://d.newsweek.com/en/full/2356058/donald-trump.jpg)

**Graphic**

Donald Trump

Photo by Sean Rayford/Getty Images

Donald Trump speaks during the Black Conservative Federation Gala on February 23, 2024 in Columbia, South Carolina. The Republican has been sued by the co-founders of his social media company, putting its finances at risk.

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