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STATE OF NEW JERSEY  
 CASINO CONTROL COMMISSION  
June 10, 1986 - 10:00 a.m.  
 3131 Princeton Pike  
 Lawrenceville, New Jersey

RECEIVED

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 In Regard to the Matter of : : TRANSCRIPT OF  
                                   : : PROCEEDINGS  
 Application of Trump's Castle :  
 Associates for renewal of its : : VOLUME VI  
 casino license. :  
                                   : Pages 1,017 thru 1,231  
 ----- X -----

CASINO CONTROL COMMISSION

BEFORE:

WALTER N. READ	- Chairman
VALERIE H. ARMSTRONG	- Vice-Chair
JOEL R. JACOBSON	- Commissioner
CARL ZEITZ	- Commissioner
E. KENNETH BURDGE	- Commissioner

ALSO PRESENT:

KAREN BIACHE	- Procedures Analyst
THOMAS FLYNN	- Public Information Officer

On Behalf of the Commission Staff:

JOHN ZIMMERMAN	- Legal
JOYOTI FLEMING	- Legal

On Behalf of the Division of Gaming Enforcement:

EUGENE SCHWARTZ	- Deputy Attorney General
JOHN E. ADAMS, JR.	- Deputy Attorney General

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

1018

2 On Behalf of Trump's Castle Associates:

3 NICHOLAS RIBIS, ESQ. RIBIS, McCLUSKEY, GRAHAM & DeCOTIIS  
1325 Boardwalk  
-and- Atlantic City, NJ 08401

4 BRIAN SPECTOR, ESQ.

6 On Behalf of Trump Organization:

7 HARVEY FREEMAN, ESQ. General Counsel and Vice-President  
of Trump Organization

8 On Behalf of Trump's Castle Casino:

9 ROBERT PICKUS, ESQ. General Counsel of Trump's  
10 Castle Casino

11 On Behalf of the Public Advocate:

12 DAVID SCIARRA, ESQ. Office of the Public Advocate  
13 Assistant R. J. Hughes Justice Complex  
-and- CN 850  
14 RICHARD SHAPIRO, ESQ. Trenton, NJ 08625

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

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2                   (Commencing at 10:30 a.m.)

3                   (All five Commissioners are present.)

4                   CHAIRMAN READ: I call the meeting  
5                   to order and note the continued presence of  
6                   all five Commissioners.

7                   I believe, Mr. Ribis, you had completed  
8                   your witnesses yesterday?

9                   MR. RIBIS: That is correct.

10                  CHAIRMAN READ: Any questions, at  
11                  least, Mr. Sciarra?

12                  MR. SCIARRA: Yes, as I mentioned  
13                  yesterday, Mr. Chairman, we have two additional  
14                  witnesses of a rebuttal nature. Before I  
15                  call those witnesses, I would like to mark  
16                  for identification five documents, so that  
17                  the record regarding these witnesses and their  
18                  testimony today is completely clear.

19                  I will just put them in the record  
20                  for identification purposes.

21                  The first is a subpoena Ad  
22                  testificandum issued by the Commission  
23                  to Elizabeth Corey on June 6th, and it's  
24                  signed by Commissioner Zeitz for Chairman Read.

25                  Do you have a number for that?

1 MS. BIACHE: PA-33.

2 (Whereupon, Exhibit PA-33 is marked  
3 for identification.)

4 MR. SCIARRA: PA-34 would be a  
5 subpoena Ad testificandum by the Commission,  
6 again under Commissioner Zeitz' signature  
7 to Patrick J. McAuley, that's Mc-A-U-L-E-Y.

8 That's PA-34?

9 MS. BIACHE: That's correct.

10 (Whereupon, Exhibit PA-34 is marked  
11 for identification.)

12 MR. SCIARRA: PA-35 is an affidavit  
13 of Elizabeth L. Corey, dated and signed and  
14 sworn on June 6th, 1986. That's PA --

15 MS. BIACHE: 35.

16 MR. SCIARRA: 35, which is a summary  
17 of her testimony here today.

18 (Whereupon, Exhibit PA-35 is marked  
19 for identification.)

20 MR. SCIARRA: PA-36 will be an  
21 affidavit of Patrick J. McAuley, signed and  
22 sworn on June 9th, 1986; which, again, is a  
23 summary of his testimony here today.

24 (Whereupon, Exhibit PA-36 is marked  
25 for identification.)

1                   MR. SCIARRA: PA-37 is a memorandum --  
2 well, it's actually three documents. I will  
3 describe each of them.

4                   The first is a memorandum to  
5 Kevin Coakley from Kathleen Vyborny, dated  
6 June 9th, 1986.

7                   The second page of this PA-37 is a  
8 letter dated April 20th, 1985 from Marc  
9 Intriligator to George Cowell, and that's  
10 dated April 20th, 1985; and

11                  The final page of PA-37 is a telecopy  
12 cover page from the law offices of  
13 Altheimer & Gray in Chicago, Illinois,  
14 dated June 9th, 1986, from Kathleen Vyborny  
15 to Kevin Coakley.

16                  (Whereupon, Exhibit PA-37 is marked  
17 for identification.)

18                  MR. SCIARRA: I would just note for the  
19 record that copies of all these documents  
20 were provided to all counsel this morning.

21                  With that, I am prepared to call  
22 Elizabeth Corey to the stand.

23                  CHAIRMAN READ: Fine.

24                  MR. SCIARRA: Mrs. Corey.

1                   THE REPORTER: Do you solemnly swear  
2                   that the testimony you are about to give in  
3                   this matter will be the truth, the while  
4                   truth and nothing but the truth, so help you  
5                   God?

6                   THE WITNESS: I do.

7       E L I Z A B E T H C O R E Y, having been first  
8       duly sworn, was examined and testified as follows:

9       DIRECT EXAMINATION

10      BY MR. SCIARRA:

11      Q.        Ms. Corey, what kind of work do you do?

12      A.        I'm an attorney.

13      Q.        And where are you licensed to practice?

14      A.        I'm licensed to practice law in the State of  
15       Illinois.

16      Q.        and how long have you been an attorney?

17      A.        Since 1982.

18      Q.        Are you associated with a law firm?

19      A.        Yes, I am associated with the law firm  
20       of Altheimer & Gray.

21      Q.        Where are they located?

22      A.        333 West Whacker Driver, Chicago, Illinois.

23      Q.        What type of work do you do as a  
24       lawyer for the firm of Altheimer & Gray?

25      A.        Primarily real estate.

1 E. Corey - direct

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2 Q. Can you explain that a little more.

3 A. Yes.

4 I do primarily real estate, I do some  
5 corporate transactions. As I mentioned, it is a  
6 transactional-type law, so I'm concerned with the  
7 purchase and sale of entities.

8 Q. And again, how long have you been an  
9 attorney?

10 A. Four years.

11 Q. Since?

12 A. Since 1982.

13 Q. And have you always worked with  
14 Altheimer & Gray?

15 A. No. Prior to Altheimer & Gray, I was  
16 associated with the firm of Friedman & Koven. I  
17 was part of a merger of some of Friedman & Koven's  
18 lawyers with Altheimer & Gray that occurred recently,  
19 about two months ago.

20 Q. And how long were you associated  
21 with Friedman & Koven?

22 A. A year and two months. Before that, I was  
23 associated, for two years, with the firm of  
24 Harvey, Hogan, Costello & Bergman, also in Chicago.

25 Q. Does your firm represent Hilton

1           E. Corey - direct

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2 Corporation?

3       A.     We are one of the firms that represents  
4     Hilton Corporation, yes, Hilton Corporation.

5       Q.     What type of work does your firm do  
6     with respect to its representation of Hilton  
7     Corporation?

8           MR. RIBIS: I object to that, only  
9           that this is in the form of rebuttal witness.  
10          I think that what we -- what the issues we're  
11         dealing with -- I think they're pretty far  
12         afield, Mr. Chairman.

13          CHAIRMAN READ: Hilton did have some-  
14         thing to do with the transaction with Trump,  
15         we've heard something of that. I'll allow it.

16          THE WITNESS: Would you mind repeating  
17         the question.

18       BY MR. SCIARRA:

19       Q.     With respect to your firms representation  
20         of the Hilton Corporation, what type of work does the  
21         firm do?

22       A.     Although we handle a lot of daily matters for  
23         them, I would say on the broader scope, we frequently  
24         represent them in the development of their hotels,  
25         and also in the sale of certain hotels, and, as I

1 E. Corey - direct

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2 mentioned, other daily activities that may occur  
3 with respect to individual locations.

4 Q. And did the Friedman & Koven firm,  
5 when you worked for them, perform the same work for  
6 Hilton?

7 A. Yes, that's right.

8 Q. As an attorney with Friedman & Koven,  
9 did you have an occasion to work on the sale of the  
10 hotel and casino from Hilton to the Trump organization?

11 A. Yes, I did.

12 Q. Approximately when was that?

13 A. My involvement occurred at the beginning of  
14 April, 1985, and continued through post-closing  
15 matters.

16 Q. Can you briefly describe for the  
17 Commission the nature of your involvement in this  
18 transaction?

19 A. I was what we called the third chair on the  
20 team, the negotiating team, and the team that handled  
21 the post-closing matters. The senior partner on  
22 the file, and on this transaction, is George Cowell.  
23 He was assisted by Kathleen Vyborny, and I brought  
24 up the rear.

25 Q. So when you say the third chair, can you

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2 describe what the third chair does?

3 A. Yes. I assisted -- catalogued information,  
4 did due diligence work, as we say, and assisted  
5 in some drafting and, to a minor extent, some  
6 negotiations.

7 Q. Can you describe for the Commission  
8 when you first became involved in the -- or asked  
9 to work on the transaction of the sale of the casino  
10 from Hilton to Trump?

11 A. Yes. As I mentioned before, I was -- I  
12 believe I first got involved in early April, or  
13 may have been, like March, but the most significant  
14 part of my involvement began when I was asked to  
15 go from Chicago to Atlantic City, actually Brigantine,  
16 New Jersey, to do investigations with respect to  
17 documentation for the hotel, to research contracts,  
18 leases, licensing permits, all documentation that  
19 relate to the operations of the hotel.

20 Q. Who asked you to do that?

21 A. George Cowell.

22 Q. When did you go to Brigantine to do that  
23 work?

24 A. On or about April 16th, 1985.

25 Q. Now, can you tell the Commission what

1 E. Corey - direct

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2 you did following your arrival in Brigantine?

3 A. Yes. I reviewed the files of the -- onsite  
4 at the offices that Hilton was maintaining at the  
5 Sandpiper, I interviewed many of their executives,  
6 I compiled the information that I found, I maintained  
7 close contact with George Cowell and Kathleen  
8 Vyborny, who, at that time, were in New York, and  
9 researched issued that they raised with me.

10 Q. Now, was one of the issues that  
11 you researched the matter of the roadway improvements  
12 in the Marina area of Atlantic City?

13 A. Yes.

14 Q. Can you tell the Commission what  
15 research and background work you did with respect to  
16 that issue?

17 A. I recall a specific request to get the plans  
18 and specifications done by Wilbur-Smith.

19 Q. And did you do that?

20 A. Yes.

21 Q. Now, did there come a time when you  
22 completed your work in Brigantine?

23 A. Yes.

24 Q. And then what did you do?

25 A. I had already sent many of the documents that

1 E. Corey - direct

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2 I had gathered by express courier to New York, and  
3 I took the remaining boxes of documents along with me,  
4 I went by car to New York City.

5 Q. Can you tell us when you sent the  
6 documents to New York, if you know?

7 A. The ones that were sent by courier, as I  
8 mentioned?

9 Q. Yes.

10 A. I would say that was -- it would have been a  
11 couple of days after my arrival on or about April  
12 20th, but I'm really not sure.

13 Q. Can you tell us when you went to  
14 New York?

15 A. Approximately April 24th, 23rd.

16 Q. And what did you take with you,  
17 again, when you went to New York?

18 A. The remaining documents.

19 Q. Can you be a little more specific  
20 about those remaining documents?

21 A. Uh-huh. It would have been copies of licenses  
22 and permits that enabled the hotel to be either  
23 occupied or operating, contracts that had been signed  
24 with respect to the hotel service contract, leases  
25 that we had negotiated for the retail space for the

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2 hotel, things of that nature.

3 Q With respect to the Wilbur-Smith  
4 plans and specifications for the roadway improvements,  
5 do you recall whether they were sent to New York  
6 or whether you took them with you to New York?

7 A Yes, I remember that I took them with me.

8 Q And what happened when you went to  
9 New York?

10 A When I went to New York, I am -- I gave the  
11 documents -- I had the documents with me, and I  
12 really don't remember if I gave them on the first  
13 day that I arrived in New York or the second day,  
14 but on either the first day or the second day, we  
15 had -- we delivered the documents to the offices of  
16 Dreyer & Traub.

17 Q And again, when would that have been?

18 A On or about April 24th, or 25th.

19 Q Okay.

20 Now, were the documents -- among those  
21 documents you gave to Dreyer & Traub, would the  
22 Wilbur-Smith plans and specifications have been  
23 included in those?

24 A Yes, they were.

25 Q Were they?

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2 A. Yes.

3 Q. Now, what did you do in New York  
4 following your arrival there?

5 A. Well, I was primarily assisting George Cowell  
6 and Kathleen Vyborny. I continued to catalogue  
7 information and to gather information for them  
8 at their request, so I spent time at both the offices  
9 of Dreyer & Traub and at the executive offices at  
10 the Waldorf where we had our main headquarters.

11 Q. Going back for a minute to your  
12 turning over of documents to Dreyer & Traub, do you  
13 recall any of the names of the lawyers at Dreyer &  
14 Traub who were -- who you may have turned those  
15 documents over to?

16 A. I remember the names of the lawyers who were  
17 involved in the transaction. Is that what you're  
18 asking me?

19 Q. Let's start with that.

20 Can you tell us the names of the lawyers  
21 who were involved in the transactions for Dreyer &  
22 Traub?

23 A. Yes. You met Jerry Schrager yesterday, as  
24 well as Jonathan Bernstein, Marc Intriligator, Richard  
25 Waltermann, Andy Levine, there were several others.

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2 Q. Now, do you recall who, among these  
3 Dreyer & Traub lawyers, the documents were turned  
4 over to?

5 A. No, I don't.

6 Q. Now, with respect to your work on the  
7 negotiations with Mr. Cowell and Ms. Vyborny, what  
8 did you do?

9 A. Well, I was involved in title matters and  
10 software, but my participation was really to  
11 assist George Cowell and Kathleen Vyborny.

12 Q. Can you be a little more specific  
13 about the type of assistance that you provided to  
14 them?

15 A. I sat with them at the negotiations table  
16 much of the time, not all of the time; I gave them  
17 information about the documents, about what the  
18 situations were with which I was familiar, and I  
19 obtained information at their request.

20 Q. Can you give the Commission a period  
21 of time in which you performed these -- provided  
22 this assistance to Mr. Cowell and Ms. Vyborny on the  
23 negotiations? Do you recall the days?

24 A. During when I was there?

25 Q. Yes.

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2 A. Yes. The day from which I arrived through  
3 the day of the contract signing, April 27th.

4 Q. So that would have been what days?

5 A. Well, depending -- I'm unclear as to whether  
6 I arrived on Tuesday or Wednesday, but from that day,  
7 if it was Wednesday, Wednesday, Thursday, Friday  
8 and Saturday.

9 Q. And the contract was signed on what  
10 day?

11 A. Saturday, April 27th, 1985.

12 Q. Now, returning to that day, Saturday,  
13 April 27th, were you involved in the negotiations  
14 on that day?

15 A. I was involved in assisting George Cowell  
16 and Kathy Vyborny.

17 Q. In the negotiations?

18 A. Are you -- I was not negotiating that day.  
19 As I said, my contact with direct negotiations  
20 involved only title matters and software. My job,  
21 as in negotiating, which I would like to make  
22 perfectly clear, was sitting at the table and  
23 assisting George Cowell and Kathleen Vyborny.

24

25

2 Q. Did you perform that assistance  
3 on Saturday, April 27th, 1985?

4 A. Yes, I did.

5 Q. Could you briefly tell us what  
6 happened that day?

7 A. Yes. Most of the difficult issues had been  
8 resolved. As a matter of fact, we seemed to know  
9 we had a contract, if you will, by the early  
10 afternoon, and at that time, after lunch was ordered,  
11 things around the office with respect to the  
12 acquisition slowed down considerably, and we were  
13 waiting for the final drafts of the contract to  
14 come off the press, making sure that what you had  
15 negotiated was really in the contract, reviewing,  
16 proofreading and re-reviewing.

17 Q. Again, approximately when did the  
18 negotiations wind down, and this finalizing process  
19 begin?

20 A. The negotiations ended in the early afternoon,  
21 I would say around one o'clock, and then the balance  
22 of the afternoon was spent winding down, reviewing  
23 the contract, proofreading and I spent my time  
24 cleaning up and organizing my files, preparing to  
25 return to my office in Chicago.

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2 Q. And when was the contract signed,  
3 do you know?

4 A. In the evening. It didn't get signed until  
5 maybe eight or nine o'clock at night.

6 Q. Were you present when it was signed?

7 A. Yes.

8 Q. Now, can you tell us where the  
9 negotiations took place?

10 A. At the offices of Dreyer & Traub.

11 Q. Where in the offices of Dreyer & Traub?

12 A. Well, most of the negotiations occurred in the  
13 main conference room, but there were negotiations  
14 heard in other offices throughout that office.

15 Q. And where were you located?

16 A. I was primarily located in the main conference  
17 room.

18 Q. Now, focusing your attention on the  
19 period, the afternoon period when the negotiations  
20 wound down, were you present in the conference room  
21 at that time?

22 A. Yes.

23 Q. And what were you doing?

24 A. I was, when the negotiations were winding down,  
25 continuing to assist George Cowell and Kathleen Vyborny.

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2 Q. What did that assistance involve?

3 A. Responding to their needs, whatever they  
4 night require me to do. Most of my work that was  
5 separate from them had been completed, and I was  
6 involved, as I said, I was, later in the afternoon,  
7 organizing my files, making sure that I had  
8 duplicates of what I needed to have to go back, which  
9 was not everything.

10 Q. Do you recall any time during that  
11 later afternoon period witnessing a conversation  
12 involving Donald Trump?

13 A. Yes.

14 Q. Can you tell us about that con-  
15 versation, and what occurred?

16 A. Well, I think that you are -- are you referring  
17 to a specific conversation?

18 Q. Let me ask you this: In preparation  
19 for your testimony today, did you review transcripts  
20 of this hearing?

21 A. Yes, some parts of them.

22 Q. Did you review transcripts of this  
23 hearing with respect to testimony by Kevin Coakley?

24 A. Yes.

25 Q. And in particular, did you review

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2 portions of his transcript with respect to Mr.  
3 Coakley's conversation with Mr. Trump on April 27th,  
4 1985, concerning the roadway improvement contract?

5 A. Yes.

6 Q. Did you also review the transcripts  
7 pertaining to Mr. Trump's testimony regarding that  
8 conversation?

9 A. Yes.

10 Q. Now, referring you to that conversation,  
11 did you witness a conversation between Donald Trump  
12 and Kevin Coakley regarding the roadway improvements?

13 A. Yes.

14 Q. And can you tell us about that  
15 conversation?

16 A. Yes. The conversation occurred in the later  
17 afternoon. Kevin and Patrick McAuley were in the  
18 main conference room, as was I. There may have been  
19 other people present. Kevin and Pat were at one  
20 end of the conference room, and I was in the middle,  
21 toward the other end, getting ready to go home,  
22 and Donald Trump came into the main conference room,  
23 he was accompanied by Harvey Freeman and by a couple  
24 of the lawyers from Dreyer & Traub.

25 One of them had the Wilbur-Smith plans that we

2 had talked about earlier with them. The plans were  
3 laid open on the conference room table, and Mr.  
4 Trump approached Kevin and asked him about the  
5 roadway improvement. I had been in Brigantine,  
6 and I had brought the Wilbur-Smith plans with me,  
7 and had given them earlier to the Dreyer & Traub  
8 lawyers, and since I was in the room and I had  
9 some familiarity with the plans and I had toured the  
10 site with one of Hilton's onsite people, I was  
11 somewhat familiar, and so I approached Kevin to give  
12 him whatever assistance I could.

13 Q. And then what happened?

14 A. They had a conversation about the roadway --

15 Q. Can you tell us specifically what  
16 was discussed?

17 What did Mr. Trump say?

18 A. Donald Trump wasn't pleased with the roadway  
19 improvement, and after going through and citing  
20 what was located where, where the fly-overs were,  
21 where the roadways were and what the direction of  
22 traffic was, he made the point that he thought that  
23 the roadway improvement was unaesthetic, and would  
24 block the view of the hotel.

25 He also made mention that it would really serve

2 to divert traffic to Harrah's property, and there  
3 was some discussion about alternate means, and he  
4 asked Kevin if he thought a roadway improvement  
5 could be changed, Kevin Coakley, that is.

6 Mr. Coakley responded that he would have to  
7 get DOT approval.

8 At that time, there was more discussion about  
9 the nature of DOT and its interaction with CAFRA  
10 and DOT, and that's when Patrick McAuley, also of  
11 Mr. Coakley's office, became involved, because he  
12 was very familiar with the CAFRA conditions relating  
13 to the hotel, and he made some input, then the  
14 conversation was dropped and they left the room,  
15 "they," meaning Donald Trump and the other lawyers  
16 who were with him.

17

18

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2 Q. Did Mr. Trump, during the conversation,  
3 ever indicate that he wanted to get another traffic  
4 study done?

5 A. Yes, he did. He made that comment to Harvey  
6 Freeman.

7 Q. And when was that during the  
8 conversation?

9 A. Well, it was after -- I am really unclear. It  
10 was in the middle of the conversation. I think it was  
11 before the CAFRA conversation.

12 Q. Do you recall what he said?

13 A. He said that they would have to -- there was  
14 already a traffic feasibility study that had been done,  
15 but he said that he -- he turned to Mr. Freeman and  
16 said we will have to have another traffic feasibility  
17 study done as soon as possible, or words to that effect.  
18 That's not a quote.

19 Q. And now, who was present for this  
20 conversation, other than Mr. Trump, Mr. Freeman, other  
21 lawyers for him, and yourself?

22 A. I am uncertain as to who the other lawyers  
23 that were present were. It seems to me that Jonathan  
24 Bernstein, or Marc Intriligator, or both of them, were  
25 present, but there may have been others, but I really

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2 don't recall, other than the specific names I have  
3 mentioned.

4 Q. Insofar as the attorneys for Hilton  
5 were concerned, who were present?

6 A. Kevin Coakley, Patrick McCauley, and myself.

7 Q. Where were Mr. Cowell and Ms. Vyborny  
8 at this point?

9 A. Ms. Vyborny was making airline reservations  
10 for us in another room, someone else's office, and I  
11 don't know where George Cowell was.

12 Q. Again, how did the conversation end?  
13 Do you recall?

14 A. It came to a natural conclusion and they left  
15 the room.

16 Q. Now, is there any reason why you  
17 would recall this conversation now?

18 A. Yes. This was the most important deal I have  
19 ever been involved with, and I have only been practicing  
20 for four years, and a \$320 million sale is very  
21 substantial. It left a very -- an indelible impression  
22 on me, and it continues to affect me.

23 Q. What about the conversations concerning  
24 the roadway improvements, is there any reason why you  
25 would recall that?

2 A. Well, because I have personal contact with it.  
3 I had done some investigations about the roadway  
4 improvements, they had requested that I bring the plans  
5 I was somewhat familiar with them. Donald Trump was  
6 involved in the conversation, so, naturally, it was  
7 more curious to me. It's not often that I hear, or  
8 become engaged in a conversation with, a man as  
9 important and as distinguished as he is.

10 Q. During the conversation, did you at  
11 all say anything?

12 A. I think I did. I have a recollection of  
13 assisting Kevin with spotting out the landmarks.

14 Q. On the plans?

15 A. Yes.

16 Q. And, once again, the plans were --  
17 during the conversation, where were the plans?

18 A. Spread out on the conference table.

19 Q. And they were brought into the room  
20 by whom?

21 A. I don't know, one of the -- one of Mr.  
22 Trump's lawyers.

23 Q. Now, were you present yesterday during  
24 the testimony of Mr. Bernstein?

25 A. Yes.

2 Q. And were you present for his testimony  
3 concerning a draft agreement for the sale of the hotel  
4 casino?

5 A. Yes.

6 Q. And you heard Mr. Bernstein's testimony  
7 about the draft agreement?

8 A. Yes.

9 Q. And, specifically, do you recall his  
10 testimony with regard to that draft agreement being  
11 prepared in his offices for Hilton's lawyers?

12 A. Yes.

13 Q. Did you do anything yesterday, after  
14 hearing Mr. Bernstein's testimony, about that draft  
15 agreement?

16 A. Yes, I called my office, I called Kathleen  
17 Vyborny, who is with Altheimer & Gray now as well, and  
18 I was familiar with a letter that was in our file  
19 associated with the draft of the purchase and sale  
20 agreement you referred to, and I asked her to telecopy  
21 that letter to Kevin Coakley.

22 Q. Now, I show you what has been marked  
23 for identification purposes as PA-37. Can you take a  
24 look at that and tell us what that is?

25 A. They are three different documents here. The

2 first document is a memorandum from --

3 MR. RIBIS: If I may, I think they  
4 have been -- excuse me, I am sorry.

5 THE WITNESS: Of course.

6 MR. RIBIS: Mr. Chairman, the  
7 documents have been marked. I do have an  
8 objection to this witness testifying as to  
9 the documents, since the documents that are  
10 marked, as I understand them, relate the  
11 information that came from a witness who is  
12 not here today.

13 There is a piece of correspondence  
14 without the attached document, without  
15 specific reference to the date, and type of  
16 document we are talking about, and I believe  
17 that the witness, if she is going to identify  
18 documents, I believe should have participated  
19 in the receipt of those documents and should be  
20 able to identify the attachments.

21 As to a memorandum which admitted the  
22 documents to New Jersey, I just don't think is  
23 evidential regarding the issues before the  
24 Commission.

25 CHAIRMAN READ: Mr. Adams?

1 E. Corey - direct

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2 MR. ADAMS: Well, I think Mr. Sciarra  
3 was in the process of laying the foundation,  
4 and I would like to hear some further answers  
5 to some further questions, which I anticipate  
6 will happen, and then maybe Mr. Ribis' objec-  
7 tions will be more appropos.

8 MR. SCIARRA: That was what I was  
9 going to suggest.

10 CHAIRMAN READ: I would think so.  
11 Therefore, you may continue.

12 MR. SCIARRA: Thank you, Chairman.  
13 BY MR. SCIARRA:

14 Q. Ms. Corey, can you begin again and  
15 describe those documents marked for identification?

16 CHAIRMAN READ: I think they have been  
17 described.

18 MR. RIBIS: They have been described.  
19 That's my problem, Mr. Chairman, she is going  
20 to read into the record what they are.

21 BY MR. SCIARRA:

22 Q. Are these the documents that you --  
23 how did you obtain these documents?

24 A. I obtained them from -- they were obtained by  
25 me directing Kathleen Vyborny to send them. I knew

2       they were in the file and associated with the copy,  
3       draft of the purchase and sale agreement that was  
4       referred to in yesterday's testimony. Since I was  
5       aware that they were in the file, I asked her to have  
6       them telecopied to Kevin Coakley.

7           Q.       And when did they arrive?

8           A.       Yesterday.

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1 E. Corey - direct

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2 Q. Now, how are you familiar with the  
3 letter that's contained in PA-37?

4 A. I am familiar with the letter that's contained  
5 because those files are like my babies, they are  
6 my charge, and I knew that that letter was -- excuse  
7 me, Mr. Ribis is standing.

8 MR. RIBIS: I didn't want to  
9 interrupt her. I am standing, I am sorry.

10 I just want to note that the letter is  
11 April 20th, which predates her involvement  
12 in New York, vis-a-vis, this project. The  
13 fact that they may or may not be in the file,  
14 I think before we get into the substance of  
15 this particular letter, I would like to know  
16 if she was involved on April 20th in receiving  
17 the information and receiving the attachments.

18 MR. SCIARRA: Mr. Chairman, his  
19 objection has interrupted the witness --

20 CHAIRMAN READ: I understand.

21 MR. SCIARRA: I was proceeding to get  
22 information about her familiarity about this  
23 particular document, and it's been interrupted.  
24 Maybe we could have the question and her  
25 partial answer read back.

1           E. Corey - direct

2           CHAIRMAN READ: I would think so.

3           MR. SCIARRA: So that she can complete  
4           the answer, and then we can get on with it.

5           Can we do that?

6           CHAIRMAN READ: Yes.

7           (Question and partial answer were  
8           read back by the reporter.)

9           A.       I knew that that letter was in the file, and  
10          it was associated with the draft and sale agreement  
11          that was concerning testimony yesterday, and that's  
12          why I called Kathleen Vyborny, was to ask her to  
13          telecopy that letter to clarify where the draft came  
14          from, who initiated the draft, who reviewed it before  
15          it was sent to George Cowell at the Waldorf Astoria,  
16          and that it had, in fact, been sent by Marc  
17          Intriligator.

18           MR. RIBIS: I have to object, unless  
19          she has the attachments referred to.

20           CHAIRMAN READ: Mr. Ribis, I understand  
21          your objection. We are still getting the  
22          foundation. Let's get the foundation established  
23          to the extent it's going to be established,  
24          then I will hear you on your objection, but  
25          at the present time, I think it's an appropriate

1 E. Corey - direct

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2 question.

3 BY MR. SCIARRA:

4 Q Did you discuss this letter with  
5 Kathleen Vyborny yesterday?

6 A Yes, I did.

7 Q And what did she tell you?

8 MR. RIBIS: That, I believe, is  
9 objectionable, as to what she told this  
10 witness.

11 CHAIRMAN READ: This Commission has  
12 never been sticky about hearsay in these  
13 hearings, as you know, and if she told her  
14 directly for the purposes of this --

15 MR. RIBIS: I guess I don't have the  
16 opportunity to cross-examine a witness that's  
17 not here on what she said or what is repre-  
18 sented to this Commission.

19 CHAIRMAN READ: I understand that.

20 COMMISSIONER ARMSTRONG: Mr. Ribis,  
21 107(A)(6) makes hearsay clearly admissible.

22 MR. RIBIS: I'm just making my objection  
23 for the record.

24 CHAIRMAN READ: I understand, but  
25 under the hearsay exceptions, we have under

3.3.4

1                   E. Corey - direct

2                   107, Commissioner Armstrong just referred to,  
3                   it is contemplated that you will not have such  
4                   an opportunity in these hearings.

5                   A.       Kathy said -- well, I am not sure how we  
6                   began the conversation, because she was well  
7                   familiar with this letter. She said, oh, yes,  
8                   but I -- I had mentioned -- we had discussed that  
9                   it had been sent to George, to Mr. George Cowell,  
10                  that is, and she said, yes, that I got it at the  
11                  Waldorf Astoria, and that's the letter that is  
12                  attached to the appurtenant draft of the purchase  
13                  and sale agreement, which was attached to this letter  
14                  in our file, which is how I know about it.

15                  MR. SCIARRA: Mr. Chairman, I would like  
16                  to move PA-37 into evidence at this time.

17                  CHAIRMAN READ: Now, Mr. Ribis, it is  
18                  appropriate to make your objection.

19                  MR. RIBIS: I think the Commission knows  
20                  what my objection is to the letter.

21                  The attachments are not attached to  
22                  the letter. There is referred to references  
23                  made to this letter to documents, a contract  
24                  and a lease. I don't know specifically what  
25                  we are talking about as to the specific documents

1 E. Corey - direct

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2 which were attached. However, I have no  
3 objection to the letter going in at this time  
4 regarding the statements that were made in  
5 the letter, without having those attached  
6 documents.

7 CHAIRMAN READ: You are talking  
8 specifically now about the letters that  
9 purportedly came from Mr. Intriligator, is  
10 that correct?

11 MR. RIBIS: The April 20th letter, yes.

12 CHAIRMAN READ: Yes.

13 MR. ADAMS: I have no objections, Mr.  
14 Chairman.

15 MR. SCIARRA: We don't care about the  
16 attachments, they simply indicate how the  
17 letter was received today --

18 MR. RIBIS: I'm not talking about those  
19 attachments, I am --

20 CHAIRMAN READ: There are attachments  
21 referenced in the letter.

22 MR. RIBIS: The other attachments I  
23 object to, of course.

24 CHAIRMAN READ: I understand that.  
25 I haven't seen the attachments. Maybe if I can

3.3.6

1 E. Corey - direct

2 review that --

3 MR. SCIARRA: I have copies.

4 MR. RIBIS: I would object to anything,  
5 other than the letter, to be reviewed by the  
6 Chairman.

7 CHAIRMAN READ: I understand.

8 MR. SCIARRA: Here is the letter. Mr.  
9 Chairman, we have more copies, but they have  
10 to be pulled apart. I would also --

11 CHAIRMAN READ: Don't do anything about  
12 it until I finish reviewing this.

13 (Brief pause.)

14 CHAIRMAN READ: I have no problem with  
15 the letter being admitted.

16 MR. SCIARRA: Can that be PA --

17 MS. BIACHE: 37.

18 MR. SCIARRA: --37, then.

19 (Whereupon, Exhibit PA-37 is received  
20 into evidence.)

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2 MR. SCIARRA: Mr. Chairman, I would  
3 also move the attachments, and my reason for  
4 moving the attachments is, there has been a  
5 proper foundation for them, they are  
6 explanatory and supportive of what Ms. Corey  
7 has testified with respect to her efforts  
8 to bring this letter here, and her discussions  
9 that she has just testified to with Ms.  
10 Vyborny, and provides the proper background  
11 and proper foundation for the introduction  
12 of this letter, so these attachments simply  
13 support what she has already testified to,  
14 and on that basis, I would move their admission.

15 CHAIRMAN READ: With respect to that  
16 first, the memo from Vyborny to Coakley, is  
17 that right?

18 MR. SCIARRA: That's correct.

19 CHAIRMAN READ: Of yesterday's date?

20 MR. SCIARRA: That's correct.

21 CHAIRMAN READ: And the telecopy from  
22 Vyborny to Coakley of yesterday's date?

23 MR. SCIARRA: That's correct, and I  
24 would move their admission as well.

25 CHAIRMAN READ: Mr. Ribis, you can

1 E. Corey - direct

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2 present your objection specifically to those.

3 MR. RIBIS: Those two documents,  
4 specifically, the telecopy submission, I don't  
5 know it's evidential of anything, and I think  
6 this witness has testified she received this  
7 from her office in Chicago.

8 Secondly, the memorandum to Mr.  
9 Coakley from Ms. Vyborny, it's just a con-  
10 clusion, I believe, of a more detailed  
11 conversation which has been presented here  
12 today. For that reason, I don't know that  
13 it's necessary to be placed in the record,  
14 for those reasons which I have previously  
15 stated.

16 CHAIRMAN READ: Mr. Adams?

17 MR. ADAMS: I have no objection to  
18 either.

19 MR. SCIARRA: I would move them, Mr.  
20 Chairman. I believe they are necessary and  
21 would move them.

22 CHAIRMAN READ: Well, they are, as  
23 Mr. Ribis has indicated, hearsay for our  
24 purposes, and I am not sure what weight  
25 we can give to them, but that's basically the

1 E. Corey - direct

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2 problems we have with respect to anything  
3 admitted under 107, and we will admit them  
4 on that basis.

5 MR. SCIARRA: Thank you.

6 And those will be PA --

7 MS. BIACHE: Part of PA-37.

8 MR. SCIARRA: PA-37, thank you.

9 With that, Mr. Chairman, I have no  
10 further questions of this witness.

11 CHAIRMAN READ: Mr. Ribis?

12 MR. RIBIS: Thank you, Mr. Chairman.

13 CROSS EXAMINATION

14 BY MR. RIBIS:

15 Q. Ms. Corey, the file review that you  
16 did in Brigantine, was anybody else from the  
17 Hilton lawyer group with you at that time, in  
18 April?

19 A. No.

20 Q. Was Mr. McAuley with you?

21 A. Not at the motel, not there at the motel, no.

22 Q. And you were collecting, as I under-  
23 stand it, and as you testified, leases, permits,  
24 contracts, documents, which related to existing  
25 relationships, is that what you were looking for?

1 E. Corey - cross

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2 A. Yes.

3 Q. And specifically addressing your  
4 attention to the roadway, did you review the files  
5 with respect to the costs of the roadway while  
6 you were in Atlantic City or Brigantine, I'm sorry?

7 A. I don't remember.

8 Q. You don't remember seeing any cost  
9 estimates in those files?

10 A. That's right, I don't.

11 Q. And those were not part of the files  
12 that you transmitted to Dreyer & Traub later in  
13 April?

14 A. What is the question?

15 Q. The question on cost, did you bring  
16 with you or send up to them by courier, any documents  
17 relating to roadway improvements?

18 A. I don't know.

19 Q. You don't recall seeing any?

20 A. That's right.

21 Q. Did you review the files which were  
22 at the offices of Mr. Coakley regarding the roadway  
23 improvements?

24 A. No.

25 Q. Did you become aware of files which

2 related to the joint venture agreement between  
3 Hilton, Harrah's and Golden Nugget during your  
4 review?

5 A. Yes, I was aware of them.

6 Q. Were there specific documents that  
7 you found regarding the joint venture agreement?

8 A. I remember seeing specific documents regarding  
9 the joint venture, but I am not sure if they were ones  
10 that I found at the motel, or if I saw  
11 them in conjunction with conversations I might have  
12 had with Kevin Coakley or Patric McAuley.

13 Q. Is it your testimony that you did not  
14 see the files of Mr. Coakley or Mr. McAuley  
15 prior to the execution of the purchase and sale  
16 agreement?

17 A. I did not review their files. I may have seen  
18 a copy of the agreement concerning the joint venture.  
19 I don't know, but I may have.

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2 Q. Do you know where the files were  
3 located? Were they in Mr. Coakley's office in  
4 Newark, New Jersey?

5 A. It was determined that Mr. Coakley had the  
6 extensive, complete file for the roadway improvement,  
7 and there were other people that I know may have had  
8 copies of the joint venture agreement, certain copies  
9 of pleadings that were related to litigation that was  
10 going on, but Mr. Coakley's office had the primary  
11 responsibility for that matter, and his files were  
12 determined to be definitive.

13 Q. And those definitive files, did you  
14 ever see them, and were they transported to the offices  
15 of Dreyer & Traub before the execution of the purchase  
16 and sale agreement?

17 A. I don't believe they were transported before  
18 the execution of the purchase and sale. Some documents  
19 relating to it were, but I don't believe his files.

20 Q. Calling your attention to the purchase  
21 and sale agreement which has been marked into evidence,  
22 you are familiar with this document, aren't you?

23 A. Yes.

24 Q. And I will just turn to Exhibit G, a  
25 list of documents relating to the roadway improvement

2 and joint venture. Did you participate in the  
3 compilation of these documents?

4 A. There were certain of these permits that, and  
5 letters that I copied, but I can't tell you which ones.

6 Q. Well, going back to your review of  
7 documents in Brigantine, did you transport, No. 1,  
8 the joint venture agreement? Was that one of the  
9 documents you sent to Dreyer & Traub?

10 A. I don't remember. Copies relating to the  
11 joint venture agreement -- I mean, relating to the  
12 roadway improvement that are listed on this Exhibit G  
13 that I remember making copies of were related to CAFRA  
14 and were not as extensive as this.

15 Q. Do you know if the plans were attached  
16 as an exhibit to the contract, the plans for the  
17 roadway improvements that you previously testified  
18 about?

19 A. Were they attached to the purchase and sale  
20 agreement, is that what you are asking me?

21 Q. Yes, were they an exhibit?

22 A. No, they were not.

23 Q. Do you know why they weren't an  
24 exhibit?

25 A. No.

2 Q. Were there documents that you  
3 transported to Mr. Cowell, or Ms. Vyborny, after your  
4 inspection of documents in Brigantine, specifically  
5 calling your attention to the roadway improvement  
6 contract was not turned over to Dreyer & Traub?

7 A. With respect to the roadway improvement?

8 Q. Yes.

9 A. I really don't know. I don't believe so.  
10 There were a couple of documents that were not  
11 related to this transaction, meaning the acquisition,  
12 that were not turned over to them.

13 Q. Who determined whether they were  
14 related or not related?

15 A. George Cowell.

16 Q. And so after your documents, which  
17 you sent by courier to Dreyer & Traub, they were really  
18 sent to Mr. Cowell for his review, weren't they?

19 A. No.

20 Q. Who were they sent to?

21 A. They were delivered to Dreyer & Traub. If I  
22 can explain to you?

23 Q. Sure.

24 A. I copied categories of documents. If documents  
25 had not been fully executed, such as leases and

2 contracts, which we didn't have agreements for, those  
3 were not delivered, so you understand, these are not  
4 agreements.

5 Q. I call your attention to the roadway  
6 documents. Other than the documents which related to  
7 CAFRA permits, other statements, were there any other  
8 roadway contracts that you transported to the law firm  
9 of Dreyer & Traub prior to closing?

10 A. I don't remember that there were.

11 Q. Were there other documents in the files  
12 that you reviewed which related to the roadway which  
13 were not sent to Dreyer & Traub?

14 A. Would you repeat your question.

15 Q. Were there other documents in Brigant-  
16 tine, Hilton documents, which you reviewed when you  
17 were in Brigantine, which were not sent to the offices  
18 of Dreyer & Traub?

19 A. No.

20 Q. So what was in Brigantine as to the  
21 roadway were permits and other documents relating to  
22 the roadway improvements?

23 A. Well, there may have been something that I  
24 didn't catch.

25 Q. Excuse me, I am sorry?

2 A. There may have been something that I didn't  
3 copy that was there.

4 Q. I don't understand.

5 A. What I am saying is that I'm not infallible,  
6 Mr. Ribis --

7 Q. None of us are.

8 A. If I made a mistake and didn't copy something,  
9 then it didn't get there.

10 Q. Did you assist in the cataloging of  
11 documents which ended up to be exhibits to the purchase  
12 and sale agreement?

13 A. Most of them.

14 Q. Did you work with Richard Walderman?

15 A. He was one of the lawyers I worked with.

16 Q. And Lee Levine of Dreyer & Traub?

17 A. He was another one.

18 Q. Now, did you review with Mr. McCauley  
19 and Mr. Coakley documents which were in their files  
20 pertaining to the roadway improvements?

21 A. It's very difficult for me to hear you. I am  
22 sorry.

23 Q. I am sorry. Did you review with Mr.  
24 Coakley or Mr. McCauley documents which were in their  
25 files relating to the roadway improvements?

2 A. No.

3 Q. But you do know that those documents  
4 were not transmitted to Dreyer & Traub prior to  
5 closing?6 A. No, what I am gathering is from a -- I don't  
7 have personal knowledge of what Mr. Coakley delivered  
8 or did not deliver.9 Q. Now, your personal knowledge was  
10 limited, as you have testified, to cataloging of  
11 documents, initially, and then arriving at the offices  
12 of Dreyer & Traub around April 24th or 25th, to assist  
13 Ms. Vborny and Mr. Cowell regarding the purchase and  
14 sale closing?

15 A. Yes.

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1           E. Corey - cross

2           Q.         And you were not at Dreyer & Traub  
3         on April 20th, at the time when the purchase  
4         and sale agreement was in the process of being  
5         negotiated, were you?

6           A.         No.

7           Q.         And you were not aware of the number  
8         of drafts of the purchase and sale agreement that  
9         were done during the course of negotiations, were you?

10          A.         No.

11          Q.         Do you know today, from your knowledge  
12         of the file, how many drafts and purchase agreements  
13         there were?

14          A.         Are you asking for a specific?

15          Q.         Your best guesstimate, since you've  
16         testified that these files are very dear to you,  
17         and you know them very well.

18          A.         There were many drafts.

19          Q.         More than ten?

20          A.         I don't know.

21          Q.         Is it possible that it was more than  
22         ten?

23          A.         Yes.

24          Q.         As to the specific drafts that  
25         were prepared, were some of the typing done for

1 E. Corey - cross

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2 Mr. McAuley and Ms. Vyborny at the offices of  
3 Dreyer & Traub during the course of the negotiations?

4 A. His name is Mr. Cowell.

5 Q. I'm sorry, I apologize.

6 A. The way that process worked is, Dreyer and  
7 Traub had control of the documents, and the typing  
8 was done on their systems. As a matter of fact,  
9 Marc Intriligator often did his own drafting on his  
10 own word processor.

11 Q. As to the draft that he was generating?

12 A. They -- as I said, they have control of the  
13 documents, so when I was present and, of course, I  
14 can't speak to those days before I arrived in  
15 New York, the terms would be negotiated, and they'd  
16 go back to the word processors and try to verbalize  
17 what they had agreed on, and Marc or Jonathan would  
18 come back to our team and say, "This is what we came  
19 up with," and we would agree on whether or not that  
20 was, in fact, a representation of what we agreed to.

21 Q. Now, with regard to the letter of  
22 April 20th, 1985, which has been marked PA-37 in  
23 evidence, it refers to two documents, three clean  
24 copies of contracts and Kathy's marked copy of a  
25 lease.

6.1.3

E. Corey - cross

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2           Do you know where those documents are, which  
3 are referred to in this document?

4       A.     Are you asking me where the originals of the  
5 documents are?

6       Q.     The documents which are referred to  
7 in this letter. Are they in your files?

8       A.     There would be a copy of those in our files.

9       Q.     And do you think Ms. Vyborny or somebody  
10 at your law firm has control over those documents?

11      A.     I don't understand what you mean by "control."

12      Q.     Well, you said you talked to Ms.  
13 Vyborny and she was readily aware of this particular  
14 draft of the contract.

15      A.     Yes.

16      Q.     Isn't that correct?

17      A.     Yes, because we had -- we had reviewed that  
18 part of the file before I arrived.

19      Q.     And who asked you to review that  
20 part of the file?

21      A.     Who asked us? I really don't know.

22      Q.     Was it Mr. Coakley?

23      A.     I don't know.

24      Q.     And do you know when this draft,  
25 number 2, that's been marked into evidence before this

1                   E. Corey - cross

2     Commission, was sent to Mr. Coakley? Was it just  
3     prior to this hearing?

4     A.     Yes. Well, the -- yes, it was.

5                   Well, as you realize, the reputation of  
6     Hilton and its counsel had been impuned by the  
7     testimony of Donald Trump and other of his people  
8     with respect to these proceedings, and we were  
9     aware of what had happened, and in a reaction to  
10    that -- I don't know who made the direction --  
11    but in reaction to that, we reviewed the files  
12    with respect to that copy of the purchase and sale  
13    agreement.

14               Q.     Would you say that there was some  
15    bad blood between Hilton and Mr. Trump before this  
16    hearing?

17               MR. SCIARRA: Objection.

18               MR. ADAMS: I object to that.

19               MR. RIBIS: I'll strike the question.

20    BY MR. RIBIS:

21               Q.     Ms. Vyborny --

22               A.     My name is Corey.

23               Q.     Sorry.

24               A.     That's okay. We all look alike.

25               Q.     Is that because there's a dress

1           E. Corey - cross

2 requirement?

3           In preparing Mr. Coakley for his testimony,  
4 did you or someone at your law firm send this  
5 draft document, which has been marked in evidence,  
6 to him, to your knowledge?

7 A.       Yes.

8 Q.       Therefore, it wasn't in Hilton's  
9 files, it was in your files; is that correct?

10 A.       I don't know that it was not in his file.

11 Q.       Well, it was sent to him prior to  
12 his testimony before this Commission, wasn't it?

13 A.       Yes.

14 Q.       And there's a representation in that  
15 document, is there not, that the cost of the roadway  
16 improvement was \$11,700,000. Are you familiar with  
17 that?

18 A.       I don't know. I was not --

19 Q.       Is that because you weren't involved  
20 in the negotiations of the contract?

21 A.       The date of that draft, that's correct.

22 Q.       And do you know whether or not that  
23 was a Hilton draft or a Trump draft?

24 A.       I have no personal knowledge.

25 Q.       Could be either, couldn't it, from what

6.2.2

1           E. Corey - cross

2 you know?

3 A.       I don't know.

4 Q.       And do you know specifically if this  
5 document, which has been marked PA-37 in evidence,  
6 attached the document which was marked in evidence  
7 before this Commission, the draft contract?

8 A.       I'm sorry. Would you repeat your question.

9 Q.       Do you know if the contract referred  
10 to in this letter of April 20th, which has been  
11 marked into evidence today, was, in fact, the contract  
12 which was marked into evidence before this  
13 Commission as the draft of the contract?

14 A.       I haven't seen the copy that was admitted  
15 into evidence.

16 Q.       Have you seen the copy that's referred  
17 to in this letter?

18 A.       Yes, I have.

19 Q.       When did you see it?

20 A.       Prior to last Friday, last Thursday.

21 Q.       And do you have it with you?

22 A.       No.

23 Q.       Was it give to the Public Advocate?

24 A.       I don't know.

25 Q.       Was it given to Mr. Coakley?

1                   E. Corey - cross

2                   A.       Yes.

3                   Q.       Was the lease, which was also referred  
4                   to in this letter, given to Mr. Coakley?

5                   A.       That I don't know.

6                   Q.       Now, your testimony as to April 27th,  
7                   is that you were located in the main conference  
8                   room at Dreyer & Traub during the course of that  
9                   day; is that right?

10                  A.       Yes.

11                  Q.       And what time did you arrive at the  
12                  law firm of Dreyer & Traub that day?

13                  A.       It was in the morning, but I can't be more  
14                  specific than that.

15                  Q.       Early morning? Nine?

16                  A.       Not early, no.

17                  Q.       Had you worked most of the night  
18                  that night, Friday?

19                  A.       No.

20                  Q.       Did anyone on behalf of Hilton  
21                  work regarding the preparation of the purchase and  
22                  sale agreement the night before?

23                  A.       No.

24                  Q.       Do you know if the lawyers at  
25                  Dreyer & Traub did?

6.2.4

1 E. Corey - cross

2 Q. How long were you at the offices of  
3 Dreyer & Traub that day that you were in the main  
4 conference room?

5 A. I didn't stay in the main conference room  
6 the whole time.

7 Q. How long were you at the offices?

8 A. From late morning 'till we had finished  
9 attaching exhibits to the contract and assembling  
10 them. I guess it was about 10 o'clock at night  
11 when we left.

12 Q. Did you stay at least 10 hours?

13 A. Yes.

14 Q. Do you know if Mr. Trump was in the  
15 conference room when the contract, as you described  
16 it, was executed, about eight o'clock at night?

17 A. He was not in the main conference room. That's  
18 not where he signed it.

19 Q. Do you know if he was even there when  
20 the final contract was put together at Dreyer & Traub?

21 A. He was not.

22 Q. He had left, hadn't he?

23 A. Yes.

24 Q. Do you know what time he left?

25 A. It was shortly after six o'clock, I would say.

1 E. Corey - cross

2 Certainly before eight.

3 Q. And the conversations which you've  
4 testified about, how long would you say that was?  
5 Ten minutes, five minutes?

6 A. That sounds like as good an estimate.

7 Q. Five or ten minutes, at most. Isn't  
8 that right?

9 A. Yeah, I would say ten minutes, 15 minutes at  
10 the most.

11 Q. And you said Mr. Trump was escorted  
12 by several attorneys, and you believe Mr. Freeman  
13 was one of them, and maybe Mr. Bernstein and Mr.  
14 Intriligator?

15 A. Yes.

16 Q. Was Mr. Trump in and out of the  
17 conference room during the course of the day that  
18 you were in the conference room?

19 A. Yes.

20 Q. And was he always escorted by one of  
21 the lawyers from Dreyer & Traub or Mr. Freeman?

22 A. I can remember seeing him, not in the main  
23 conference room, but out in the hallways, when he  
24 was alone, unaccompanied, and having conversations  
25 with Gregory Dillon.

6.2.6

1 E. Corey - cross

2 Q. Mr. Dillon was an executive with  
3 Hilton?

4 A. That's correct.

5 Q. And was he in a separate conference  
6 room also, Mr. Dillon?

7 A. This was -- at times he was. The specific  
8 incidence that I am referring to did not occur in  
9 a conference room.

.3.1 10 Q. Just in a hallway, just in a con-  
11 versation in a hallway?

12 A. To the side. They have cubicles, sort of  
13 modules.

14 Q. Was there any other discussions  
15 in the conference room in your presence when  
16 Mr. Trump was in the room during the course of the  
17 day on April 27th about anything?

18 A. Yes. Nothing, but I mean, I would say generally  
19 yes. I have no -- I have no other specific  
20 recollections.

21 Q. And the only recollection you have  
22 is this particular conversation which you testified  
23 about today; is that correct?

24 A. Yes.

25 Q. Was Mr. Walderman in the conference

1 E. Corey - cross

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2 room during the course of, basically, the entire  
3 day, compiling exhibits, preparing the contract  
4 execution?

5 A. No, Mr. Walderman was backed -- he had copies  
6 of many of the documents that I brought. He had  
7 a specific area, I don't know which, but he was  
8 usually in his own office or in the office of  
9 another lawyer in the background, but not in the main  
10 conference room. That doesn't mean he didn't  
11 come into the main conference room, but he was not --  
12 that was not his hangout.

13 Q. Who else hung out in the conference  
14 room, as you described it, from Dreyer & Traub?  
15 Do you recall?

16 A. Jonathan Bernstein, Marc Intriligator.

17 Q. Do you recall the day before the  
18 execution of this contract and negotiations which  
19 were going on at Dreyer & Traub at that time?

20 A. In a general fashion.

21 Q. What about April 25th, the day you  
22 arrived, or the day after you arrived in New York,  
23 did you attend negotiations at Dreyer & Traub?

24 A. Yes.

25 Q. Do you recall the time when there was a

2 conference with Mr. McAuley in attendance regarding  
3 certain environmental permits and other things which  
4 were the subject of the negotiations?

5 A. Generally, yes.

6 Q. And was there discussion as to a  
7 request of representations by the Trump lawyers  
8 regarding certain permits and, specifically, the  
9 roadway improvements at that time?

10 A. I don't know.

11 Q. Does that mean it didn't occur,  
12 or you just don't recall?

13 A. I just don't recall.

14 Q. Was Mr. Coakley there at the time that  
15 Mr. McAuley was addressing himself to those issues?

16 A. I don't believe so.

17 Q. Mr. Coakley arrived the next day  
18 at the request of Hilton's lawyers?

19 A. That's my recollection, yes.

20 Q. Did you call him or did somebody else  
21 contact Mr. Coakley, and ask him to come over and  
22 address certain matters?

23 A. Someone else did.

24 MR. RIBIS: I have no further questions.

25 Thank you very much.

2 CHAIRMAN READ: Mr. Adams?

3 MR. ADAMS: I have no questions.

4 CHAIRMAN READ: Mr. Zeitz?

5 BY COMMISSIONER ZEITZ:

6 Q. As a frame of reference, this hearing  
7 room is, I believe, 1750 square feet. Can you make  
8 a comparison of the conference room in the Dreyer &  
9 Traub firm to this room?

10 A. If you let me do it without saying square  
11 feet, I think I can do it.

12 Q. Fine.

13 A. First, divide the room in half, front to back,  
14 and then take a few feet off of it, just a few feet  
15 off of it width-wise, and start at the door -- the  
16 door closest to us with the "exit" sign, and go back  
17 to the --

18 CHAIRMAN READ: I'm sorry, which side  
19 of the door? This side or that side?

20 THE WITNESS: This side.

21 BY COMMISSIONER ZEITZ:

22 Q. And how many of the tables at which  
23 attorneys are seated up here would make up a table --  
24 the table in the conference room on the day that  
25 you were working in the conference room?

2 A. Well, if you don't mind my explaining it  
3 to you in the following way --

4 Q. As best you can.

5 A. -- it seemed to be a one-piece conference  
6 room table. I don't know if it was in sections, but  
7 it took, really, dominated the room. I believe that  
8 there were two telephones, one at the far -- at  
9 each far end on stands, and there were chairs  
10 filling the sides of the conference table, but not  
11 a lot of passageway, so the conference table really  
12 dominated the room.

13 Q. And you were seated at the conference  
14 table some time in mid-afternoon, when you testified  
15 Mr. Trump and attorneys from Dreyer & Traub came  
16 into the room?

17 A. Yes.

18

19

20

21

22

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24

25

2 Q. Approximately where at the conference  
3 table were you seated?

4 A. I was about half way up -- about in the  
5 middle, but a little closer to this end, and Patrick  
6 and Kevin, so I was about where those plugs are, and  
7 Kevin and Patrick -- excuse me for pointing, how rude --

8 Q. That's okay.

9 A. -- they were close to that door. It wasn't  
10 far back as that doorway, it was a couple of feet in.  
11 It wasn't quite that large, maybe where the ropes are.

12 Q. Were they seated in chairs at the  
13 table?

14 A. Yes.

15 Q. When, according to your testimony Mr.  
16 Trump and attorneys from Dreyer & Traub entered the  
17 room, were they on the same side of the table passing  
18 through the room or on the opposite side?

19 A. Opposite side. The doorway was on the other  
20 side.

21 Q. Do you know, only if you know, whether  
22 or not they came into the room specifically to ask  
23 those questions about the roadway improvement contract,  
24 or did they -- or were they passing through and stopped  
25 on impulse, if you know?

2 A. I don't know.

3 Q. Were the plans on the table at the  
4 time that they entered the room?

5 A. No.

6 Q. Who put them on the table?

7 A. I don't know, but one of the lawyers that  
8 came in with Donald Trump had them, and they were  
9 laid out, but I don't know which of them.10 Q. Your testimony is that you're not  
11 certain which attorneys were with him from Dreyer?

12 A. That's right.

13 Q. It may have been Mr. Intriligator,  
14 may have been Mr. Bernstein?

15 A. Yes.

16 Q. Mr. Schrager?

17 A. No.

18 COMMISSIONER ZEITZ: Would you provide  
19 Ms. Corey with a copy of what is marked here  
20 as PA-29?

21 BY COMMISSIONER ZEITZ:

22 Q. Now, do you recognize that document,  
23 Ms. Corey?

24 A. Yes.

25 Q. At the top left-hand corner, is that,

2 among other things, indicated to be Draft No. 2?

3 A. Yes.

4 Q. And as indicated by the title of the  
5 document, Draft No. 2 of that purchase and sale  
6 agreement between Hilton and Trump Organization,  
7 Mr. Trump?

8 A. Well, they're not named on the agreement, but  
9 that's --

10 Q. As far as it goes, it's between Hilton  
11 and --

12 A. Yes.

13 Q. Now, would you look at PA-37? Do  
14 you still have that document that was just submitted?

15 A. I do.

16 Q. The first page of PA-37 is a memorandum  
17 dated --

18 A. June --

19 Q. -- May 27th?

20 A. May 27th, and then it's crossed out and says,  
21 "June 9th."

22 Q. Why is it crossed out to say June 9th?

23 A. Well, it's crossed out because we sent it  
24 twice.

25 Q. First on May 27th?

2 A. Correct.

3 Q. And then again yesterday?

4 A. Yes.

5 Q. And that's from Ms. Vyborny to Mr.  
6 Coakley, and it says, does it not, "By the way, here  
7 is the current letter from Dreyer & Traub transmitting  
8 Draft No. 2 of the agreement." Is that correct?

9 A. Yes.

10 Q. Now, would you look at the second page  
11 of our exhibit PA-37?

12 A. (Witness complies.)

13 Q. This, of course, refers to the  
14 transmittal of three clean copies of the contract.15 Is there anything in this letter where  
16 it says, "Draft No. 2," or identifies Draft No. 2?

17 A. No, it does not.

18 Q. How do you know, in that case, that  
19 Draft No. 2, the document marked as PA-29 here, is the  
20 document referred to in the letter of April 20, 1985,  
21 from Mr. Intriligator to Mr. Cowell?22 A. Because that is the cover letter that was  
23 associated with this draft of the document in our  
24 files.

25 Q. They were attached in your files?

2 A. Yes. I don't know if they were stapled, they  
3 were placed together, as is our habit.

4 Q. But you would agree that the April 20th  
5 '85 letter does not refer to a specific draft number?

6 A. That's right.

7 COMMISSIONER ZEITZ: Thank you.

8 That's all I have.

9 CHAIRMAN READ: Mr. Burdge?

10 COMMISSIONER BURDGE: No questions.

11 CHAIRMAN READ: Ms. Armstrong?

12 COMMISSIONER ARMSTRONG: No questions.

13 CHAIRMAN READ: Mr. Jacobson?

14 COMMISSIONER JACOBSON: Ms. Corey, do  
15 all Casino Control Commissioners look alike?

16 THE WITNESS: They're intimidating.

17 COMMISSIONER ARMSTRONG: We better not  
18 look alike. We'll have trouble.

19 COMMISSIONER JACOBSON: That's all.

20 I have nothing further.

21 CHAIRMAN READ: Mr. Zimmerman?

22 MR. ZIMMERMAN: No questions.

23 CHAIRMAN READ: Any further questions  
24 from counsel?

25 MR. SCIARRA: I have none.

MR. RIBIS: I have nothing.

5.%.L  
1 CHAIRMAN READ: Thank you, Ms. Corey.

2 MR. SCIARRA: Mr. Chairman, I would  
3 like to call Patrick McAuley to the stand  
4 at this time.

5 CHAIRMAN READ: Yes, indeed.

6 MR. SCIARRA: Mr. McAuley.

7 THE REPORTER: Do you solemnly swear  
8 that the testimony you are about to give in  
9 this matter today, will be the truth, the  
10 whole truth and nothing but the truth, so help  
you God?

11 THE WITNESS: I do.

12 P A T R I C K M c A U L E Y, having been duly  
13 sworn, was examined and testified as follows:

14 MR. SCIARRA: Might I have a moment?

15 CHAIRMAN READ: Certainly.

16 (Brief pause.)

17 MR. SCIARRA: May I proceed?

18 CHAIRMAN READ: Please.

19 DIRECT EXAMINATION

20 BY MR. SCIARRA:

21 Q. Mr. McAuley, what do you do?

22 A. I'm an attorney.

23 Q. And where are you licensed to practice  
24 law?

25 A. I'm admitted to practice law since 1978, in the

1 P. McAuley - direct

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2 State of New Jersey.

3 Q. And are you associated with a law  
4 firm?

5 A. Yes, with Connell, Foley &amp; Geiser.

6 Q. And where are they located?

7 A. They're in Roseland, New Jersey, and in Newark.

8 Q. And for how long have you been  
9 associated with Connell, Foley & Geiser?10 A. I've been with Connell, Foley & Geiser a  
11 little over four years.12 Q. What type of work do you do, practice  
13 do you do?14 A. Do general litigation and a lot of appearances  
15 in administrative agency matters, generally  
16 litigation, commercial litigation.17 Q. Did your firm at any time represent  
18 the Hilton Corporation?19 A. Yes, we represent Hilton. We still do  
20 represent Hilton.21 Q. And what type of representation has  
22 your firm provided to the Hilton Corporation?23 A. We've been involved, I think, in a variety  
24 of matters with Hilton. My main involvement has  
25 been -- was at the time I think they were talking about

1 P. McAuley - direct

2 here in connection with the Casino Control Commission,  
3 the various submissions that were necessary before  
4 the Casino Control Commission, Division of Gaming  
5 Enforcement, for licensure.

6 Q. Did your firm at all represent  
7 Hilton with respect to the negotiations for the sale  
8 of the hotel-casino to the Trump organization?

9 A. Yes, our firm was involved.

10 Q. How was your firm involved?

11 A. Our firm, or my particular involvement?

12 Q. Let's start with your firm generally.

13 A. We were New Jersey counsel for Hilton at the  
14 time.

15 Q. What about your involvement, how  
16 were you involved in those negotiations?

17 A. I was primarily involved -- I was involved  
18 in drafting the portion of the contract that involved  
19 the gaming permits, I was involved in advising  
20 as to the status and nature of the various  
21 submissions that were necessary to be made before  
22 the Division of Gaming Enforcement and the Casino  
23 Control Commission in connection with the issuance  
24 of the certificate of operations, status of  
25 compliance, and the licensure.

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2 Q. Were you involved at all in the  
3 CAFRA process with respect to the negotiations?

4 A. Well, I was aware of the CAFRA permit in the  
5 sense that it was incorporated into the facilities  
6 review or the statement of compliance in connection  
7 with the facility.

8 I had not been involved in the obtaining of  
9 the CAFRA permit of 1983, which, I think, was the first  
10 facilities review statement of compliance obtained.

11 Q. Does your firm still represent Hilton?

12 A. Yes, it does.

13 Q. In what capacity? Do you know?

14 A. Could you be more specific?

15 Q. On what types of matters does your firm  
16 now represent Hilton?

17 A. Well, we have a tax appeal pending as to the  
18 facility, there's some construction matters ongoing,  
19 there's a matter in which we're personal counsel  
20 for them involving personal injury litigation,  
21 there's some employment-related matters.

22 Q. Now, turning to the negotiations  
23 for the purchase of the casino, or the sale of the  
24 casino to the Trump organization, were you present  
25 during the negotiations?

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2 A. During some of them.

3 Q. When were you present; do you recall?

4 A. I was present in parts on Thursday, in part  
5 on Friday, and during most of Saturday.

6 Q. When you say "Saturday," are you  
7 referring to the day on which the contract was signed?

8 A. Saturday, April 27th.

9 Q. That would have been April 27th, 1985?

10 A. Right.

11 Q. Is that correct?

12 So you were present Thursday, Friday  
13 and Saturday, leading up to the signing; is that  
14 correct?

15 A. In part on Thursday, in part on Friday, and  
16 most of Saturday.

17 Q. And just briefly tell us what your  
18 role or your function was during that specific  
19 period in the negotiations.

20 A. Well, again, I was involved -- I drafted that  
21 portion of the contract dealing with the submissions  
22 of the gaming permit section, and I was involved in  
23 advising as to the status, the qualifying space,  
24 the various submissions, the petitions that had been  
25 filed, petitions that needed to be filed before the

1

2 Commission and the Division.

3

Q. Do you know Kevin Coakley?

4

A. Yes.

5

Q. Who is he?

6

A. He's another attorney in my office.

7

Q. Was he involved also in the negotiations  
for the sale of the property to Trump organization?

8

A. Yes, he was.

9

Q. How as he involved?

10

A. Well, he was also present during portions  
of the negotiations. He was involved -- he was  
more primarily involved on the real estate matters.

11

Q. Now, turning to Saturday, the day the  
contract was signed, April 27th, 1985, in preparation  
for your testimony here today, did you review portions  
of the transcript with respect to a conversation  
which occurred on that day between Mr. Coakley and  
Donald Trump?

12

A. Yes, I did.

13

Q. Did you review these portions of the  
transcript with respect to Mr. Coakley's testimony  
about that conversation?

14

A. I read Mr. Coakley's testimony, yes.

15

Q. Did you also read Mr. Trump's testimony

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2 about that conversation?

3 A. I read Mr. Trump's testimony, yes. Not all  
4 of Mr. Trump's testimony, but the testimony, I think,  
5 subsequent to Mr. Coakley's.

6 Q. And you were here yesterday?

7 A. I was here yesterday. I missed a portion  
8 because I was out in the hall, but I was here for  
9 most of it.

10 Q. Now, turning to Saturday, April 27th,  
11 1985, were you present during that day at any time  
12 in the law offices of Dreyer & Traub?

13 A. Yes, I was.

14 Q. And that's where the negotiations took  
15 place?

16 A. Yes.

17 Q. And where in Dreyer & Traub's offices  
18 were you?

19 A. On Saturday I was in that office in a variety  
20 of locations in Dreyer & Traub, but if you're talking  
21 about the conversation that was in the main con-  
22 ference room, what has been referred to as the  
23 main conference room --

24 Q. So you were present during that day  
25 in the main conference room at that time; is that correct?

1 A. That's correct.

2 Q. And is the main conference room the  
3 location in which the negotiations took place?

4 A. Yes. There were some reviewing and maybe  
5 some minor negotiations in some of the other offices  
6 at the time, but the main negotiations occurred in  
7 that main conference room.

8 Q. Now, did you, at any time, during  
9 Saturday, witness a conversation between Donald  
10 Trump and Kevin Coakley, regarding the road  
11 improvements?

12 A. Yes, I did.

13 Q. When was that?  
14 A. I think it was around mid to late afternoon.

15 Q. And can you tell us what you know  
16 about that conversation or what you witnessed?

17 A. Well, I was in the main conference room,  
18 Kevin Coakley was also in the main conference room,  
19 Beth Corey was in the main conference room, it's  
20 as she described, really. I think she was sitting  
21 with her back to the table; I was at the right end  
22 of the large conference room, Kevin Coakley was also  
23 there. We were sitting opposite the doorway, opposite  
24 of the side where the door is, she was down at the other

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2 end. When they came in, she moved up closer. It  
3 was -- I know Donald Trump and Harvey Freeman came  
4 in, there may have been others, I don't recall.

5 Q. And what took place?

6 A. Well, they said they had questions about the  
7 roadway improvements, and wondered if we could  
8 answer them.

9 Kevin indicated he was familiar and he may  
10 be able to. The plans -- something was put at --the  
11 plans were put on the table, and the question  
12 pertained that Donald, essentially, did not like  
13 the fly-over by the facility, and he was wondering --  
14 well, he didn't -- he thought it detracted from the  
15 facility, the view of the facility, and also created  
16 a traffic circle he didn't like, he thought it was  
17 more beneficial for the Harrah's property than it  
18 was for the Hilton facility, Trump facility. He  
19 wondered whether the Department of Transportation  
20 might be satisfied with something at grade, there  
21 was some -- Kevin indicated that he'd have to go  
22 to D.O.T. for approval on something like that.

23 Q. Do you recall whether anything else  
24 was discussed?

25 A. I think there was a discussion about Wilbur-

2 Smith Associates. I don't recall. I don't recall  
3 Donald saying, "You have to get something like that  
4 as soon as possible," but I do recall there was a  
5 discussion about Wilbur-Smith Associates having  
6 been involved, and being familiar with D.O.T.,  
7 and they were good people to work with.

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2 Q. Was there any discussion about CAFRA  
3 and the Department of Transportation?

4 A. Yes. I think it was at the point -- I think  
5 when Kevin had indicated that it was D.O.T. approval  
6 that you needed to get, Harvey said something to the  
7 effect, "Well, so it's D.O.T. alone that we have to  
8 get," and I indicated it wasn't just D.O.T. necessarily,  
9 because there's a -- the CAFRA permit had incorporated  
10 the Department of Transportation roadway improvements,  
11 and the CAFRA permit, in turn, had been incorporated  
12 into the Casino Control Commission resolution of  
13 statements of compliance which had been issued in  
14 '83, and I think Harvey indicated, "Do I have those?"  
15 And I said, "Yes, you do, they were the resolutions  
16 and the CAFRA permits." They were not exhibits on  
17 the Department of Transportation exhibit list, they  
18 were in a separate list that was attached that was part  
19 of the contract.

20 Q. Do you recall anything else about the  
21 conversation?

22 A. That was, basically, it. As they left the  
23 room, Donald Trump said, "Thanks, I can see you're very  
24 familiar with this," to Kevin Coakley, "We'll have to  
25 work closely with you," and they left.

2 Q. That's how the conversation ended?

3 A. That's how I recall it ending.

4 Q. Now, is there anything about this  
5 conversation that leads you to recall it today? Is  
6 there anything about it that helps you to recall it?

7 A. Well, the fact that Donald Trump was there is  
8 one of the reasons, and I'm not -- I'm not that often  
9 involved in a matter of this nature, I mean, something  
10 involving a closing of a \$320 million facility. I'm  
11 impressed by Mr. Trump's having picked up details and  
12 having sort of had some sort of, like, I think he  
13 actually talked in terms of something other than the  
14 elevated, the -- you know, which would create a  
15 different circular traffic flow, and I was impressed  
16 by the fact that he had sort of an idea in mind.

17 Q. So after the conversation was over,  
18 did you say anything to Mr. Coakley about it?

19 A. I don't know whether it was in the conference  
20 room. I either then, or on the way home, made a  
21 comment that they're pretty sharp.

22 Q. Now, you've indicated that Kevin  
23 Coakley was present, yourself, and Beth Corey for  
24 Hilton was present.

25 Was anyone else present for Hilton

1 during this conversation?

2 A. No.

3 Q. Do you recall who was present for  
4 Trump other than, if you can, other than Mr. Trump  
5 himself and Harvey Freeman?

6 A. No. I have an impression that there were  
7 three, but I don't really know. There had been  
8 somebody who was always sitting down, sort of across  
9 from where Beth is with respect to working on the  
10 exhibits, and I think doing title stuff, but I don't  
11 remember whether that person was there or not.

12 Q. Do you recall whether the negotiations  
13 were continuing at the time that this conversation  
14 took place?

15 A. It's my recollection that they were pretty  
16 much over, we were kind of waiting for, you know,  
17 proofs and really sort of the final thing to come out  
18 or something, and it was going to be signed, and we  
19 knew the contract was going to be signed. I think I  
20 was getting my file together, my notes together to  
21 leave.

22 Q. Referring specifically to the conversa-  
23 tion that you just testified to, can you indicate, for  
24 the Commission, where people were located? Where were

2 you and Kevin Coakley located?

3 A. We were -- there was a large conference table  
4 that occupied most of the room. As Beth said, I know  
5 there was a telephone at one end, and I think there  
6 was a telephone at this other end. I was sitting near  
7 the end, opposite the doorway. There's a door that  
8 opens into the center of the conference room. Harvey  
9 and Donald were across the table from Kevin and I, and,  
10 as I said, I think Beth moved down closer to us when  
11 this conversation was taking place.

12 Q. So how far apart -- what was the  
13 difference between you and Mr. Trump?

14 A. The width of the table would be, probably,  
15 two widths of the table which counsel's sitting at,  
16 maybe five, six feet.

17 Q. Do you recall how long this conference  
18 took place? How long it was?

19 A. It would be about 10 minutes.

20 MR. SCIARRA: That's all I have,  
21 Mr. Chairman.

22 CHAIRMAN READ: Thank you.

23 Mr. Ribis?

24 CROSS-EXAMINATION

25 BY MR. RIBIS:

2 Q. Do you recall if I was present at  
3 the offices of Dreyer on that day?

4 A. On Saturday I remember seeing you, at least  
5 in the hallway, and I think in another office.

6 Q. Was I in the conference room, do  
7 you know, at that time?

8 A. I don't believe so.

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P. McAuley - cross

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2 Q. Now, how long were you at the offices  
3 of Dreyer & Traub that day?

4 A. I arrived around 10 in the morning, and I  
5 think we left around six, 6:30.

6 Q. And had a contract been totally  
7 signed when you left the offices?

8 A. I don't believe so. I think it was signed  
9 after we left.

10 Q. Was Mr. Trump gone, to your knowledge,  
11 at the time?

12 A. That would cover --

13 Q. At six o'clock when you left.

14 A. I don't know that.

15 Q. Now, you specifically recall that  
16 Mr. Freeman was with Mr. Trump when he walked into  
17 the room; is that correct?

18 A. I remember Mr. Trump being there -- I mean,  
19 Mr. Freeman being there.

20 Q. Were there other times when Mr. Trump  
21 came in with his lawyers, into the conference room  
22 during the course of the day that you were at  
23 Dreyer & Traub, for conversations and discussions?

24 A. There may have been; I don't know.  
25

1 P. McAuley - cross

2 Q. You don't have any recollection  
3 as to any other discussions that occurred, but you  
4 recollect --

5 A. In the conference room?

6 Q. Yes.

7 A. No.

8 Q. Now, as to your --

9 A. Not on Saturday.

10 Q. Okay. Now, calling your attention  
11 to your involvement in the particular transaction,  
12 were you involved in submission of any information  
13 as to CAFRA permits or Department of Transportation  
14 information to the lawyers for Hilton?

15 A. Well, CAFRA permits or DOT information?

16 Q. CAFRA permits?

17 A. CAFRA permits, yes.

18 Q. What about DOT information?

19 A. Not that I'm aware of.

20 Q. Where were those files located at the  
21 law offices in April of 1985?

22 A. They would have been in the Newark office.

23 Q. Where were you physically located  
24 at that time?

25 A. I was in the Atlantic City office.

2 Q. Did you have any involvement with the  
3 roadway matter, particularly with relation to the  
4 Department of Transportation contract at that time?

5 A. The joint venture in that roadway contract, no.

6 Q. Who handled that?

7 A. Kevin Coakley.

8 Q. Exclusively?

9 A. Well, I don't want to say exclusively. If  
10 there was something that he couldn't attend on the  
11 various things, I went, but I don't recall ever being  
12 involved on that.

13 I went to a Department of Transportation  
14 conference at one time, but I think it was on the  
15 Route 30 parking lot parcel, so it was not in  
16 connection with the joint venture roadway.

17 Q. Do you know if Mr. Coakley sent over  
18 your law firm's files to the law firm of  
19 Dreyer & Traub prior to the execution of the contract?

20 A. I don't know. There might have been some  
21 documents if -- you mean the roadway in particular?

22 Q. Yes.

23 A. I don't know.

24 Q. After the execution of the contract,  
25 did Hilton continue to have responsibility to obtain

1 P. McAuley - cross

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2 all permits other than Casino Control Commission  
3 matters?

4 A. I think that's fair to say.

5 Q. And did you work with particular  
6 lawyers from my law firm after the execution  
7 of the contract?

8 A. Yes.

9 MR. SCIARRA: Objection, Mr. Chairman.

10 This witness has been called for a specific  
11 purpose, and he's testified on direct about  
12 a specific purpose that it relates to, this  
13 conversation. We're now after the contract  
14 signing, getting into other matters, and I  
15 would object that it's irrelevant, and it's  
16 beyond the scope of his direct testimony,  
17 what he's been called here for.

18 CHAIRMAN READ: We have not limited  
19 other witnesses, Mr. Sciarra. I'll allow it.

20 THE WITNESS: I answered, "yes."

21 BY MR. RIBIS:

22 Q. And did you also work with a lawyer  
23 by the name of Warren Stilwell?

24 A. Warren Stilwell, Brian Spector, Hugh McCluskey, Janice  
25 Faenza and -- there was another woman who was there

2 occasionally.

3 Q. Would it be fair to say, from your  
4 involvement, that they were working -- those lawyers  
5 that you dealt with, were working day to day on  
6 the regulatory matters in Atlantic City, for the  
7 opening of the facility?

8 A. That's right. I was working with them.

9 Q. Not only day-to-day, but night-to-  
10 night, is that correct?

11 A. That's correct.

12 Q. And that started from the time the  
13 contract was executed; is that correct?

14 A. That's correct. Well, not just -- it was also  
15 a meeting before, the Saturday before I met with  
16 Warren and Brian Spector on Saturday, the 20th,  
17 about the Casino Control Comission status of  
18 submissions.

19 Q. On the approvals and status of the  
20 petitions; is that correct?

21 A. That's correct.

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2 Q. And there wasn't an in-house Counsel  
3 at the Hilton facility, was there, at this time?

4 A. Located at the facility?

5 Q. Yes.

6 A. No. There was a Director of Legal Affairs.

7 A. A paralegal, non-lawyer?

8 A. Yes.

9 Q. And you, as an outside counsel,  
10 basically had handled the day-to-day legal regulatory  
11 matters for the facility prior to the signing of the  
12 contract. Is that correct?

13 A. That's correct.

14 Q. Now, you testified that you had read  
15 the testimony that Mr. Coakley had given regarding the  
16 matters at hand; that is, the April 27th meeting or  
17 conference with Mr. Trump. Is that correct?

18 A. That's right.

19 Q. I'd like to call your attention, and  
20 ask if you recall reviewing Mr. Coakley's testimony,  
21 in particular attention to a few questions which relate  
22 to that matter.

23 I'd like to call your attention to the  
24 question which was asked on Page 657.

25 The question was: "Did you have any

2 discussions with Mr. Freeman regarding the roadway  
3 improvement contract at anytime prior to signing the  
4 purchase sale agreement?"

5 Mr. Coakley's answer was: "I don't  
6 believe I ever discussed that with Mr. Freeman at  
7 that time."

8 Do you recall reading that?

9 A. I don't recall reading that -- actually, I do  
10 recall reading that.

11 Q. And further on in Mr. Coakley's  
12 cross-examination, at Page 663, do you recall this  
13 question: "And do you recall any discussions between  
14 April 27th and the closing with Mr. Freeman regarding  
15 the roadway improvements?

16 "Answer: No.

17 "Or any other Trump representatives?

18 "Answer: No."

19 Do you recall reading that?

20 A. No, I don't recall reading it, but --

21 Q. Does that refresh your recollection as  
22 to whether or not Mr. Freeman was in attendance at  
23 this discussion which you testified in some detail  
24 today?

25 MR. SCIARRA: Objection, Mr. Chairman.

The question -- the testimony -- that's not the testimony that's been -- was given, and I think the question is improper because the testimony -- that's not the testimony of Mr. Coakley, and if Mr. Ribis is going to characterize Mr. Coakley's testimony, he needs to do it correctly, or he could just simply ask the question directly. So I would object.

CHAIRMAN READ: Sustained.

BY MR. RIBIS:

12 Q. In reviewing Mr. Coakley's testimony,  
13 do you know if he stated who was present other than  
14 Mr. Trump and himself at this purported discussion  
15 in the conference room at Dreyer & Traub on April 27th?

16 A. I don't know. It's my -- it was my recollection  
17 that, if you read his testimony, it just talked in  
18 terms of talking with Donald Trump, but it doesn't --  
19 no one seemed to ask him whether or not anyone else  
20 was present.

21 Q. It's fair to say Mr. Coakley, during  
22 the course of his testimony, stated that he spoke to  
23 Donald Trump. Is that correct?

24 A. That's correct.

Q. And that you read that testimony before

2 you testified here today, didn't you, Mr. McCauley?

3 A. Yes, I did.

4 Q. And Elizabeth Corey, you heard her  
5 testimony, did you not?

6 A. Yes, I did.

7 Q. And she read the same testimony of  
8 Mr. Coakley before she testified today?

9 A. I assume she did. She said she did.

10 Q. Is it fair to say reading Mr. Coakley's  
11 testimony refreshed your recollection as to the events  
12 which may have occurred on April 27th of 1985 in the  
13 conference room of Dreyer & Traub over a 10-minute  
14 period later in the day?

15 A. Well, I don't -- not because -- not in terms  
16 of who was there, because I know I had the conversation  
17 with Donald Trump and I remember Harvey Freeman being  
18 there, so it really didn't refresh my recollection  
19 because it didn't talk about whether or not anyone  
20 else was present.

21 Q. Had you met Mr. Trump before this  
22 meeting on April 27th, during the course of the  
23 negotiations?

24 A. Yes.

25 Q. Had you spoken to him?

1 P. McCauley - cross

1106

2 A. On occasions.

3 Q. Were other people present?

4 A. Yes.

5 Q. Do you recall those conversations  
6 clearly?

7 A. I recall some of them. I think the comments  
8 that he made to me, yes, that -- yes.

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1 P. McAuley - cross

2 Q. So, therefore, you had contact with  
3 Mr. Trump during the course of the negotiations  
4 part of the time this took place, is that fair to  
5 say?

6 A. Yes.

7 Q. It's also fair to say that on April  
8 25th, 26th and 27th, there were negotiations going  
9 on regarding this particular contract until the  
10 signing of the contract?

11 A. Yes.

12 Q. And that at times during the 25th  
13 and 26th, those negotiations were intense as to the  
14 issues which were going to be dealt with in the  
15 contract?

16 A. I think intense was their word.

17 Q. There were many lawyers involved,  
18 including both Mr. Freeman and myself, and you, at  
19 times?

20 A. Yes.

21 Q. And do you recall --

22 A. I recall you being present at a meeting  
23 earlier on, and I recall you being present on a  
24 Saturday.

25 Q. Do you recall a meeting which occurred

5.1.2 1 P. McAuley - cross

2 either on the 25th or 26th that you attended,  
3 regarding certain aspects of the transaction as  
4 to New Jersey permits?

5 A. That's somewhat broad.

6 Q. Well, were you at a session of the  
7 negotiations which related to questions as to  
8 certain environmental permits, specifically permits  
9 relating to ECRA and other environmental matters?

10 A. I think there was some discussion of ECRA,  
11 and I think that may have been on Friday, which  
12 they are not permits, but whether or not ECRA  
13 affidavits can be given.

14 Q. And was there some discussion at that  
15 time as to potential representations relating to  
16 roadway improvements which became part of the  
17 negotiations at that time?

18 A. I don't believe those were related, no. The  
19 ECRA thing was separate and apart.

20 Q. Well, separate and apart, were there  
21 discussion on your part regarding the roadway  
22 improvements?

23 A. Friday I came over late. I stayed over at the  
24 Waldorf and came over when I was called to come back  
25 over. It was a time the negotiations had stopped early

5.1.3

1 P. McAuley - cross

2 morning Friday, some time around 6:30, 7, went back  
3 to the Waldorf with George and Kathy, and came back  
4 later. There may have been discussions about  
5 DOT before I came back. I don't recall there being  
6 discussions about roadway improvements then.

7 Q. On Thursday, were there discussions  
8 in your presence regarding roadway?

9 A. I don't recall. There was some discussion,  
10 it may have been Friday, about, I believe, the scope  
11 of the roadway improvements, now that I am thinking.

12 Q. And did that become an issue which was  
13 heavily negotiated between the parties? Do you recall  
14 that?

15 A. I really don't recall that.

16 Q. Was I present there on Friday, do you  
17 remember?

18 A. On Friday, I don't recall you being present.

19 Q. Was my partner, Hugh McCluskey, present?

20 MR. SCIARRA: Objection, Mr. Chairman.  
21 I don't see the relevance of this, unless,  
22 in some way, Mr. Ribis is going to tie this  
23 into what Mr. McAuley is here to testify to,  
24 and I would object to this as irrelevant.

25 CHAIRMAN READ: Mr. Ribis?

1 P. McAuley - cross

2 MR. RIBIS: I think the relevance relates  
3 to the roadway issue, and I am just trying to  
4 tie down negotiations and what was going on  
5 at that time, that Mr. McAuley testified that  
6 he was involved in at least part of the  
7 negotiations, and I am trying to tie that down

8 CHAIRMAN READ: What's the relevance  
9 of the presence, of the last question?

10 MR. RIBIS: As to what question?

11 CHAIRMAN READ: The last question and  
12 answer.

13 MR. RIBIS: I will withdraw that question,  
14 Mr. Chairman.

15 CHAIRMAN READ: All right.

16 BY MR. RIBIS:

17 Q. Mr. McAuley, at some point, was Mr.  
18 Coakley called into the negotiations by the Hilton  
19 lawyers, regarding specific issues, even on Friday  
20 or Saturday?

21 A. Yes.

22 Q. And what issue was that about?

23 A. I believe there was a question on the  
24 Route 30 parking lot parcel, and we were trying to  
25 call late Thursday night, we could not reach Kevin

1 P. McAuley - cross

2 Coakley. He had been involved in negotiating minimal  
3 option. I think early morning, that Friday, that  
4 would have been, after the negotiations had stopped,  
5 Chuck Riber reached Kevin Coakley, and Kevin came  
6 over Friday.

7 Q. Is that to supply further information  
8 regarding what was being discussed at that time  
9 between Hilton and Trump lawyers?

10 A. Yes.

11 MR. SCIARRA: Objection, Mr. Chairman.

12 Again, I don't know what this line of question-  
13 ing has with respect to relevancy of what  
14 Mr. McAuley is here to testify to, and if  
15 Mr. Ribis is going to continue on this line,  
16 he should indicate how he is going to tie it  
17 together.

18 CHAIRMAN READ: Mr. Ribis?

19 MR. RIBIS: I will withdraw that  
20 question and go on to the next one.

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1 P. McCauley - cross

2 Q. Mr. McCauley, you mentioned in your  
3 direct examination that the law firm that you are in  
4 is counsel to Hilton on several litigation matters,  
5 is that correct?

6 A. Yes.

7 Q. And is one of those litigation matters  
8 litigation which is pending by and between the joint  
9 venture partners?

10 A. Yes.

11 Q. And does that litigation also include  
12 claims by and between Hilton and Trump?

13 A. Yes, it does.

14 Q. And that's pending in New Jersey, is  
15 that right?

16 A. Yes, it is.

17 Q. Are you familiar at all, the law firm  
18 of -- strike that.

19 Is the law firm involved with respect  
20 to the lawsuit which is pending in New York between  
21 Hilton and Trump?

22 MR. SCIARRA: Objection, Mr. Chairman.

23 He hasn't asked him anything about --

24 CHAIRMAN READ: You should lay a  
25 foundation.

1  
2 MR. SCIARRA: There is no foundation  
3 laid.

4 MR. RIBIS: I am trying to find out  
5 if his law firm is involved in another piece  
6 of negotiation.

7 CHAIRMAN READ: You should identify it,  
8 if you really want to go into that.

9 BY MR. RIBIS:

10 Q. Are you familiar with a law firm --

11 CHAIRMAN READ: Let me just say he  
12 testified that they do still represent Hilton  
13 extensively. Do you want to question that,  
14 or what is the purpose?

15 MR. RIBIS: The purpose is just to  
16 establish the current status of the relation-  
17 ship between Hilton and Trump and the status  
18 of that relationship --

19 CHAIRMAN READ: The extent of the  
20 relationship?

21 MR. RIBIS: Of the disputes that are  
22 pending, if this witness is aware.

23 CHAIRMAN READ: You may be trying to  
24 impeach your own witnesses by doing it, but I  
25 will allow you to continue.

1 P. McCauley - cross

1114

2 BY MR. RIBIS:

3 Q. Are you aware of the litigation at  
4 the present time in New York?

5 A. I am aware that there is litigation in  
6 New York.

7 Q. Is your law firm involved in that  
8 at all?

9 A. We are not counsel of record in the New York  
10 matter.

11 Q. Well, then, you are not involved in it,  
12 other than assisting New York counsel?

13 A. I don't know -- depends on what you mean by  
14 involved with. I assume there will be documents, or  
15 whatever, requested, and we may be involved in that,  
16 but other than that, I am not aware of our involvement.

17 MR. RIBIS: I have no further questions.

18 Thank you.

19 CHAIRMAN READ: Thank you.

20 Mr. Adams?

21 MR. ADAMS: I have no questions, Mr.  
22 Chairman.

23 CHAIRMAN READ: Mr. Zeitz?

24 COMMISSIONER ZEITZ: No questions.

25 CHAIRMAN READ: Mr. Burdge?

2 COMMISSIONER BURDGE: No questions.

3 CHAIRMAN READ: Mr. Jacobson?

4 COMMISSIONER JACOBSON: No questions.

5 CHAIRMAN READ: Ms. Armstrong?

6 COMMISSIONER ARMSTRONG: No questions.

7 CHAIRMAN READ: Mr. Zimmerman?

8 MR. ZIMMERMAN: No questions.

9 CHAIRMAN READ: Any counsel, anything

10 further?

11 MR. RIBIS: I have nothing further.

12 CHAIRMAN READ: Thank you, Mr. McCauley.

13 Any further witnesses?

14 MR. SCIARRA: That's all we have in  
15 rebuttal, Mr. Chairman.

16 CHAIRMAN READ: Mr. Ribis?

17 MR. RIBIS: Can I have two minutes, or  
18 five minutes, if I can request the Chair at  
19 this time?

20 CHAIRMAN READ: Let me just say this,  
21 my goal, my hope, I guess I should say, is  
22 conclude with witnesses this morning, and then  
23 adjourn for lunch break and come back and have  
24 summations this afternoon. Any reason that is  
25 not a likely schedule at the present time?

1 MR. ADAMS: That's acceptable to me,  
2 Mr. Chairman.

3 MR. RIBIS: I have no problems, Mr.  
4 Chairman.

5 CHAIRMAN READ: Well, then, fine, let's  
6 take a few minutes, if that's what you want.

7 (Whereupon, there was a recess taken.)

8 CHAIRMAN READ: Now I think we are all  
9 ready.

10 MR. RIBIS: I would like to call  
11 Richard Walderman from the law firm of  
12 Dreyer & Traub..

13 CHAIRMAN READ: We did say rebuttal  
14 and sur rebuttal.

15 MR. RIBIS: Whatever it may be at  
16 this point.

17 THE REPORTER: Do you solemnly swear  
18 that the testimony you are about to give in  
19 this matter will be the truth, the whole  
20 truth, and nothing but the truth, so help  
21 you God?

22 THE WITNESS: I do.

23 RICHARD WALDERMAN, having first been  
24 duly sworn, was examined and testified as follows:

25 CHAIRMAN READ: Before we proceed, might

1  
2 I inquire, Mr. Ribis, do you know if there are  
3 any other witnesses, other than this?

4 MR. RIBIS: I have Mr. Freeman for  
5 two questions.

6 CHAIRMAN READ: It may be more than  
7 that. Do you have any other witnesses, other  
8 than these two?

9 MR. RIBIS: Not at the present time.

10 CHAIRMAN READ: Have you notified  
11 counsel you might call either of these  
12 witnesses this morning?

13 MR. RIBIS: No. I did not intend to  
14 call any further witnesses, and I have a very -

15 CHAIRMAN READ: Remember that you knew  
16 that the two witnesses we heard this morning  
17 were going to be heard yesterday, without  
18 notice, were allowed, although the testimony  
19 you anticipated. All I can say, Mr. Ribis, is  
20 this is not the way of doing it.

21 Mr. Adams, do you have any objection  
22 to this witness at this time?

23 MR. ADAMS: I really don't at this  
24 time, Mr. Chairman, only because I suppose that  
25 we have been through this now, it seems like

1  
2 two or three times. I can represent that I  
3 was just told that there would be one or two  
4 questions of this witness and Mr. Freeman.  
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1 R. Waldeman - direct

1119

2 CHAIRMAN READ: Mr. Sciarra?

3 MR. SCIARRA: Note my objection for the  
4 record, because we have endeavored in terms  
5 of our rebuttal witnesses, to notify counsel  
6 as soon as we make a decision and give them  
7 notice of the substance of their testimony.

8 I think there was an appropriate time for  
9 Mr. Ribis --

10 CHAIRMAN READ: I agree.

11 MR. SCIARRA: -- to provide us with some  
12 notice so that on that basis, I object.

13 CHAIRMAN READ: However, you can continue.  
14 I trust very brief.

15 DIRECT EXAMINATION

16 BY MR. RIBIS:

17 Q. Mr. Waldeman, you are an associate  
18 of the law firm of Dreyer & Traub?

19 A. Yes, I am.

20 Q. How long have you been a member of the  
21 Bar?

22 A. I have been a member of the Bar a little over  
23 a year.

24 Q. How long have you been there?

25 A. I have been at Dreyer & Traub a little over

5.3.2

1 R. Walderman - direct

2 two years.

3 Q. And you worked on the transaction  
4 that's been testified to about today?

5 A. Yes, I did.

6 Q. I call your attention particularly  
7 to April 27th, 1985, a Saturday. Do you recall that  
8 day?

9 A. I do.

10 Q. What was your job on that day regarding  
11 this transaction?

12 A. My job was, my main job was going over title  
13 matters and generally working on support services  
14 in connection with the contract.

15 Q. Where were you physically located,  
16 Mr. Walderman?

17 CHAIRMAN READ: Excuse me, Mr. Ribis,  
18 would you keep your voice up a little.

19 Q. Where were you physically located?

20 A. Most of the day I was in the main conference  
21 room of Dreyer & Traub.

22 MR. SCIARRA: Mr. Chairman, I would  
23 object. He said a couple of questions. We  
24 have gone beyond that. I would like to have  
25 at least some proffer of proof so that we know

5.3.3

1 R. Walderman - direct  
2 what he is going to be testifying about. I  
3 think that is entirely appropriate.

4 CHAIRMAN READ: Mr. Ribis?

5 MR. RIBIS: This strictly relates to the  
6 question of Mr. Walderman's presence in the  
7 conference room or not during the course of the  
8 day, as testified to by Ms. Corey earlier  
9 today, the fact that he was in the conference  
10 room, that he did witness the conversation that  
11 was testified to today. That's the extent of  
12 it.

13 CHAIRMAN READ: Let's be brief about it.

14 BY MR. RIBIS:

15 Q. Mr. Walderman, you heard testimony  
16 here today from Elizabeth Corey?

17 A. Yes, I did.

18 Q. Did you know her last year?

19 A. Yes, I worked with her on this case, mostly  
20 on title matters.

21 Q. Was she located in the large conference  
22 room on April 27th?

23 A. Yes, she was.

24 Q. What time did you arrive in the  
25 conference room on April 27th, if you recall?

1 R. Walderman - direct

2 A. From what I recall, it was some time in the  
3 morning. I really don't recall the exact time, and  
4 I was there most of the day.

5 Q. Would it be some time that you weren't  
6 there?

7 A. Occasionally I would leave. I left occasionally,  
8 to arrange some of the exhibits, to collate and to  
9 proofread, but I would say I was in there virtually  
10 the whole day.

11 Q. Did you witness, at some time, a  
12 conversation that was testified to today by Mr.  
13 McAuley and Elizabeth Corey with Mr. Trump and  
14 Mr. Freeman?

15 A. No, I did not.

16 MR. RIBIS: I have no further questions.

17 CHAIRMAN READ: Thank you. Mr. Adams?

18 CROSS EXAMINATION

19 BY MR. ADAMS:

20 Q. You did see Donald Trump during the  
21 course of that day, from time to time, would that be  
22 a correct statement?

23 A. Yes, that's correct.

24 Q. Did you see him outside the large  
25 conference room?

5.3.5

1 R. Waldeman - cross

2 A. The only time I saw him outside the large  
3 conference room was just outside Jerry Schrager's  
4 office. He was with Mr. Schrager.

5 Q. Was he with anybody else?

6 A. I recall he was with Harvey Freeman. I can't  
7 recall exactly who else, if there was anyone else.

8 Q. Do you recall seeing him in the  
9 presence at any time of Gregory Dillon?

10 A. I don't recall that, no.

11 Q. Did you personally have any conversations  
12 with Donald Trump that day?

13 A. No, I didn't. I was an associate, a minor  
14 part of the case.

15 MR. ADAMS: No further questions.

16 CHAIRMAN READ: Thank you. Mr. Sciarra?

17 BY MR. SCIARRA:

18 Q. Mr. Waldeman, you indicated that  
19 you were occasionally out of the conference room?

20 A. Yes.

21 MR. SCIARRA: I have nothing further.

22 CHAIRMAN READ: Thank you. Mr. Zeitz?

23 COMMISSIONER ZEITZ: No questions.

24 CHAIRMAN READ: Mr. Burdge?

25 COMMISSIONER BURDGE: No questions.

5.3.6

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1 CHAIRMAN READ: Ms. Armstrong?

2 COMMISSIONER ARMSTRONG: No questions.

3 CHAIRMAN READ: Mr. Jacobson?

4 COMMISSIONER JACOBSON: No questions.

5 CHAIRMAN READ: Mr. Zimmerman?

6 MR. ZIMMERMAN: No questions.

7 CHAIRMAN READ: Anything further?

8 MR. RIBIS: No questions.

9 CHAIRMAN READ: Thank you, Mr.

10 Walderman.

11 H A R V E Y F R E E M A N, having been previously  
12 sworn, resumed the stand and testified as follows:

13 REDIRECT EXAMINATION

14 BY MR. RIBIS:

15 Q. Mr. Freeman, you heard the testimony  
16 here today, did you not?

17 A. I did.

18 Q. Do you recall a discussion with  
19 Kevin Coakley, Mr. McAuley and Elizabeth Corey on  
20 April 27th, in a large conference room at Dreyer &  
21 Traub, regarding the roadway plans?

22 A. I do not.

23 MR. RIBIS: I have no further questions.

24 CHAIRMAN READ: Mr. Adams?

25 MR. ADAMS: Thank you, Mr. Chairman.

5.4.1

1 H. Freeman - recross

## 2 RECROSS EXAMINATION

3 BY MR. ADAMS:

4 Q. Mr. Freeman, you were present when  
5 Mr. Coakley testified during the course of these  
6 proceedings, is that correct?

7 A. That's correct.

8 Q. Is it your testimony that you would  
9 dispute the representations made by Mr. Coakley  
10 during the course of his testimony as to a conver-  
11 sation he had with Donald Trump?

12 A. Mr. Coakley's testimony indicated that I was  
13 not inside the room, so, therefore, I cannot dispute  
14 the testimony he may have had with Donald Trump,  
15 but I would dispute anybody's testimony indicating  
16 that there was a conversation with Donald Trump  
17 in my presence.

18 Q. In your presence?

19 A. In my presence.

20 Q. Now, did you have any discussions  
21 with Elizabeth Corey at all on April 27th, 1985?

22 A. I'm sure I did. She was in attendance that  
23 day, and so was I, but not on the issues being  
24 discussed here.

25 Q. You did not discuss at any time with her

1 H. Freeman - recross

2 anything about the roadway improvements, is that  
3 your testimony?

4 A. That is my testimony.

5 Q. Did you have any such conversations  
6 with Pat McAuley at any time on April 27th, 1985?

7 A. Not to my recollection.

8 MR. ADAMS: I have no further questions.

9 CHAIRMAN READ: Thank you. Mr. Sciarra?

10 MR. SCIARRA: Could I have a little time?

11 CHAIRMAN READ: Yes.

12 MR. SCIARRA: I need a little time, if  
13 I can, because of the suddenness of this  
14 witness's recalling.

15 (Brief pause.)

16 RECROSS EXAMINATION

17 Q. Mr. Freeman, do you recall your  
18 testimony here previously in this hearing? You  
19 testified previously in this hearing, did you not?

20 A. I did.

21 Q. And do you recall that during the  
22 testimony, you indicated that Hilton did not make  
23 available to you or to anyone in the Trump organization  
24 their files prior to the closing?

25 A. I did.

2 Q. And didn't you, in fact, use the  
3 term "stonewall" in reference to Hilton's refusal  
4 to turn over those files?

5 A. I may have.

6 Q. Now, you heard Mr. Coakley's testimony  
7 when he was here, didn't you?

8 A. I did.

9 Q. Were you present when he testified?  
10 A. I was.

11 Q. And you heard Mr. Coakley's testimony  
12 about the circumstances surrounding the delivery of  
13 the files on or about June 6th, 1985?

14 A. I heard Mr. Coakley's testimony, sir, yes.

15 Q. And you also heard Mr. Coakley's  
16 testimony about a conversation that he just recently  
17 had with Mr. Ribis in which Mr. Ribis indicated  
18 that he had received the files some time in early  
19 June, or around June 7th or 8th? Do you recall Mr.  
20 Coakley's testimony about that?

21 A. I do.

22 Q. Now, is it your testimony today that  
23 the Hilton organization refused to turn over the  
24 files to the Trump organization prior to the closing?  
25

A. It is my testimony today, and it was my prior

2 testimony, what was intended by the word "stonewalling."  
3 that very shortly after the execution of the  
4 contract of sale, I asked the Ribis & McCluskey to  
5 obtain the files from the Coakley firm, the files  
6 that have been testified to here today, as not having  
7 been made available to us prior to the contract,  
8 which they were not, and I continued to request of  
9 the Ribis firm to obtain the files from the Coakley  
10 firm for several weeks, and I was advised by the  
11 Ribis firm that such request had been pending and  
12 the documents had not been delivered.

13 The documents were finally delivered, if Mr.  
14 Coakley's testimony is true, and I am sure it is  
15 true, about a week before we closed, with 10,000  
16 documents in unopened boxes, and, frankly, there was  
17 no possibility of those documents having been  
18 reviewed prior to the closing, therefore, I should  
19 amend my testimony. I was under the impression that  
20 the documents were not delivered until after the  
21 closing. Actually, they were delivered two or three  
22 or five days before the closing, a series of  
23 10,000 or 5,000 documents, which surely could not  
24 be reviewed in time.

25 MR. SCIARRA: I have nothing further.

## 2 EXAMINATION BY COMMISSIONER ZEITZ

3 Q. Mr. Freeman, is there any possibility  
4 that this disputed conversation, which, by some  
5 accounts, involved Mr. Trump and yourself and Mr.  
6 Coakley and Mr. McCauley and Ms. Corey, and whatever  
7 accounts may have occurred might have taken place on  
8 the 26th, the 25th or the 24th of April, 1985?

9 A. Commissioner Zeitz, it's very unlikely, and I  
10 don't recall any such conversation ever having taken  
11 place in my presence.

12 Q. In the course of that week, which  
13 began on April 20th and ended on April 27th?

14 A. I had been seeking information. It is  
15 perhaps possible that after the closing of the contract,  
16 sir, that there was some discussions with Mr. Coakley.  
17 Certainly prior to the execution of the contract, there  
18 were no discussions, and I certainly don't recall any  
19 conversations which Mr. Trump and I were both in  
20 attendance.

21 COMMISSIONER ZEITZ: Thank you.

22 CHAIRMAN READ: Mr. Burdge?

## 23 EXAMINATION BY COMMISSIONER BURDGE:

24 Q. Mr. Freeman, would you dispute the  
25 testimony of Ms. Corey and Mr. McCauley as to the

1 roadway improvement plans being laid out in the  
2 large conference room on the 27th of April?

3 A. Commissioner, I do not dispute as to whether  
4 or not the files were on the table, the plans were on  
5 the table. I do not recall specifically, but the table  
6 contained numerous documents, could have contained the  
7 plans.

8 My testimony is there was no discussion  
9 regarding them. I do not dispute as to whether they  
10 were on the table, sir.

11 Q. All right, then, you would dispute  
12 that there was no discussion concerning the plans in  
13 your presence?

14 A. I didn't hear you. I'm sorry, sir.

15 Q. You do dispute that there was no  
16 discussion on the 27th concerning the roadway  
17 improvement plans?

18 A. That included me. I don't know whether there  
19 were other discussions, sir.

20 Q. So you are saying Mr. McCauley and  
21 Ms. Corey's testimony was wrong?

22 A. Well, I would not characterize their testimony,  
23 sir. I can only speak for myself.

24 Q. Well, I am asking you to characterize

2 it, because as far as I am concerned, somebody is not  
3 telling the truth. They testified you were there, and  
4 they testified that it was later, with Mr. Trump there,  
5 with discussions held, and I want to know who is  
6 telling the truth.

7 A. Well, Commissioner, I have testified I do not  
8 recall any such meeting. I don't know, perhaps, they  
9 are confusing it with a different meeting at another  
10 time, and I cannot characterize anyone's testimony, sir.  
11 I can only characterize my own.

12 COMMISSIONER BURDGE: No further  
13 questions.

14 CHAIRMAN READ: Ms. Armstrong?

15 EXAMINATION BY COMMISSIONER ARMSTRONG:

16 Q. Mr. Freeman, I am going to get very  
17 specific here. I am going to ask you to refer to  
18 April 27th, 1985, and I am referring to the main  
19 conference room in the law offices of Dreyer & Traub,  
20 and I am going to first ask you was there any time  
21 during the time you were in that room, the main  
22 conference room, with Donald Trump?

23 A. I am sure I was, but I do not recall  
24 specifically. There was movement in and out of that  
25 room, Ms. Commissioner, and I was with Mr. Trump a good

portion of the day, and I believe we probably were in there together at some point, yes.

I think Mr. Schrager testified we spent a good deal of the day in Mr. Schrager's office negotiating the financing for the transaction.

Q. Do you recall hearing any conversations between Donald Trump on that date, April 27th, 1985, in the law offices of Dreyer & Traub, any conversations between Mr. Traub, Donald Trump, and Elizabeth Corey, concerning the roadway improvements?

A. I do not. I don't recall any conversations between Ms. Corey and Mr. Trump on any subject.

Q. Do you recall hearing any conversations on April 27th, 1985, in the law offices of Dreyer & Traub between Donald Trump and Kevin Coakley concerning any facets of the roadway improvement?

A. I do not recall any such conversation.

Q. And I would ask you the same questions in regard to discussions between Donald Trump and Pat McCauley?

A. I do not recall any such conversation, Commissioner.

COMMISSIONER ARMSTRONG: All right, thank you.

1                   CHAIRMAN READ: Mr. Jacobson?

2                   COMMISSIONER JACOBSON: No questions.

3                   EXAMINATION BY CHAIRMAN READ:

4                   Q.         Mr. Freeman, clear up one thing for  
5 me, if you will. I am sure you have answered it many  
6 times, do it one more for me.

7                   With all the refreshing of your  
8 recollection that may have taken place in the last  
9 several days, to the best of your recollection, when  
10 do you first remember seeing the roadway plans that  
11 Hilton had, and that ultimately came to the Trump  
12 Organization?

13 A.         I personally do not recall seeing the plans  
14 until, and I am not even sure that I have ever seen  
15 the plans, frankly, but certainly not prior to the  
16 signing of the contract, even though I do not deny  
17 that perhaps they were there. I did not look at them  
18 personally, or get involved in them personally. I  
19 think I may have seen them several weeks later, and I  
20 don't recall if I did then, sir.

21                   I don't recall, frankly, if I have ever  
22 examined the plans for the roadway improvements.

23                   Q.         I don't want to breach any attorney-  
24 client privilege, but to the extent that you feel free to

2 tell me, do you have recall discussing the plans for  
3 the roadway, the original Hilton/Smith plans for the  
4 roadway, with Donald Trump prior to the date of the  
5 closing?

6 A. Closing of the transaction, sir?

7 Q. The Hilton/Trump closing. I think it  
8 was June 14th, was it, 1985?

9 A. Yes. Yes, we certainly -- we had discussions  
10 of the roadway improvements after contracts, and before  
11 the closing, and, indeed, we had retained, I believe,  
12 Wilbur-Smith to start doing a study in that interim  
13 period, sir.

14 Q. Do you remember why Wilbur-Smith was  
15 selected?

16 A. I think Robert Trump is a better witness than  
17 I, but I believe the reason Wilbur-Smith was selected  
18 was because of their expertise.

19 Wilbur-Smith was selected for two reasons:  
20 One, their expertise, and, secondly, because we felt  
21 they had prior involvement, and, therefore, would not  
22 have to start from inception, but start with some  
23 understanding of the area and insight into the problems.

24 Q. It seems to me that, conceivably, they  
25 were chosen because they had already prepared plans and

2 they had familiarity with the plans, to that degree.

3 A. Well, we truly felt that Wilbur-Smith could  
4 do a traffic study to see what the needs of the area  
5 were, and because of the fact that they had had some  
6 prior involvement with the site, we thought that would  
7 be the right selection, compared to somebody who had  
8 no prior involvement.

9 Q. Do you know how you knew they had prior  
10 involvement?

11 A. I just did, sir. I don't recall where that  
12 information came from.

13 Q. Do you know whether Wilbur-Smith had  
14 ever done work for the Trump Organization before that?

15 A. Sir, I don't recall. I think they might have,  
16 and I just don't recall.

17 CHAIRMAN READ: Thank you.

18 Mr. Zimmerman?

19 MR. ZIMMERMAN: No questions.

20 CHAIRMAN READ: Anything further for  
21 Mr. Freeman?

22 Thank you, Mr. Freeman.

23 Does that complete witnesses, now, for  
24 everybody? On that basis, then, we will stand  
25 adjourned until two o'clock, and resume at  
that time with closings.)

(Luncheon recess at 12:45 p.m.)

1.1 1 AFTERNOON SESSION

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2 CHAIRMAN READ: I call the session to  
3 order.

4 I think we're ready for closings now,  
5 Mr. Sciarra.

6 MR. SCIARRA: Chairman, Commissioners,  
7 after all of this testimony, I think that there  
8 is a need to refocus on the issues which you  
9 Commissioners must decide in this proceeding.

10 Those issues were delineated so clearly  
11 by Chairman Read at the outset of the hearing,  
12 and appearing on Page 21 and 22 of the  
13 transcript.

14 There are two overall issues.

15 Has Trump met their burden to demonstrate  
16 satisfaction of their CAFRA permit and license  
17 conditions relating to CAFRA and the roadway  
18 improvements.

19 Secondly, has Trump met their burden  
20 to demonstrate that they have satisfied the  
21 representations which were made, through counsel,  
22 at last year's hearing, that they would honor  
23 the road improvement contract in all respects,  
24 and thereby construct the road improvements.

25 As to these issues, Chairman Read listed

6.1.2

1           Closing - Mr. Sciarra

2           four questions that Trump had to satisfactorily  
3           address. Those four questions were:

4           Does Trump's present CAFRA permit  
5           require construction of the improvements  
6           contained in the March 27, 1984 contract with  
7           the D.O.T.?

8           The next question was: Did Trump's  
9           Castle Associates construct the improvements  
10          in question?

11          The third question is: If they haven't  
12          been constructed, why haven't they been con-  
13          structed?

14          And the fourth question related to  
15          Trump's future conduct with respect to this  
16          issue.

17          Let me carefully review the evidence  
18          with you to determine if Trump has met their  
19          burden to satisfactorily prove each of the  
20          issues which were raised by those four  
21          questions, and the first question, again,  
22          that Chairman Read asked was: Does Trump's  
23          CAFRA permit require construction of the  
24          improvements contained in the March 27th, 1984  
25          contract with the D.O.T.?

6.1.3

1                   Closing - Mr. Sciarra

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2                   Here, the evidence is overwhelming  
3                   and uncontradicted that Trump's Castle  
4                   permit requires them to construct these  
5                   road improvements. We have the testimony of  
6                   Mr. John Weingart that CAFRA stipulated, and  
7                   was the catalyst for the development of the  
8                   road improvement contract, and once it was  
9                   signed on March 27, 1984, immediately in-  
10                  corporated it directly into the CAFRA permit  
11                  itself.

12                  To this issue we have the letter of  
13                  understanding of March 26th, 1984 from  
14                  Mr. Weingart, to all of these casinos stating  
15                  unequivocally that the Department of Trans-  
16                  portation contract is part and parcel of the  
17                  CAFRA permit requirements. A letter of under-  
18                  standing also incorporates, as Commissioner  
19                  Armstrong raised in one of her questions, a  
20                  reimbursement arrangement so that future casino  
21                  developers must pay back to the Trump  
22                  organization, and the other casinos, for their  
23                  costs in the roadway improvements for future  
24                  development.

25                  We also have uncontradicted evidence

1           Closing - Mr. Sciarra

2           that the Trump organization was fully aware  
3           of these CAFRA permit requirements. Indeed,  
4           the letter of understanding was specifically  
5           included in Exhibit G to the contract for the  
6           sale and purchase of the hotel-casino with  
7           Hilton, which was signed on April 27th, 1985.

8           Trump does not and cannot dispute  
9           any of these points, so the answer to Chairman  
10          Read's first question is, yes, Trump's  
11          CAFRA permit required the road improvements  
12          to be constructed and completed.

13          Chairman Read's next question was:  
14          Did Trump's Castle Associates construct the  
15          road improvements in question?

16          This question is an easy one. The  
17          evidence on this point yields the resounding  
18          and overwhelming answer of no. Indeed,  
19          Trump does not dispute that it has failed to  
20          construct these improvements, but we have more  
21          than that. We have unrefuted evidence that  
22          Trump's Castle Associates promised Mayor Kline  
23          that they would undertake interim improvements  
24          in return for the Mayor's dropping an objection  
25          to Trump's licensure by this Commission, which

6.1.5

1 Closing - Mr. Sciarra

2 Mayor Kline had made in a cablegram to this  
3 Comission on June 12, some two days before the  
4 license hearing.

5 Interim improvement, which the Department  
6 of Transportation approved in the letter that  
7 you have before you from Jack Friedenrich  
8 to Mr. Fitzgerald of July 8, 1985, giving  
9 the green light for these interim improvements  
10 to the developers; yet despite the promise  
11 to Mayor Kline, even after Mayor Kline kept  
12 his end of the deal by writing to this  
13 Commission the day before the hearing on  
14 June 13, 1985, urging this Commission to license  
15 Trump since Trump gave his word that the  
16 interim improvements would be built, and  
17 despite DOT approval, Trump had failed to make  
18 even these interim improvements, which are so  
19 desperately needed to relieve some of the  
20 traffic conditions facing the residents of  
21 Brigantine.

22 In addition, the evidence shows that  
23 the contract of March 27, 1984, specifies  
24 that the roadway improvements that Trump and  
25 the other two casinos are required to perform

6 .2 .1      1      Closing - Mr. Sciarra  
2      under the contract are reasonable from the  
3      standpoint of good transportation planning,  
4      and that their failure to construct these  
5      improvements, these reasonable improvements,  
6      constitutes a violation of their CAFRA  
7      requirements.

8                Finally, the evidence is uncontradicted  
9      that, as a result of Trump's failure to con-  
10     struct these road improvements, Trump has  
11     failed to comply with their CAFRA permit  
12     conditions.

13               Here we have John Weingart's letter  
14     to this Commission and his testimony that  
15     CAFRA has determined, and has so advised  
16     this Commission, that Trump is out of  
17     compliance with this permit condition.  
18     So the answer to Chairman Read's second  
19     question is, yes, Trump has failed to build  
20     the road improvements, even the interim  
21     improvements that they promised, and is  
22     thus out of compliance with this CAFRA  
23     permit requirement.

24               What about Chairman Read's third  
25     question? Why haven't the road been built?

1                   Closing - Mr. Sciarra

2                   If we examine this evidence very  
3                   carefully, what emerges is another plan.  
4                   We have had lots of testimony about plans,  
5                   the Wilbur-Smith plans, the D.O.T. plans,  
6                   there's been a lot of testimony about various  
7                   road improvement plans, yet the evidence at  
8                   this hearing says that the Trump organization  
9                   and Donald Trump himself, had his own plan  
10                  for dealing with these road improvements.

11                  The first evidence of this plan is  
12                  that on April 27, 1985, the day Mr. Trump  
13                  signed an agreement to purchase the casino  
14                  from Hilton, he had another plan in mind  
15                  for these road improvements. Here the evidence  
16                  demonstrates that Donald Trump and the Trump  
17                  organization had already become familiar,  
18                  during the course of the negotiations for the  
19                  agreement with Hilton, with the road improvement  
20                  contract in its various aspects, that they  
21                  were familiar with the costs, and I refer  
22                  this Commission to the draft agreement which  
23                  has been introduced in evidence here. They  
24                  were familiar with the design and the layout,  
25                  and I refer this Commission to the evidence

2           that the plans were delivered to their law  
3           offices prior to the contract for sale, and,  
4           in fact, were brought and put on a table  
5           at one time when there was questioning of  
6           Mr. Coakley about the road improvements,  
7           they were familiar with the history and the  
8           CAFRA permit requirements as evidenced by the  
9           exhibit to the contract for sale, and the  
10          Trump organization on that day, did form an  
11          opinion, a strong opinion, about the road  
12          improvement project, they didn't like the  
13          design, that they didn't like the fly-overs;  
14          in fact, the fly-overs on that date became  
15          in Donald Trump's mind, elevated highways,  
16          that they were aesthetically and visually  
17          unpleasing, and they would divert traffic  
18          to Harrah's Casino; that they didn't like  
19          them, they didn't want them.

20           So they asked how they could get out  
21          of it on that day, some six weeks before the  
22          Commission hearings, that they wanted to get  
23          out of the contract, "how can we get out of it?"

24           So, the Trump organization on that day  
25          began laying the groundwork for getting out

1 Closing - Mr. Sciarra

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2 of the contract, and they started it by  
3 saying, "Let's get another study done, let's  
4 get Wilbur-Smith to do another study."

5 So, on the day the contract was signed,  
6 April 27, 1985, six weeks before this  
7 Commission's hearing on Trump's license, they  
8 decided they didn't like the road improvement  
9 project, they decided they wanted to get out  
10 of the contract, and they began developing and  
11 working on a plan to do just that, a plan  
12 which culminated less than one year later  
13 when the organization filed a lawsuit to  
14 rescind the entire contract against the State  
15 of New Jersey.

16 Now, let's follow the evidence over  
17 that period and see how Trump's plan to get  
18 out of the roadway improvement contract  
19 unfolds.

20 Initially, this plan to get out of  
21 the contract has both its public and private  
22 dimensions. Publicly, Trump through his  
23 counsel, told this Commission that they'd  
24 honor the contract and perform the improvements.  
25 We have substantial evidence of this fact, we

2                   have Mr. Ribis' letter to this Commission,  
3                   which has been introduced -- or which is  
4                   introduced as PA-9, on May 20, 1985, that,  
5                   "Concerning the roadway improvement contract,"  
6                   Mr. Ribis wrote, "pursuant to its contract  
7                   arrangement with Hilton New Jersey Corporation,  
8                   Trump's Castle will continue to participate  
9                   in the improvement contract in the place of  
10                  Hilton New Jersey."

11                  We have Mr. Ribis' representation  
12                  directly to this Commission on June 14, 1985,  
13                  that the contract would be honored.

14                  Indeed, the organization had to advise  
15                  this Commission that they'd honor the contract,  
16                  because they needed their license, and they  
17                  knew that this Commission expected the im-  
18                  provements to be done.

19                  Indeed, the Commission's intent  
20                  about that representation is clear. If you  
21                  look at the stipulation, stipulated exhibit  
22                  C-1, which is the facilities report, which is  
23                  in evidence in this case, it reads as  
24                  follows, and this is the Commission's staff  
25                  report: "The stipulation referring to Mr. Ribis'

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2                   stipulation was intended to require the  
3                   applicant to fully assume Hilton's position  
4                   in an agreement which had preceded Trump's  
5                   entry into the Marina district, so that all  
6                   parties to the agreement could then move  
7                   forward with the design and construction  
8                   process."

9                   The intent of the staff in recommending  
10                  this stipulation was to provide for con-  
11                  tinuity in a long and ongoing design and  
12                  negotiation process that had led up to the  
13                  March 27, 1984 agreement.

14                  In addition to telling you, Commissioners,  
15                  that they'd honor the contract, the Trump  
16                  organization was also publicly moving, as I've  
17                  explained before, to diffuse opposition to  
18                  their licensure from Mayor Kline and residents  
19                  of Brigantine over this issue, and again, I'll  
20                  refer you to the cablegram and the testimony  
21                  of Mayor Kline, that he sent that cablegram  
22                  to the Commission to raise to this Commission  
23                  his concerns about licensure for Trump because  
24                  of the problems with the roadway in that area,  
25                  and his conversations with Robert Trump of the

1  
2 Trump organization, and Robert Trump's promises  
3 concerning those interim improvements, and  
4 the letter that he sent the day before to this  
5 Commission stating that he withdraws his  
6 objection, and that he wishes the Commission  
7 to go ahead and license Trump because of the  
8 promises that were made.

9 So while the Trump organization was  
10 telling you, Commissioners, that they'd  
11 honor the contract, while they were telling  
12 Mayor Kline that they'd do the interim  
13 improvements, if only the Mayor would write  
14 this Commission a letter, while he was doing  
15 what he had to do to get his license from  
16 this Commission, something very different  
17 was going on within the Trump organization.  
18 Indeed, the plans which I refer to, to get  
19 out of the roadway improvement contracts, were  
20 taking shape and were moving along. What was  
21 going on? The organization hired Wilbur-Smith  
22 in May to develop an alternative that was more  
23 to the Trump organization's liking, and more  
24 to Donald Trump's liking.  
25

They hired Richard Meister, Harrah's

1

2 point man on the road improvement project,  
3 to advise the Trump organization. They were  
4 getting advice from their lawyers, selective  
5 advice, looking at the contract, figuring out  
6 a way to get out of it. Indeed, Mr. Trump's  
7 only testimony is that the only thing that  
8 he remembers about the contract, the only  
9 thing is Clause 0, the so-called safety valve.  
10 Once the Trump organization walked out of this  
11 room with their casino license, the plan moved  
12 ahead in earnestness.

13

14 What, then, did Trump do after the  
15 license hearing? They told this Commission  
16 and various state agencies, that although they  
17 had advised this Commission that the contract  
18 would be honored, it then, indeed, signed the  
19 assumption at the close on June 17, 1985,  
20 Trump almost immediately thereafter began  
21 advising the Commission and the state agencies  
22 that they hadn't received enough -- they hadn't  
23 received information about the project from  
24 Hilton, that they weren't familiar with the  
25 project, and that they were reviewing their --  
them to familiarize themselves with the project.

2                   They said this at a June 20 meeting  
3                   where the minutes of the meeting indicate  
4                   that Robert Trump said that his organization  
5                   was becoming familiar -- trying to familiarize  
6                   itself with the extent of their obligations.

7                   Mr. Trump, Mr. Robert Trump, said  
8                   that, in response to a question from the  
9                   Department of Transportation and Mr. Friedenrich,  
10                  about the contract and about the long-term  
11                  improvements, and about the representations  
12                  to this Commission, that they would honor the  
13                  contract and then we have Mr. Ribis' letter  
14                  of March -- excuse me -- of July 29, 1985,  
15                  to Mr. Genatt, which is PA-16, where Mr. --  
16                  this is on July 19, 1985, where Mr. Ribis says,  
17                  "However, subsequent to the June 17, 1985  
18                  opening, Hilton submitted to me its roadway  
19                  improvement files, and I commenced an initial  
20                  review of those files," and he goes on.

21                  He says that, in the letter, despite  
22                  the testimony here at this hearing by Mr.  
23                  Coakley, that Mr. Ribis admitted to him,  
24                  now admits to him that he received the files  
25                  in early June, around June 6th.

2                   There was the meeting with Chairman  
3                   Read that was testified to about where they  
4                   were indicating they were trying to  
5                   familiarize themselves with the project, and  
6                   then there's the March 22nd, 1985 letter from  
7                   Harvey Freeman to Roger Bodman, PA-15,  
8                   where it indicates that, "Mr. Trump maintained  
9                   properly and appropriately that we were not  
10                  entirely knowledgeable as to the history  
11                  and status of the roadway improvement  
12                  negotiations or the specific underlying  
13                  documentation, and that we were in the process  
14                  of studying the same," on July 22nd, 1985.

15                  And at the same time that they were  
16                  saying they did not know very much about the  
17                  contract, they were going to the Department  
18                  of Transportation to seek changes, and in this  
19                  regard I refer you to the testimony of the  
20                  meeting with Roger Bodman on July 25th, and  
21                  what is the most disturbing aspect of the  
22                  plan to get out of the road improvement  
23                  project, at this meeting Donald Trump set up  
24                  the fall guy, the scapegoate, the nameless,  
25                  helpless bureaucrat to pin the blame on, and

2                   one who wouldn't be able to fight back.

3                   Well, he has a name. His name is Jack  
4                   Friedenrich, and he came here and he  
5                   testified, and he defended his name against  
6                   Donald Trump's unfounded, unsubstantiated  
7                   allegations that Jack Friedenrich is an  
8                   unyielding and intransigent public servant,  
9                   and is not acting in the public interest of  
10                  the residents of this State, an allegation  
11                  Donald Trump made upon initial contact with  
12                  the man before he had any dealings with  
13                  Jack Friedenrich, and even though his own  
14                  lawyer, Mr. Ribis, just weeks earlier worked  
15                  with Mr. Friedenrich cooperatively to  
16                  resolve a problem and complimented Mr.  
17                  Friedenrich on his problem-solving attitude  
18                  and his cooperative attitude.

19                  So, in the Summer of 1985, the Trump  
20                  organization's plan to get out of the contract  
21                  was moving along. The Commission was told  
22                  that, "We're looking at our files, because  
23                  we only got them from Hilton subsequent to the  
24                  closing," they were looking at their files  
25                  to find out the meaning of what they had said

2                   to you, Commissioners, on June 14.

3                   The Department of Transportation was  
4                   approached for a change. The fall guy was  
5                   set up, and Wilbur-Smith was working for  
6                   Trump now, busy at work on a plan that would  
7                   justify the Trump organization's desire to  
8                   get out of the contract.

9                   The following Winter, finally, Wilbur-  
10                  Smith completed their study and attempted  
11                  to support the Trump organization's revised  
12                  plan with traffic counts and further  
13                  information. The evidence in this regard  
14                  is clear. It's clear that the Trump organi-  
15                  zation pushed the Wilbur-Smith plan onto the  
16                  D.O.T. and said, in effect, "Accept it or  
17                  else. Do it this way or no way."

18                  Yet, the D.O.T. didn't see that way.  
19                  After careful review and analysis, the D.O.T.  
20                  concluded that the Wilbur-Smith plan was  
21                  inadequate, it didn't take into account the  
22                  future traffic needs of the area, and would  
23                  only result in a short-term solution that would  
24                  have to be changed and torn up with new  
25                  development that would occur in that area and  
                      in the City of Brigantine.

2                                  The D.O.T., based on sound planning  
3                                  and technical reasons, rejected the Wilbur-  
4                                  Smith study, a rejection which was then  
5                                  followed by the Trump Organization's final  
6                                  step in their plan, a lawsuit, but not a  
7                                  suit for modification of the contract, not a  
8                                  suit seeking an alternative road because of  
9                                  changed circumstances, no, a lawsuit seeking  
10                                 total revision, obtain leverage. In Robert  
11                                Trump's own words to the D.O.T. in the  
12                                February 26th, 1986 meeting, "We will tie you  
13                                up in litigation for 10 years," so that the  
14                                D.O.T. will back down and do it the Trump way.

15                                Interestingly, there is no mention of  
16                                Donald Trump's testimony here at this hearing  
17                                that he wants to do road improvements. How  
18                                many times did he say at this hearing, "I want  
19                                to do road improvements, I want to improve the  
20                                roads in that area"? There is absolutely no  
21                                mention of doing reasonable road improvements  
22                                in that lawsuit. That lawsuit seeks flat out,  
23                                total recision of the obligation to do any  
24                                road improvements in that area, so the answer  
25                                to Chairman Read's third question, why aren't

2                   the road improvements done, why? Because  
3                   Trump wanted it done their way, and since they  
4                   couldn't get it done their way, they have sued  
5                   the State of New Jersey to get out of the  
6                   contract altogether, so while this Commission  
7                   believed last year that it was licensing an  
8                   organization that would honor the contract, it  
9                   was actually licensing an organization that  
10                  breached the contract. While this Commission  
11                  thought it was licensing an organization that  
12                  would cooperatively try to get road improve-  
13                  ments done, it was licensing a lawsuit that  
14                  seeks to set aside the contract, and the  
15                  obligation to do road improvements in their  
16                  entirety.

17                  The final question that Chairman Read  
18                  asks was what about future conduct. This is  
19                  another easy question. Here the evidence is  
20                  completely clear and uncontradicted, there is  
21                  no future conduct on the roads themselves,  
22                  unless Trump gets it their way, and since they  
23                  cannot, the only realistic future conduct  
24                  suggested to this Commission by the Trump  
25                  Organization will be by Trump's lawyers in

2                   court over the lawsuit, and, meanwhile, while  
3                   Trump's lawyers are in court over the lawsuit,  
4                   Mayor Kline waits in traffic, his promise  
5                   broken, the people of Brigantine sit in  
6                   congested traffic jams, emergency vehicles  
7                   struggle to get out of town, and while, heaven  
8                   help us, if we have a major coastal storm that  
9                   requires evacuation from the community, mean-  
10                  while Trump's Organization future conduct would  
11                  be in court with their lawyers.

12                  Yet, Trump will be in court with his  
13                  lawyers doing it their way, or no way at all,  
14                  so those are the answers to Chairman Read's  
15                  four questions.

16                  Based on the evidence that has been  
17                  developed at this hearing, I would, for a  
18                  moment, like to focus on two critical issues  
19                  which appear to be a conflict in the evidence  
20                  which you must resolve. These issues are  
21                  critical because they go right to the heart  
22                  of the Trump Organization's knowledge of the  
23                  plan before June 14th, 1985, the day of the  
24                  license hearings before this Commission. They  
25                  are critical because it demonstrates the effort

to get out of the contract, the plan to get out of the contract started six weeks before the licensing hearing, and that that plan started six weeks before, on April 27th, 1985, set in motion a series of steps which led, ultimately, to the initiation of the lawsuit against the state.

The first critical issue is the exchange between Mr. Trump and Mr. Coakley on April 27th, 1985. On the one side, we have Kevin Coakley, Elizabeth Corey and Patrick McCauley, all lawyers, all testifying here under subpoena, all giving detailed accounts of the exchange, straightforward accounts of the exchange, with absolutely nothing to gain, no interest in any of this, other than explaining their recollections as truthfully as they can to this Commission.

What do we have on the other side? We have Donald Trump, Jonathan Bernstein, Mr. Schrager, Mr. Freeman, with their denials that the conversations ever took place. I submit to you that this testimony was not straightforward, it was filled with possibilities, failed

2                   recollections and gaps in memory. In fact,  
3                   in some instances, and believable. For  
4                   instance, Mr. Bernstein's testimony that  
5                   Donald Trump was always, always in the presence  
6                   of Mr. Schrager or Mr. Bernstein, that Donald  
7                   Trump only spoke about the negotiations when  
8                   they allowed him to, or told him to, and the  
9                   testimony about the draft agreement, that it  
10                  was prepared on Dreyer & Traub's own word  
11                  processing machine, that it's quite possible  
12                  that Dreyer & Traub never saw this draft  
13                  agreement which contained the critical cost  
14                  information of \$11.7 million, and which Mr.  
15                  Coakley explains was taken out because the  
16                  Hilton lawyers did not want to have a  
17                  specific representation about the costs in the  
18                  contract; the testimony of this draft agreement  
19                  was typed on Mr. Intriligator's word processor,  
20                  and, yet, they never saw it, testimony which,  
21                  in light of the letters in evidence here today  
22                  from Ms. Corey clearly makes that testimony  
23                  unbelievable.

24                  Testimony about the documents, all the  
25                  testimony of Mr. Trump and Mr. Freeman that they

2                   didn't have documentations, they didn't have  
3                   the plans prior to the contract signing, and  
4                   we have Ms. Corey's testimony that she delivered  
5                   those plans to the Trump Organization's  
6                   lawyers prior to the contract signing, and Mr.  
7                   Schrager's own testimony that the documents, a  
8                   pile of documents, were delivered prior to the  
9                   contract signing.

10                  The unbelievable nature of that  
11                  testimony, so you have both sides of that  
12                  exchange, and I submit to you that the Coakley,  
13                  Corey and McCauley side of that exchange is the  
14                  which rings true.

15                  The other critical issue that appears  
16                  to be in conflict is the question of delivery  
17                  of information to the Trump Organization by  
18                  Hilton. That's critical because there is, as  
19                  Mr. Coakley pointed out, a critical difference  
20                  between information and representations.

21                  We have heard a lot from Mr. Freeman  
22                  about Hilton wouldn't give us representations,  
23                  they wouldn't make representations about this  
24                  issue. Mr. Coakley said Mr. Freeman's right,  
25                  we wouldn't make representations, but there is

2                   significant difference between representations  
3                   and information, and the testimony here, Mr.  
4                   Freeman's testimony was adamant, that they  
5                   didn't get the files, that Hilton refused to  
6                   turn over the files prior to the closing, that  
7                   Hilton stonewalled Trump, the Trump Organiza-  
8                   tion, with respect to the files, that Hilton  
9                   refused to give all the relevant information  
10                  so that when they came to this Commission, they  
11                  did not have all the information, they did not  
12                  fully understand what they were representing  
13                  to this Commission.

14                  I submit to you that the evidence is  
15                  entirely contrary. Mr. Coakley's testimony  
16                  here was clear, direct and sound. His testi-  
17                  mony about the delivery of documents, Mr. Ribis  
18                  own admission that he got the files prior to  
19                  the closing, even though he wrote a letter to  
20                  this Commission on July 19th, 1985, that he  
21                  didn't get the files until after the closing,  
22                  that the files were delivered to him prior to  
23                  the closing, that the evidence on this point  
24                  is clear, it's clear that Hilton did everything  
25                  it could to deliver the information that was

2                   necessary to enable the Trump Organization,  
3                   and all of its lawyers to form, to make an  
4                   informed judgment about the nature of the  
5                   obligation that they were entering into.

6                   The evidence clearly demonstrates that  
7                   the Trump Organization had a full range of  
8                   information available to them on the roadway,  
9                   at the contract signings six weeks before the  
10                  hearing, and before the hearing, they had  
11                  enough information on which to form a full and  
12                  complete judgment on this issue.

13                  As I stated, Hilton wouldn't make  
14                  representations, Mr. Coakley was clear about  
15                  that, but it clearly gave all the information  
16                  that was necessary to the Trump Organization  
17                  and their lawyers for them to decide, and they  
18                  did decide. They decided against, as Mr.  
19                  Schrager said, his own advice, to live with  
20                  the risks of this contract, was what Mr.  
21                  Schrager said, against his own advice, Donald  
22                  Trump said he would live with the risks of  
23                  this contract, including the road improvements  
24                  contract.

25                  Yet, what is Donald Trump's and the

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2                   Trump Organization's way of living with these  
3                   risks? That way is you do what you have to do  
4                   to keep everyone happy, but in the end, you do  
5                   it my way, or it won't get done.

6                   This all goes back to the bottom line  
7                   that I stated to this Commission in one of my  
8                   initial presentations to you on our application  
9                   to intervene, the bottom line issue in this  
10                  hearing is whether we will allow one man, one  
11                  organization to decide, as Donald Trump and  
12                  the Trump Organization did on April 27th, 1985,  
13                  what is best for the State of New Jersey, what  
14                  is best for the people of New Jersey, what is  
15                  best for the people of Atlantic City, and the  
16                  residents of Brigantine, and, unilaterally, on  
17                  their own, dictate what must be done in complete  
18                  and utter defiance and disregard for the state  
19                  regulatory agencies of this state, including  
20                  this Commission.

21                  The answer to this question must be  
22                  an unequivocal, clear and definite no. Thank  
23                  you.

24                  CHAIRMAN READ: Thank you, Mr. Sciarra.  
25

1 CHAIRMAN READ: Mr. Adams?

7.3.1 2 MR. ADAMS: Mr. Chairman, and members  
3 of the Commission, I would like to start out  
4 by noting that we have just completed what  
5 I consider to be a rather novel renewal hearing  
6 involving Trump's Castle. It's novel for  
7 several reasons, but initially I would say it  
8 is novel in the sense that the licensing  
9 issues which were raised were not the  
10 traditional ones that are normally tried  
11 in renewal hearings. They focused on public  
12 interest questions of perhaps a social or  
13 environmental nature and not on strict  
14 or technical regulatory matters.

15 It was also novel in that the evidence  
16 centered not on what the licensee or applicant  
17 had done throughout the licensing year, but  
18 what it hadn't done, and finally, it was novel  
19 in that the Public Advocate's extraordinary  
20 request for intervention was granted, permitting  
21 him an active role in developing the unique  
22 public interest perspective of this proceeding.

23 In light of the unusual nature of  
24 the Trump's Castle renewal hearing, the  
25 Division, at the very outset, supported the

7.3.2

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2                   petition of the Public Advocate, but in the  
3                   interest of order and clarity, the Division  
4                   attempted to define the exact parameters  
5                   of the licensure proceedings, and detailed  
6                   precisely what issues were germane to the  
7                   resolution of the issues presented in the  
8                   renewal hearing, and which ones were not.

9                   Although generally referred to as the  
10                  Marina Roadway Improvements, the licensing  
11                  issues to be resolved in this particular  
12                  renewal hearing were really much more narrow  
13                  than that generic term broadly implies.

14                  For instance, questions concerning the  
15                  necessity, feasibility and/or justification  
16                  for the roadway improvements were not con-  
17                  sidered relevant in the Division's view for  
18                  the Commission's ultimate determination.

19                  Similarly, the question of contractual  
20                  responsibilities incurred by Trump's Castle  
21                  Associates with other state agencies, presently  
22                  the subject of court litigation, was not  
23                  deemed appropriate for this Commission's  
24                  resolution, and thus, in our licensing report  
25                  on Trump's Castle Associates dated May 19,

7.3.3

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2           1986, and in our response supporting the  
3           Public Advocate's intervention petition,  
4           dated May 12, 1986, the Division carefully  
5           narrowed the issues relative to the Marina  
6           Roadway Improvements to Trump's Castle  
7           Associates' compliance with commitments,  
8           if any, made to the Casino Control Commission  
9           during its plenary licensing hearing a year  
10          ago in June of 1985, and conditions expressly  
11          attached to its casino license, particularly  
12          those referencing Section 84(e) and conditions  
13          attending facility approvals obtained from  
14          other state agencies, namely, CAFRA and the  
15          Department of Environmental Protection, and  
16          reference has already been made by Mr. Sciarra  
17          to four questions, and I may be somewhat  
18          repetitious. In fact, I will be repetitious,  
19          but I think it's important, and in his opening  
20          remarks at the commencement of this hearing,  
21          the Chairman essentially reiterated in those  
22          questions, the Division's position as to the  
23          scope of this renewal hearing.

24           I have to quote the Chairman, or refer  
25          to the Chairman, because, as he noted, "This

1

2 Commission had not previously required, as  
3 an expressed condition of licensure, that  
4 TCA make any specific road improvements, and  
5 therefore, its compliance with any license  
6 conditions relating to improvements required  
7 by the Commission is, obviously, not an issue  
8 to be decided.

9 "Second, no issue is to be resolved,  
10 nor was any issue raised concerning the license  
11 condition regarding the maintenance of  
12 ingress and egress, the routes at the  
13 immediate site of the facility.

14 "Third, this Commission has not  
15 previously attempted to ascertain in the  
16 first instance the impact of the Trump's  
17 Castle Casino Hotel operation on the Marina  
18 District, and specifically on the vehicular  
19 traffic in the district. It has not been the  
20 Commission's purpose to identify the magnitude  
21 of any such problem, or the exact nature  
22 of any road improvements needed to meet  
23 additional traffic demands," in effect,  
24 plagiarizing the Chairman.

25

"Rather, those decisions have already

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2           been made by, and are best left with the  
3           State agencies with direct jurisdiction  
4           over and with presumed expertise in the  
5           matter."

6           Thus, the Chairman concluded, and I  
7           quote, "It is not for us to decide whether the  
8           road improvements they have required" and the  
9           "they" is referring to the Department of  
10          Transportation and the Department of  
11          Environmental Protection, "or some lesser  
12          or greater road improvements are, in fact,  
13          required in the Marina area."

14          "Nor," as the Chairman noted, "is the  
15          Commission to submit itself for the courts  
16          or the primary agencies, namely, the Department  
17          of Transportation and the Department of  
18          Environmental Protection, by seeking to  
19          evaluate or enforce the decision or contractual  
20          rights of the other agencies.

21          "Thus, in practical terms, the Commission  
22          does not have to consider whether the underlying  
23          conditions of TCA's CAFRA permit are justified,  
24          whether TCA's contract with D.O.T. is  
25          enforceable, or whether the licensee is in

1

2 breach of its contractual obligations."

3

4 Now, I just went through a whole  
5 litany of things that are not in issue in this  
6 renewal hearing, and here is where I will  
7 probably be repetitious with respect to Mr.  
8 Sciarra and the four questions that the  
9 Chairman indicates would have to be answered  
in the renewal hearing.

10

11 Certainly, among those, it goes without  
12 saying, but I will say it anyway, that  
13 TCA bears the burden of proving its qualifications  
14 for licensure, and in the context of the issues  
15 we are talking about involving roadway  
16 improvements, included in that burden is  
17 whether Trump's Castle Associates has  
18 established during this renewal hearing  
19 that it has fulfilled all conditions, either  
20 expressed or implied, which attached to its  
casino license.

21

22 Certain of those licensing conditions,  
23 obviously, relate to the Marina Roadway  
24 Improvements, and were the subject obviously  
25 of considerable testimony and documentary  
evidence in these proceedings. Before I get

2 into that, I think it's appropriate to give  
3 what I consider to be a brief historical  
4 perspective of how that all came about.

5 First, I will start by referring  
6 to Hilton, because obviously, Hilton built  
7 the facility and had one time applied for  
8 licensure before this Commission. Even before  
9 that, according to the evidence that's been  
10 presented here, the developers, which included  
11 Hilton at that time, as well as other proposed  
12 casino hotels, got together, and there has  
13 been testimony given that certain studies  
14 were undertaken by Wilbur-Smith, and DOT  
15 was involved. The important point was that  
16 eventually, that organization, as well as  
17 those developers, recognized, and I am not  
18 sure exactly when, but it was quite some time  
19 ago, that there was a need involved for  
20 Marina road improvements, and the developers  
21 acknowledged that the road improvements were  
22 an expressed condition of their CAFRA permits,  
23 and all of that, meaning the road improvements  
24 that were agreed upon, in effect, eventually  
25 led to a contract, the March 27th, 1984 contract,

2                   between those developers and the Department of  
3                   Transportation.

4                   Hilton, of course, was not found  
5                   qualified in the winter of 1985, and on  
6                   April 27th, as we have noted, 1985, the  
7                   contract for sale was entered into between  
8                   Trump and Hilton for the purchase of the  
9                   facility, and I don't think it's really  
10                  questioned at this point, for those of us  
11                  who were involved in certain aspects of it,  
12                  that it was a tremendously busy period between  
13                  the time the contract was signed and the  
14                  licensing hearing here, a lot had to be done,  
15                  and I think all witnesses testified on that  
16                  point, and we agreed on that situation.

17                  In any event, that brought us to the  
18                  licensure hearing last year, and I find it,  
19                  I think, important at this point, to go back  
20                  to that initial representation that was made,  
21                  and it involved a colloquy between Barbara  
22                  Lampen of the Commission staff and Mr. Ribis,  
23                  and I just wanted to quote what Mr. Ribis  
24                  said in response to Ms. Lampen's statement  
25                  that the Bureau would also ask that Trump agree

1                   Closing - Mr. Adams

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2                   to stipulate that Trump intends to honor  
3                   in all respects the terms of an agreement  
4                   dated March 27th, 1984 that Trump's  
5                   predecessor in interest, Hilton, through a  
6                   joint venture, with Harrah's Marina and  
7                   GNOC, entered into with the State of New Jersey.

8                   Mr. Ribis said, "Yes, Ms. Lampen  
9                   had reviewed with me the proposed condition,  
10                  which is similar to the condition imposed  
11                  on other Marina applicants and licensees. We  
12                  have no objection to that condition. We have  
13                  notified Ms. Lampen several weeks ago that  
14                  we would stand in the shoes of Hilton as to  
15                  their legal obligations under the joint  
16                  venture agreement."

17                  Mr. Ribis further stated, "That the  
18                  Commission is aware at this time that there is  
19                  some ongoing disputes related to that  
20                  agreement, at least with respect to one of the  
21                  participants. As to our commitment to that  
22                  agreement, we do have a legal commitment,  
23                  and we informed the staff of that, and we  
24                  agreed to the proposed condition as contained  
25                  in our license," and Ms. Lampen, in effect,

1           Closing - Mr. Adams

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2           asked for a clarification, in effect, saying,  
3           "You cited you would stand in the shoes of  
4           Hilton as related to the joint venture  
5           agreement Hilton had entered into with  
6           Harrah's Marina and GNOC," and Mr. Ribis  
7           said, "That's correct." And Ms. Lampen said,  
8           "And I stated in the stipulation that you  
9           would honor, particularly, also, the agreement  
10          that Hilton had entered into with the State  
11          of New Jersey relative to those road improve-  
12          ments."

13           Mr. Ribis said, "That was part and  
14          parcel of that joint venture agreement. I  
15          didn't mean to carve it out, the joint venture  
16          agreement, all the individual participants  
17          had entered into separate agreements with the  
18          state with regard to that," and Ms. Lampen  
19          said, "Fine."

20           That exactly was what the representation  
21          was, and so that brings us to the fact that  
22          a few days after that, by way of historical  
23          perspective, the closing took place, and I  
24          would suggest that at that point in time, at  
25          least after June 17th, 1985, and the evidence

1           Closing - Mr. Adams

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2           I think is uncontroverted, there is no  
3           question before you at this point, that  
4           Trump assumed that obligation by specific  
5           documents which have already been referred to.

6           Now, that brings me to the conditions  
7           of licensure which I originally referred to  
8           in the beginning of my comments.

9           They are referenced in the reports  
10          that are already in evidence. The main ones,  
11          I believe, are conditions 78, 83 and 87, but  
12          the most important one, I think, before the  
13          Commission at this time, is number 78, which  
14          reads that, "TCA comply with all conditions  
15          appended to the facility's approvals received  
16          from the Atlantic City Planning Board, the  
17          New Jersey Department of Environmental  
18          Protection, and all other agencies of the  
19          government, and the specific reference is  
20          Section 84(e) in the Act."

21          There is plain and undisputed evidence  
22          which indicates that TCA is not in compliance  
23          with all of the conditions appended to its  
24          CAFRA permit. As examples, there is the  
25          testimony of Mr. Weingart himself, there is

1                   Closing - Mr. Adams

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2                   Mr. Weingart's letter to this Commission,  
3                   to Chris Storcella, there is the March 27,  
4                   1984 contract with the Department of  
5                   Transportation, there is the CAFRA permit  
6                   itself, and the memorandum of understanding  
7                   dated March 26, 1984, issued by the DEP,  
8                   all of which specifically indicate that the  
9                   contemplated road improvements under the  
10                  DOT contract were expressly made a condition  
11                  of the CAFRA permit issued to TCA.

12                  The contract itself provides that  
13                  unless all construction work required by the  
14                  contract referred to as Stages one and two is  
15                  complete, and I quote, developers acknowledge  
16                  that they have not satisfied their transportation  
17                  obligations in their respective CAFRA permits,  
18                  and further acknowledge the Division of Coastal  
19                  Resources may, after March 31st, 1984, take  
20                  actions to enforce the provisions of the  
21                  CAFRA permits, unquote.

22

23

24

25

2                   Now, here is where I am going to be  
3                   repetitious, but I think it's worthwhile, to  
4                   the four questions that the Chairman posed,  
5                   and the first one was whether the CAFRA permit  
6                   required construction of the improvements  
7                   referred to in the D.O.T. contract of March  
8                   27th, 1984. Absolutely, the Division submits  
9                   that it's uncontroverted, during the course of  
10                  this hearing, that such improvements are  
11                  required by TCA's CAFRA permit.

12                  The Chairman's next question, has  
13                  TCA constructed the improvements in question.  
14                  As Mr. Sciarra said, easily answered; no, they  
15                  have not.

16                  Next question, why have they not been  
17                  built? I will answer it this way: During the  
18                  course of this renewal hearing, evidence was  
19                  offered by the licensee, the applicant, and  
20                  at this point, that evidence indicates that the  
21                  Trump Organization, and more specifically,  
22                  Donald Trump, does not believe they should be  
23                  built.

24                  As far as Mr. Trump is concerned, a  
25                  better alternative exists, and he testified that

2                   to build the road improvements required by  
3                   the contract and incorporated in the CAFRA  
4                   permits would be a catastrophe, so that leads  
5                   us to the next question, which, I know I am  
6                   being repetitious, but it's important, is what  
7                   is the intended future conduct of the licensee.

8                   As Mr. Sciarra indicated, and as the  
9                   Chairman states, "We should know what the  
10                  licensee intends to do regarding road improve-  
11                  ments and regarding its obligations under the  
12                  CAFRA permit." Well, it's clear that the  
13                  licensee has indicated to this Commission that  
14                  as far as it's concerned, it's an all or  
15                  nothing proposition, namely, the road improve-  
16                  ments suggested by Trump, unless a settlement  
17                  can be worked out to Trump's liking, with  
18                  D.O.T. and CAFRA.

19                  Now, notwithstanding Mr. Trump's  
20                  opinions and views, the Division submits that  
21                  the issues of what road improvements are  
22                  required is a settled matter. Certainly, the  
23                  CAFRA permit, the D.O.T. contract, the  
24                  memorandum of understanding and the other  
25                  evidence I have already made reference to,

2                   unquestionably reflects that the appropriate  
3                   agencies have already considered the question  
4                   of road improvements in the Marina area, and  
5                   they have already determined what those road  
6                   improvements should be.

7                   The Division submits that that resolu-  
8                   tion is entitled to presumptive weight by this  
9                   Commission. Mr. Trump's views, to the contrary  
10                  are really collateral to the primary purpose of  
11                  the inquiry, and they don't serve to justify or  
12                  excuse any lapse in compliance with those  
13                  agency requirements, and, thus, in effect, with  
14                  conditions attached to its casino license.

15                  Now, I want to talk briefly about the  
16                  conflicts that Mr. Sciarra made reference to,  
17                  the inconsistencies. Now, he categorized them  
18                  as important. I would categorize them as  
19                  serious. I would categorize them as disturb-  
20                  ing. He indicated that one area of conflict  
21                  which I will describe as the Coakley versus,  
22                  or the Hilton versus Trump side of what  
23                  happened on the day the contract was signed,  
24                  as far as representation, of discussion about  
25                  the road improvements, is important because it

2                   goes to an effort by Trump to get out of the  
3                   contract as early as six weeks before the  
4                   licensure hearing.

5                   Well, obviously, two sides can't be  
6                   right, or entirely accurate, about that  
7                   conflict. It may, and I strongly use the  
8                   word, "may" reflect on the licensee's failure  
9                   to comply with conditions that he does or does  
10                  not personally agree with.

11                  I might also suggest that that issue,  
12                  as well as certain other issues which resulted  
13                  in certain conflict in testimony, realistically  
14                  came about as the result of going beyond the  
15                  issues as originally claimed by the Chairman  
16                  in his opening remarks, and as framed by the  
17                  Division.

18                  I think we all were guilty, to some  
19                  extent, of going beyond the issues as framed  
20                  in a lot of the evidence that was presented,  
21                  maybe by just necessary implication, or by  
22                  necessity of the way the hearing went.

23                  What's really important, as far as the  
24                  Division is concerned, is not how each and  
25                  every one of those conflicts in testimony can

1           Closing - Mr. Adams

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2           be resolved, or, in effect, what really may or  
3           may not have happened the day the contract was  
4           signed, what's important is that must all be  
5           considered in light of the issues that were  
6           framed at the beginning of this hearing, which  
7           Mr. Sciarra has already made reference to, and  
8           which the Chairman framed.

9                 The ones that this Commission has to  
10          decide, and getting back to that, I have to go  
11          back to the Chairman's opening remarks, because  
12          he said the Commission must concentrate on  
13          whether the licensee has obtained and retained  
14          approval by the Department of Environmental  
15          Protection under CAFRA, and whether the  
16          licensee has ultimately failed to abide by the  
17          permit conditions and representations regarding  
18          the roadway improvements, and the Division  
19          wants to assert again at this point, and wishes  
20          to emphasize at this point, that the evidence in  
21          the record before you, irrefutably indicates  
22          that the licensee is in violation of the terms  
23          and conditions of its CAFRA permit.

24                 Accordingly, it is in violation of  
25          specific conditions attended to its casino

2 license by this Commission. This deficiency  
3 must be remedied to the satisfaction of all  
4 appropriate state agencies with license  
5 responsibilities or jurisdiction over this  
6 matter. Certainly, that contemplates that if  
7 the roadway improvements were commenced  
8 tomorrow, that would alleviate that problem.

9 Now, on the record, evidence has been  
10 presented, and I think it was primarily  
11 through the testimony of Mr. Weingart himself,  
12 that there is a process available whereby  
13 TCA may attempt to establish its position on  
14 the roadway improvements with appropriate  
15 CAFRA authorities.

16 I think Mr. Weingart himself indicated  
17 that, obviously, his letter went out only a  
18 day or two before the commencement of this  
19 hearing, and I think he also indicated that  
20 pending whatever action might happen in that  
21 regulatory process, the CAFRA permit remained  
22 the CAFRA permit. That process might allow  
23 TCA the opportunity to present its position,  
24 which it has, in part, attempted to do here.  
25 TCA probably, or undoubtedly, will avail itself

1                   Closing - Mr. Adams

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2                   of that existing regulatory process.

3                   The Division believes, and trust, that  
4                   that process would assure that the original  
5                   intent of all parties would be served and  
6                   satisfied. The Division, of course, would  
7                   strongly recommend, therefore, that if TCA  
8                   seeks to pursue the claims it has attempted  
9                   to make here before other state agencies, it  
10                  should do so, obviously, with all due speed,  
11                  so that this Commission is not faced with a  
12                  similar situation in the future, and an undue  
13                  delay in the process directly caused by TCA  
14                  could, by itself, be viewed as non-compliance  
15                  with this CAFRA permit, and, thus, have a  
16                  direct effect upon its casino license.

17                  The Division contends, and submits to  
18                  the Commission, that it would continually, and  
19                  will continually, monitor TCA's activities and  
20                  report on a periodic basis to the Commission  
21                  with respect to that procedure.

22                  Finally, subject to all of the foregoing,  
23                  the Division would be prepared, at this time,  
24                  to state that it would not object to renewal  
25                  of the license of Trump Castle Associates.

1           Closing - Mr. Ribis

1181

2           Thank you.

3           CHAIRMAN READ: Thank you, Mr. Adams.

4           Mr. Ribis.

5           MR. RIBIS: Thank you, Mr. Chairman,  
6           members of the Commission.

7           Initially, I would like to state my  
8           thank you to this Commission for what turned  
9           out to be a very long and difficult hearing.

10          I agree with Mr. Adams' comments  
11          regarding the issues presented to this  
12          Commission, and the testimony presented to  
13          this Commission, which addressed some of those  
14          issues, and got sidetracked at times. I will  
15          reserve my comments as to the, what I consider,  
16          outrageous comments that the Public Advocate  
17          has made as to Mr. Trump and myself until the  
18          conclusion of my presentation to the Commission

19          Before I address the positions which  
20          have been presented by both the Public Advocate  
21          and the Division of Gaming Enforcement, as  
22          stated by the Chairman at the commencement of  
23          these hearings, I would like to make some  
24          introductory comments as to Mr. Trump, the  
25          Trump Organization, and their involvement in

1                   Closing - Mr. Ribis

1182

2                   New Jersey.

3                   Mr. Trump entered into the casino  
4                   hotel arena in 1981, when he acquired certain  
5                   parcels as to a Boardwalk piece of property,  
6                   he leased on a long term basis certain parcels,  
7                   which is what is now the land underlying  
8                   Trump's casino.

9                   Prior to the entry into the marketplace  
10                  in New Jersey, Mr. Trump had successfully  
11                  developed the Grand Hyatt in New York, Trump  
12                  Towers was under construction, Trump Plaza  
13                  was under construction, and the Trump family  
14                  had successfully been real estate developers  
15                  in New York for over 30 years.

16                  After the entry into the marketplace  
17                  in New Jersey, Mr. Trump submitted himself, his  
18                  family, the Trump Organization, including his  
19                  father, his brother, and his wife to the  
20                  licensure process.

21                  The Division of Gaming Enforcement, in  
22                  October, 1981, submitted a report to this  
23                  Commission regarding Mr. Trump and his  
24                  background. There was not one iota of  
25                  information in that report which was derogatory

1                   Closing - Mr. Ribis

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2                   in nature as to Mr. Trump or his businesses.

3                   Certainly, it didn't find a scintilla of

4                   information in its lengthy investigation

5                   regarding Mr. Trump.

6                   After the entry into the marketplace  
7                   in 1981, Mr. Trump entered into a joint venture  
8                   with Holiday Inns as to the development of the  
9                   Boardwalk parcel which is now known as Trump  
10                  Casino, and in 1984, that property was opened.

11                  Recently, as this Commission knows, Mr. Trump,  
12                  approximately six weeks ago, bought back the  
13                  50 percent interest in the joint venture from  
14                  Holiday Inns, and has invested and raised  
15                  \$250 million regarding that property.

16                  The Commission will recall approximate-  
17                  ly a year ago, I was here, Mr. Trump was here,  
18                  Mr. Freeman was here, Robert Trump was here.  
19                  We were here because we were acquiring the  
20                  interests of Hilton Hotel in its facility in  
21                  Atlantic City. Mr. Trump purchased that  
22                  property in an all-cash transaction to Hilton  
23                  for \$320 million, by far, the highest cost  
24                  paid for a casino in this state.

25                  By the acquisition of this property

1                   Closing - Mr. Ribis

1184

2                   from Hilton, who had not received its casino  
3                   license, Mr. Trump guaranteed the employment  
4                   of 4,000 employees already hired at the  
5                   property, and guaranteed a timely opening  
6                   last summer of this facility.

7                   This contract that we have been  
8                   talking about was negotiated with Hilton over  
9                   a very short period of time, and I believe  
10                  everybody will agree that in a historic six-  
11                  week period, all the licensing issues, includ-  
12                  ing the complex financings were presented and  
13                  approved by this Commission.

14                  I think Mr. Adams was correct in  
15                  saying, because he was involved from the  
16                  Division of Gaming Enforcement side, that the  
17                  Commission and the Division staffs, in  
18                  conjunction with my law firm, worked tirelessly  
19                  for six weeks on that transaction.

20                  After investing in New Jersey in 1981,  
21                  the Trump Organization also continued its  
22                  investment in New York. We are all familiar  
23                  with the New Jersey Generals, the development  
24                  of other New York properties includes the  
25                  St. Moritz Hotel, the Barbizon Plaza Hotel, the

2 recent selection of the Trump Organization  
3 for the developer of the new stadium of New  
4 York, the current development of a hundred acre  
5 site of the west side between 59th Street and  
6 72nd Street on the East River, known as the  
7 television center, which is to be developed  
8 by Mr. Trump. I am sure the Commission will  
9 recall the contribution of a million dollars  
10 made to the Vietnam Veterans in New York  
11 recently, and the Trump Organization is  
12 involved with the United Cerebral Palsy  
13 for over 20 years.

14 Presently, Mr. Trump employs over  
15 7,000 people in his two casinos. He recently  
16 was awarded, by the Department of Environmental  
17 Protection, a contract to revitalize Farley  
18 Marina in Atlantic City.

19 Mr. Trump has informed this Commission,  
20 and has commenced construction of a \$50 million  
21 transportation center which will house 2,600  
22 automobiles at its facilities on the Boardwalk.  
23

8.1.1 1 Closing - Mr. Ribis

2 Addressing the Trump's Castle  
3 operations, Robert Trump, Evonna Trump,  
4 Mr. Trump's wife, in conjunction with Donald  
5 Trump, has successfully opened and operated  
6 that facility. I believe it can be stated  
7 that this facility, over the past year, had  
8 the best operating results of any newly  
9 opened casino over the first year in Atlantic  
10 City.

11 There was a continued intention for  
12 development at the casino with the proposed  
13 expansion of 151 rooms. Recently, Stephen  
14 Hyde was hired as a senior executive, Mr.  
15 Hyde, as you know, is a well-known and  
16 seasoned casino executive, to be the president  
17 of Trump Casino on the Boardwalk.

18 Mr. Trump and his two casinos have  
19 invested in the other projects of Atlantic  
20 City over \$600 million into the Atlantic  
21 City casino marketplace and transportation  
22 center.

23 I would like now to refer back to  
24 the Division of Gaming Enforcement's initial  
25 investigation in 1981.

1                   Closing - Mr. Ribis

2                   Since 1981, Mr. Trump and his family have  
3                   continually cooperated with all requests by  
4                   the Division of Gaming Enforcement and the  
5                   Casino Control Commission relating to his  
6                   business and personal background.

7                   In each annual report submitted by the  
8                   Division of Gaming Enforcement since 1981,  
9                   no derogatory information has been submitted  
10                  to this Commission or uncovered by the  
11                  Commission as to Mr. Trump's good reputation  
12                  for honesty and integrity. In fact, since  
13                  the opening of the Trump Casino in 1984,  
14                  including the recent Harrah's Associates  
15                  renewal hearing, Mr. Trump has been renewed  
16                  without exception. In fact, the Division of  
17                  Gaming Enforcement's recent license report  
18                  of May 19th, 1986, and marked as D-1  
19                  in evidence, again states with respect to Mr.  
20                  Trump's good reputation, the following, and  
21                  I quote: "Donald J. Trump, related Trump  
22                  entities and the Trump Organization have been  
23                  involved in numerous business transactions  
24                  in several states, amount to millions of  
25                  dollars during the span of the Division's latest

1           Closing - Mr. Ribis

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2           investigation.

3                 "The Division has reviewed voluminous  
4           documents and conducted appropriate field  
5           investigations concerning these transactions.

6                 No information of a derogatory nature was  
7           discovered pertaining to any of these matters."

8                 The report goes on to state that,  
9                 "As to the 12 qualifiers, which include  
10           Donald Trump, Evonna Trump, Robert Trump and  
11           Harvey Freeman, that there was no information  
12           which would impact negatively upon the  
13           requalification of initial qualification  
14           of these individuals."

15                 The Division's report, and again  
16           stated by Mr. Adams today in his summation,  
17           does not object to the renewal of Trump's  
18           Castle Associates' license, and I do not believe  
19           there is any objection to licensing of Mr.  
20           Trump, his wife, his brother or Mr. Freeman.

21                 I have specifically addressed myself  
22           to the 84(c) licensing criteria because of the  
23           statements made by the Public Advocate during  
24           the course of these hearings, and here today.  
25                 There is no question, and suffice it to say, that

2                   Mr. Trump and his company have willingly and  
3                   continually, since 1981, cooperated with the  
4                   Division of Gaming Enforcement and the  
5                   Casino Control Commission as to all matters,  
6                   including conditions on its casino licenses,  
7                   and since that time, there has not been an  
8                   iota of information or the slightest  
9                   indication that Mr. Trump has not continued  
10                  to hold the highest reputation for honesty,  
11                  integrity as required under Section 84(c)  
12                  of the Act.

13                  Now, I'd like to pass to the four  
14                  issues which you've heard a lot about already,  
15                  and I think I'll avoid having the same  
16                  quotations out of the transcript, because  
17                  the Chairman is fully aware of it, they're  
18                  his statements, and I'm sure you Commissioners  
19                  are also aware of the four issues we're  
20                  addressing here today.

21                  I'd like to initially address the  
22                  question of representation. Since the  
23                  representations which are at issue were made  
24                  by me, I would like to state what they were  
25                  and where we are regarding those representations.

2                   Although much time has been spent  
3                   on what has happened from the contract  
4                   execution on April 27th, to the licensing  
5                   hearing on June 14th, I believe the testimony  
6                   is undisputed as to the relevant facts which  
7                   relate to the representations which were made  
8                   on June 14th, before this Commission.

9                   First, Trump's Castle Associates  
10                  assumed Hilton's contractual obligations  
11                  with respect to the roadway contract. Mr.  
12                  Trump and his lawyers were aware of an  
13                  ongoing dispute between Golden Nugget,  
14                  Harrah's and Hilton with respect to the joint  
15                  venture agreement and Golden Nugget's  
16                  April, 1985 notification to the Department of  
17                  Transportation as to the termination of its  
18                  responsibilities under the agreement.

19                  Thirdly, since no representations  
20                  were coming from Hilton during the negotiations,  
21                  and since I'll address this later, the documents  
22                  which were referred to you, the 5000 documents,  
23                  which I received five days before the closing,  
24                  but long after the signing of the contract,  
25                  and certainly not in enough time to review before

2           the licensing hearing, Mr. Trump was informed  
3           by his lawyers, and they testified here about  
4           Section 0, which provided, and I'm not  
5           embarrassed to say, a safety valve, if there  
6           were disagreements with the Department of  
7           Transportation as to the roadway contract.

8           Let's face it. We already knew that  
9           Golden Nugget had some disagreement with the  
10          Department of Transportation.

11          Fourth, a casino license condition  
12          would be included which required TCA to  
13          contribute, on a reasonable basis, and together  
14          with other major developers in the Marina,  
15          as to the cost of roadway improvements, as  
16          may be necessary to mitigate the impact of  
17          additional traffic.

18          Specifically addressing my repre-  
19          sentations before this Commission, as the  
20          Commissioners are aware, and without belaboring  
21          the point, at the licensing hearing last year,  
22          I was faced with numerous issues. I do not  
23          wish to reiterate events prior to the licensing  
24          hearing, but I feel compelled to briefly  
25          outline how I reached the hearings here last year.

If you listen to the Public Advocate, I had nothing else to do but to review roadway documents and prepare myself for representation that was to come up during the course of licensing hearings. That's not what happened, and this Commission should not be deceived as to what happened.

Several weeks prior to the April 27th, and you've heard about the intense negotiations between Chicago counsel for Hilton and New York counsel for Trump relating to the contract that was ultimately executed for the acquisition of this property in Atlantic City, initially my law firm's involvement with the Commission and Division related to discussions with Commission and Division staff and several of the Commissioners to the current licensing status of the facility, the potential timetable for the execution of the contract, the approval of proposed financing, and the obtaining of all necessary Commission licenses, and, ultimately, the license and opening of this facility.

As to the execution of the contract, my

1           Closing - Mr. Ribis

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2           law firm was given the task of filing all  
3           necessary applications with the Commission  
4           for the transfer of the ownership of this  
5           facility to Trump, to address all licensing  
6           issues as to the transfer, to address the  
7           complicated, two-step bond financing for  
8           this property, and to deal with all the  
9           normal regulatory issues relating to an  
10          opening of a new facility.

11           I have been involved in two prior  
12          openings of new facilities. I would estimate  
13          that three months' work is a conservative  
14          amount of time to complete what needs to be  
15          done for the opening of a new facility.

16           Over a six-week period, I had to  
17          take care of, with members of my law firm,  
18          these matters. However, there were certain  
19          obligations that Hilton contractually retained.  
20          They retained responsibility to obtain all  
21          state and local permits, including CAFRA  
22          permits, D.O.T. approvals, DCA approvals,  
23          local zoning board approvals and the like.  
24          I was given the responsibility, Trump was,  
25          for the approvals before this Commission.

2                   Suffice it to say that Hilton, at  
3                   that point, had no desire to have any  
4                   relationship with New Jersey or this  
5                   Commission. After the execution of the  
6                   contract, I met with New Jersey counsel for  
7                   Hilton, and you've heard the testimony here  
8                   today, to determine the status of various  
9                   filings, and I desired to meet with in-house  
10                  counsel for Hilton to discuss the necessary  
11                  filings with the Commission.

12                  To my chagrin, I determined there  
13                  was no in-house counsel to assist us with  
14                  the Commission filings, and, therefore, I was  
15                  required to assign two lawyers fulltime, a  
16                  paralegal and two other lawyers part-time just  
17                  for the regulatory filings that had to be made  
18                  with relation to the opening of this property.

19                  MR. SCIARRA: Mr. Chairman, I'm going  
20                  to -- I never interrupt closing argument --

21                  MR. RIBIS: Well, I don't think you  
22                  should interrupt. I didn't interrupt, and I  
23                  think it's inappropriate.

24                  CHAIRMAN READ: Mr. Ribis, please.

25                  MR. SCIARRA: He's making statements

1                   Closing - Mr. Ribis

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2                   about facts which are not in the record and  
3                   evidence which is not in the evidence about  
4                   meetings and about being chagrined about not  
5                   being able to get in touch with them, and none  
6                   of that is in the record.

7                   MR. RIBIS: I object. There were a  
8                   lot of things stated during the course of the  
9                   Public Advocate's summation that I believe  
10                  were not in the record. I have never had a  
11                  summation before a jury or this Commission  
12                  interrupted by an adversary.

13                  CHAIRMAN READ: Go ahead, Mr. Ribis.  
14                  I understand the problem.

15                  MR. RIBIS: May I proceed?  
16                  CHAIRMAN READ: I understand the  
17                  problem. Mr. Sciarra, I think we simply have  
18                  to leave to the discretion of the Commission  
19                  to take it into consideration what is in the  
20                  record and what will be determined when we  
21                  conclude.

22                  MR. SCIARRA: Thank you, Mr. Chairman.  
23                  CHAIRMAN READ: Mr. Ribis.  
24                  MR. RIBIS: I'll just state that what  
25                  I've stated here is in the record, if Mr.

2                   Sciarra would have listened to the testimony  
3                   today.

4                   Personally, I focused on other  
5                   licensing matters which included the opening  
6                   of the facility and the financial issues.

7                   Since Trump did not have the responsi-  
8                   bility for the state and local permits, I also  
9                   focused on these matters, only on an as-needed  
10                  basis, and I did call Mr. Friedenrich in early  
11                  June of 1985 when we were informed that the  
12                  opening could be delayed because the parking  
13                  lot had not been approved, the employee parking  
14                  lot had not been approved.

15                  I did speak to Mr. Friedenrich, there's  
16                  no question about it, and I did say to him,  
17                  "Thank you for responding to my call," and he  
18                  did.

19                  Sadly, though, I did not and could not  
20                  have spent sufficient time regarding the  
21                  roadway improvements, which has become the  
22                  major issue before this Commission.

23                  Prior to the licensing hearing last  
24                  year, I received various reports and have  
25                  continued with discussions with the Commission

### Closing - Mr. Ribis

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and Division staff representatives as to the opening of the facility, and these facility issues related to the licensing of necessary key employees as required in jobs compendium, the financial aspects of the approval of the bond transfer action, and so on. I did receive Barbara Lampen's report on facilities relating to the specific matters she dealt with, and I read it before the licensing hearing.

I did correspond with this Commission in early May regarding my commitment to have a condition as to the roadway improvement, which I've stated earlier.

Did I discuss it with Barbara? Sure,  
I did. I had a short discussion with Barbara  
before the licensing hearing, which she asked  
me if I would object to that condition.

I asked her was it similar to other licensing conditions in the Marina area? She said it's the same. I said, I didn't have any basis to object.

Did Barbara know a lot more about the roadway matter in June, 1985 than I did? Of course. I don't say this in a derogatory

2           manner. She and her staff had lived with the  
3           roadway issue for years prior to the Trump  
4           Organization's acquisition of this property.

5           Now, in hindsight, I know of her frustration  
6           in dealing with the roadway issue and the  
7           aborted attempts to have some positive movement  
8           by the original joint venture parties for a  
9           number of years. I was not fully aware of the  
10          background of the roadway in June, 1985.

11          Maybe I should have been.

12          On June 7th, after many requests for  
13          information regarding the roadway, from Mr.  
14          Freeman to my law firm, we finally obtained  
15          5,000 documents from Hilton's New Jersey  
16          counsel. Those documents were not opened  
17          until long after the closing and licensing  
18          hearings.

19          I think this Commission can take  
20          judicial notice of what was going on during  
21          that time.

22          Now, to the licensing hearing, last  
23          year.

24          At the licensing hearing I was  
25          presented with an additional report from

1                   Closing - Mr. Ribis

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2                   Barbara regarding the roadway improvements,  
3                   and she asked me if I would stipulate at those  
4                   hearings.

5                   Did I speak to Harvey Freeman about  
6                   them? Yes, he was sitting next to me at  
7                   counsel table. I turned to Harvey and said,  
8                   "I have to make this representation. Should  
9                   I?"

10                  We looked at them; we said yes. I  
11                  thought I was reaffirming my license conditions  
12                  and we went ahead and made the representations.

13                  What were those representations? I  
14                  think there's been a lot said about what the  
15                  representations were. They were quoted, and  
16                  I hate to repeat the quotations, but I think  
17                  they're important.

18                  I said, "Yes, Ms. Lampen has reviewed  
19                  with me the proposed conditions, which are  
20                  similar to the conditions imposed to other  
21                  marina applicants and licensees. We have no  
22                  objection to that condition.

23                  "We have notified Ms. Lampen several  
24                  weeks ago that we would stand in the shoes of  
25                  Hilton as to their legal obligations under the

1                   Closing - Mr. Ribis

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2                   joint venture agreement. The Commission is  
3                   aware at this time that there is some ongoing  
4                   current disputes related to that agreement, at  
5                   least with respect to one of the participants.

6                   "As to our commitment to that agreement  
7                   we do have a legal commitment and we informed  
8                   the staff of that, and we agree to the proposed  
9                   license condition as contained in our license."

10                  Continuing, Ms. Lampen asked, "If I  
11                 could just ask, Mr. Ribis, you cited that you  
12                 would stand in the shoes of Hilton as related  
13                 to the joint venture agreement Hilton had  
14                 agreed to with Harrah's Marina and Golden  
15                 Nugget."

16                  I stated, "That's correct, Ms. Lampen."  
17                  "And I stated in the stipulations that  
18                 you would honor, particularly the agreement  
19                 with Hilton entered into with the State of  
20                 New Jersey relative to those roadway  
21                 improvements."

22                  I stated, "That was part and parcel of  
23                 that joint venture agreement. I didn't mean to  
24                 carve it out. The joint venture agreement, all  
25                 the individual participants had entered into

1                   Closing - Mr. Ribis

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2                   separate agreements with the state with regard  
3                   to that."

4                   Now, you Commissioners asked, that is  
5                   to the background of the representations. That  
6                   was the background of it.

7                   Can I be more reflective a year later  
8                   as to what I know? I sure can. Would I have  
9                   made the same representations? I don't know.  
10                  Have we complied with the representations and  
11                  the license conditions? I'd like to address  
12                  that now.

13                  Without particularizing the testimony  
14                  before the Commission regarding the representa-  
15                  tions, Donald Trump, Robert Trump and Harvey  
16                  Freeman all testified that they recognized the  
17                  license conditions and, in particular, they  
18                  unequivocably approved of the representations  
19                  made before this Commission with respect to the  
20                  roadway improvements.

21                  Was it my intention to, in some way,  
22                  make representations before this Commission  
23                  with the intention to avoid them? Absolutely  
24                  not.

25                  Was it my clients' intention to do so?

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2                   Absolutely not.

3                   Does this representation tie together  
4                   with the overall attempts by the Trumps to  
5                   come to a resolution of the marina roadway  
6                   improvements? Yes. And, therefore, now I will  
7                   address the next issue regarding whether there  
8                   has been compliance with Condition 87 of the  
9                   license, which, as I stated earlier, provides  
10                  that Trump Castle Associates shall contribute,  
11                  on a reasonable basis, and together with other  
12                  major developers in the marina district, toward  
13                  the cost of such road improvements and maybe  
14                  if necessary to mitigate the impact of  
15                  additional traffic in the marina district.

16                  Has there been compliance with this  
17                  condition? The answer is yes. As testified  
18                  before this Commission, part of the acquisition  
19                  from Hilton was the position held by Hilton  
20                  with respect to payments made pursuant to the  
21                  joint venture agreement. Just as the Commis-  
22                  sion determined in a license hearing several  
23                  weeks ago with regard to Harrah's Marina, the  
24                  \$4 million or so contributed toward the road  
25                  improvements in the marina to date by Trump,

1           Closing - Mr. Ribis

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2           through Hilton, were sufficient compliance  
3           with this condition. However, Trump Castle  
4           Associates did not stop because it could later  
5           argue before this Commission that it had  
6           invested \$4 million through the acquisition of  
7           Hilton's position.

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1                   Closing - Mr. Ribis

2                   Trump's Castle Associates tried to  
3                   respond to the needs of the area by developing  
4                   a roadway solution which would deal with the  
5                   current traffic needs and as projected into  
6                   the future, the traffic conditions which would  
7                   be occurring in the Marina area.

8                   Starting almost immediately after  
9                   licensing, Robert Trump didn't have a plan,  
10                  but he wanted to, as the Public Advocate  
11                  has stated, but he wanted to address that  
12                  condition, commenced discussions with  
13                  representatives of the Department of  
14                  Transportation, believing that compliance  
15                  with the CAFRA condition with the plan must  
16                  necessarily be dealt with through the De-  
17                  partment of Transportation to construct a  
18                  roadway which would alleviate the concerns  
19                  of the citizens of Brigantine, regarding the  
20                  free flow of traffic from Brigantine to  
21                  Route 30, and also make improvements to the  
22                  roadway in the Marina District, and on Route  
23                  30.

24                  Although this was not a Trump issue,  
25                  and although one of the original participants

1                   Closing - Mr. Ribis  
2                   in the joint venture roadway improvement  
3                   contract had withdrawn from those commitments,  
4                   Robert Trump attempted to make a good-faith  
5                   effort to find a resolution to an issue which  
6                   had been lingering in the marina district  
7                   for many years.

8                   After Mr. Trump's June 20, 1985  
9                   meeting, Wilbur-Smith and Associates were  
10                  retained to commence a traffic study for the  
11                  summer period in the marina area, and to make  
12                  projections into the future as to the roadway  
13                  needs of the marina area, based on the current  
14                  casino development and future traffic needs.

15                  Trump's Castle Associates did not  
16                  hide its attempt to evaluate the current traffic  
17                  situation and, in fact, notified Commissioner  
18                  Bodman in a letter of July 22nd, marked  
19                  PA-15 in evidence, which was forwarded to --  
20                  by Commissioner Bodman to Mr. Fridenrich,  
21                  and I quote, "We are now heavily engaged in  
22                  an analysis of the traffic aspects of the  
23                  roadway affecting our property, and we have  
24                  engaged Wilbur-Smith and Associates to act in  
25                  this regard."

8.5.3

1

Closing - Mr. Ribis

2

As Mr. Freeman further stated, and  
I quote, "We have stated and hereby reaffirm  
our commitment to the creation of an orderly  
and effective traffic pattern in the marina  
area and the payment of our fair share and  
proportionate share of construction for  
improvements required to achieve the foregoing."

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This correspondence was followed by  
a meeting with Commissioner Bodman, Donald  
Trump, Robert Trump, myself and Mr. Fridenrich  
to discuss roadway improvements and compliance  
with our CAFRA condition regarding the  
transportation plan. This meeting occurred  
on July 25th. At this meeting, it was  
explained to Commissioner Bodman that a  
traffic study was being conducted and would  
be completed late in the summer or early  
fall, and would be submitted to Mr. Bodman  
regarding the road conditions.

Mr. Bodman noted and so did Mr. Trump,  
that the Wilbur-Smith firm had done three  
previous studies in conjunction with the  
roadway improvements. At the conclusion of the  
meeting, we were informed by Commissioner Bodman

.5.4

1 Closing - Mr. Ribis  
2 that, as soon as the traffic study was  
3 completed, we should immediately forward it  
4 to him for consideration regarding the  
5 commencement of roadway work in the marina  
6 area to meet the needs, not only of the  
7 two operating casinos, but the citizens of  
8 Brigantine.

9 I'd like to stop at this moment  
10 because there's been a lot of testimony as  
11 to what was said by and between Mr. Friedenrich  
12 and Mr. Trump. Yes, there was a disagreement,  
13 it was an honest business disagreement, it  
14 sure was.

15 Mr. Friedenrich had a point of view,  
16 Donald Trump had a point of view, but that did  
17 not stop us from continuing on in an attempt  
18 to complete the traffic study and submit  
19 information to the Department of Transportation.  
20 Therefore, throughout the summer, Robert  
21 Trump continued his work with Wilbur-Smith  
22 and Associates regarding this traffic study,  
23 and, in fact, on September 4th, Donald Trump  
24 spoke to Mr. Friedenrich regarding the  
25 preparation of the study and the submission of

8.5.5.

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2                   the study as soon as it was ready.

3                   Mr. Trump was greeted with notification  
4                   by Mr. Friedenrich, and I quote from his  
5                   memorandum, "I told Mr. Trump that I was not  
6                   aware of a study, nor was I waiting for it."

7                   There is no need to address Mr.  
8                   Trump's feelings towards Mr. Friedenrich  
9                   after the statement, in view of the meeting  
10                  on July 25th with Commissioner Bodman, and  
11                  the work done by Trump's Castle Associates  
12                  during the summer as to the Wilbur-Smith study.

13                  Thereafter, on October 16th, I  
14                  corresponded with Commissioner Bodman, as  
15                  noted in A-4, updating him as to the traffic  
16                  study, and enclosing a summary of the  
17                  conclusions of Wilbur-Smith that had been  
18                  submitted to Mr. Robert Trump.

19                  Thereafter, following up on my  
20                  correspondence of October 16th, on December  
21                  10th, I forwarded to Commissioner Bodman, the  
22                  final traffic study which had been forwarded  
23                  to me by Robert Trump, relating to work done  
24                  by Wilbur-Smith during the summer of 1985.

25                  Following these submissions, a meeting

1           Closing - Mr. Ribis

2           was eventually held on February 26th, with  
3           the technical people of the Department of  
4           Transportation to discuss the study.

5           As Robert Trump stated, he believed,  
6           as did Donald Trump and I, that our discussions  
7           were progressing in a positive manner towards  
8           a resolution of the roadway matters, but,  
9           little did we know of Mr.Friedenrich's and  
10          maybe the Department of Transportation's  
11          attitude towards posturing this matter  
12          for litigation.

13          Therefore, as noted in PA-8 in  
14          evidence, Commissioner Bodman corresponded  
15          to Robert Trump on March 5th, stating that  
16          Mr. Trump would be required to unequivocally  
17          commit to the roadway improvements or the  
18          matter would be submitted to the Attorney  
19          General for handling.

20          It was only after receiving the  
21          Department of Transportation's threat to  
22          institute appropriate action against Trump's  
23          Castle Associates, that litigation was  
24          instituted to protect Trump's Castle Associates'  
25          legal rights with respect to an ongoing dispute

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2 with the Department of Transportation.

The lawsuit was not intended to avoid responsibility pursuant to the conditions contained in the license. In fact, Donald Trump has stated throughout these hearings of his desire to build a roadway in conjunction with Harrah's and Golden Nugget, as would be necessary in the marina district.

The legalees in the complaint were  
not prepared by Donald Trump or Robert Trump,  
they were prepared by lawyers. Mr. Trump  
has testified, as has Robert Trump and  
Harvey Freeman, that it was never their intent  
to avoid their obligation, and they were not  
using the litigation as a tool to avoid their  
obligation. Therefore, there's no question  
that Trump's Castle Associates has complied  
with condition 87 and that there was originally  
spent \$4 million to complete the current  
roadway improvements, and there was an additional  
cost and a continuing attempt to resolve the  
roadway issue for many months after the issuance  
of the license before this Commission, and  
the representations are made before this

8.6.3

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2           Commission.

3           Now, passing to the next issue to be  
4           addressed by the Commission, that is the  
5           existence of the CAFRA permit and compliance  
6           with conditions of the CAFRA permit.

7           Without restating the entire testimony  
8           of Director Weingart, he agreed that there  
9           will be an understanding that the transportation  
10          issues in the CAFRA permit would be dealt with  
11          by the Department of Transportation and that  
12          those conditions could be modified if they  
13          were not resolved by the Department of  
14          Transportation.

15          As noted in the document which was  
16          marked into evidence, Director Weingart --  
17          meaning the letter of understanding -- stated  
18          that the basis for the original roadway  
19          improvements was the development of, at least,  
20          five casinos, by 1985, and the projected  
21          development of, maybe, seven casinos at that  
22          time.

23          Specifically addressing the CAFRA  
24          permit, I believe the testimony of Director  
25          Weingart, in response to requests by

1                   Closing - Mr. Ribis

2                   Commissioner Zeitz, answers the question  
3                   addressed by the Chairman at the commencement  
4                   of these hearings, and I quote:

5                   "Is the permit still held by the  
6                   Castle?"

7                   Answer by Director Weingart: "It  
8                   still is held. What the permit enables  
9                   Trump's Castle to do was construct. They  
10                  have finished construction, but the permit  
11                  is still held by them."

12                  I don't know that we could have a  
13                  clearer statement as to the existence of a  
14                  permit. It exists, the Director says it does,  
15                  but Commissioner Zeitz went on to question  
16                  Director Weingart:

17                  "Well, in the ordinary course of  
18                  events, if CAFRA determines to send a notice,  
19                  have you notified Trump's Castle that they  
20                  are in violation?

21                  "Answer: We have notified them by  
22                  a copy of the letter that you refer to.

23                  "Question: Is that the ordinary way  
24                  to accomplish that notice to the permittee?

25                  "Answer: Nope. We will notify them

8.6.5

1                   Closing - Mr. Ribis  
2                   directly and give them an opportunity to  
3                   respond. The next step would include  
4                   suspending their permit or revoking their  
5                   permit, as well as seeking judicial action  
6                   to get, assertively speaking, judicial action  
7                   to get them to comply with the permit  
8                   conditions."

9                   Question by Commissioner Zeitz:  
10                  Taking it one step at a time, if the  
11                  Division notifies Trump's Castle that it's  
12                  in violation, would it, in the same letter  
13                  or another letter, notify them that they  
14                  may face suspension and/or revocation?

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1                   Closing - Mr. Ribis

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2                   "Yes, it would be in the same,  
3                   probably.

4                   "What would their rights be then?  
5                   "The letter would be from me. I  
6                   believe they have a right to appeal to the  
7                   Commissioner of the Department of Environmental  
8                   Protection."

9                   Without question, Director Weingart  
10                  has stated that TCA has a valid CAFRA permit  
11                  and, therefore, the requirements of Section 84E  
12                  are met.

13                  Further, TCA still has not received  
14                  formal notification of any suspension or  
15                  revocation of his CAFRA permit, other than the  
16                  correspondence received by Commission staff  
17                  on May 20th, the eve of our hearings here.

18                  TCA intends to take whatever steps  
19                  are necessary to contact CAFRA and discuss  
20                  the specific transportation conditions in its  
21                  permit. This already started. We intend to  
22                  meet with CAFRA in addressing Mr. Adams'  
23                  comments, expeditiously and immediately upon  
24                  conclusion of this hearing, to discuss the  
25                  CAFRA permit and the transportation conditions

1           Closing - Mr. Ribis

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2           contained therein.

3           I think it's fair to say that, during  
4           the testimony of Director Weingart, he  
5           acknowledged that one of the things that the  
6           Director will address himself to are the  
7           assumptions which were made as the basis of  
8           the CAFRA permit back in 1983.

9           My question: "Were certain projections  
10          based upon studies done by Wilbur-Smith in  
11          January, 1981?

12          "Answer: Yes, that's correct.

13          "And did those studies include the  
14          projection of a number of casinos which were  
15          going to be developed in the marina area?

16          "Answer: Yes.

17          "And did those casinos -- were they  
18          projected to be four casino hotels by 1985  
19          open and operating in the marina area?

20          "Answer: I can look. I don't  
21          remember specific numbers. I know that the  
22          thinking at that time was four casinos in that  
23          area in the foreseeable future. I don't  
24          remember the exact date."

25           The testimony went on, we found the

2           portion of the CAFRA report of July, 1983, and  
3           he admitted that it was stated that, based  
4           upon projected volumes of vehicular traffic,  
5           including a 100 percent on-site patron parking  
6           for MGM, Hilton, Harrah's and Camelot, was the  
7           basis in 1985 for the assumptions made by  
8           CAFRA.

9           I went on to ask him if, and this is  
10          the question, "Did that not only include  
11          development of Harrah's, Hilton, future  
12          Camelot, Golden Nugget, Cavanaugh, Clam Creek  
13          Marina and the potential U.S. Coast Guard  
14          Station as potential sites for the basis of  
15          the issuance of the permit?

16           "Answer: What it included was the  
17          inflexibility, and that's the word that was  
18          used in the decision to accommodate that  
19          possible development in the future.

20           "That was the basis of the transporta-  
21          tion plan, wasn't it, Mr. Weingart?

22           "Answer: That was part of the plan,  
23          yes."

24           Director Weingart testified that his  
25          agency secretly modified conditions of CAFRA

1           Closing - Mr. Ribis

1217

2           permits based upon new information or changed  
3           conditions. Without question, Trump Castle  
4           Associates attempted to illustrate to the  
5           Department of Transportation a basis to modify  
6           the transportation plan due to the changed  
7           condition of the original CAFRA permit. As  
8           the Commission's aware, that fell on deaf ears.

9           However, it is contended, and it is  
10          hoped by Trump Castle Associates, that the  
11          discussions with CAFRA representatives will be  
12          more fruitful, and will immediately resolve the  
13          questions of the modification of the transporta-  
14          tion plan or the implementation of the new  
15          conditions in a new CAFRA plan.

16          Fourth, Chairman Read also questioned  
17          and asked Trump Castle Associates to respond  
18          to whether the 84E Conditions, overall compli-  
19          ance list and environmental conditions were  
20          satisfied. Simply stated, with respect to  
21          this issue, reference can be made to Barbara  
22          Lampen's report marked into evidence here, and  
23          I quote where it states, "A staff review of  
24          the information contained in the statements  
25          as it pertains to environmental, economic,

1                   Closing - Mr. Ribis

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2                   socially and demographic conditions find that  
3                   the licensee has addressed the provisions of  
4                   N.J.S.A. 5:12-84E at that time, and that no  
5                   environmental, economic, social or demographic  
6                   conditions were created by the casino hotel or  
7                   its operations which could not be suitably  
8                   mitigated by certain actions of the licensee."

9                   Therefore, as to that question raised  
10                  by the Chairman, I believe C-5 in evidence  
11                  addresses compliance specifically.

12                  In conclusion, I believe I've addressed  
13                  to the Commission the specific issues which  
14                  were raised at the commencement of this  
15                  hearing. I would like this opportunity to  
16                  address to the Commission matters which have  
17                  not been specifically spoken to with respect  
18                  to issues raised by the Chairman at the  
19                  commencement of this hearing.

20                  Initially, I would like to state that  
21                  this Commission cannot lose sight of this,  
22                  the history of the roadway improvements which  
23                  Trump inherited in June of 1985. Mr. Adams  
24                  has spoken in great detail as to the history;  
25                  I need not restate all that.

2                   The need for roadway improvements  
3                   seems to be an uncontested issue, and one which  
4                   Donald Trump believed, and still believes, must  
5                   be addressed immediately and, in fact, Robert  
6                   Trump and Donald Trump took steps to try and  
7                   address that issue quickly when Trump Castle  
8                   Associates acquired this facility. However,  
9                   the obligation was originally between Harrah's  
10                  Associates, Golden Nugget, Hilton and the  
11                  Department of Transportation. It was a  
12                  three-way obligation.

13                  The basis of the obligations were  
14                  assumptions of fact made by CAFRA and the  
15                  planners, both Wilbur-Smith and the Department  
16                  of Transportation's planners, with respect to  
17                  casino development in the area.

18                  Several things have happened after  
19                  the execution of the contract in March of 1984.  
20                  First, casino development in the area was not  
21                  as expected or projected. There were not four  
22                  or five casinos in May of 1985, nor four or  
23                  five operating casinos projected for many,  
24                  many years to come in the marina area. There  
25                  are two operating casinos, far less in magnitude

1                   Closing - Mr. Ribis

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2                   than those originally projected in the CAFRA  
3                   study.

4                   It is interesting to note that P-3  
5                   in evidence referred to the potential repayment  
6                   by non-residential, CAFRA regulated facilities,  
7                   and I assume that to mean casino-hotels, to  
8                   pay a proportionately reimbursed share of the  
9                   marina roadway improvement at some future date.

10                  Commissioner Armstrong pointed that  
11                  out during the course of questioning of Mr.  
12                  Friedenrich, I believe. Although well  
13                  intentioned, Mr. Friedenrich testified that he  
14                  did not believe that the Department of Trans-  
15                  portation could require such payments legally  
16                  from a developer, and furthermore, it is  
17                  questioned whether any future developers will  
18                  be seen in the marina area over the next five  
19                  years.

20                  Therefore, the basis for reimbursement  
21                  as contained in the March, 1984 letter agree-  
22                  ment may have some questionable legal enforce-  
23                  ability, and also there was a factual question  
24                  as to reimbursement by other casino developers.

25                  Trump Castle Associates, through the

2                   actions of Robert Trump and Donald Trump,  
3                   acted in good faith to find solutions to a  
4                   problem which had already been in a quagmire of  
5                   legal questions which, when Trump Castle  
6                   Associates acquired this property, not only  
7                   were there joint venture disputes, but also  
8                   disputes as to the roadway improvement contracts  
9                   enforceability.

10                  The answer filed by the Department of  
11                  Transportation specifically referred to the  
12                  Stage 2 improvements and notes that, "There  
13                  were conditions preceding to the enforcement  
14                  of Stage 2 improvements under the roadway  
15                  contract, that is, reinvestment tax credit  
16                  by March 30th, 1984."

17                  We all know that that did not and has  
18                  not happened as yet.

19                  Aside from that, Golden Nugget notified  
20                  the Department of Transportation of its  
21                  intention to terminate its relationship with  
22                  respect to this agreement.

23

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25

1                   Closing - Mr. Ribis

2                   What we learned through this hearing  
3                   is that the Department of Transportation  
4                   through Mr. Friedenrich, may not have been  
5                   acting in the same good faith as the  
6                   Trumps. After a meeting of July 25th, which  
7                   I attended, regarding potential roadway  
8                   improvements and the ongoing traffic study,  
9                   when requested at the conclusion of that  
10                  hearing to review the roadway improvements,  
11                  and whether they should be done on a new  
12                  basis or continued on the same basis,  
13                  Mr. Friedenrich reported back to Commissioner  
14                  Bodman on July 26th, in less than 24 hours,  
15                  regarding the fact that his planning and  
16                  engineering staff continued to demand that  
17                  the plans be built as projected. No one on  
18                  the Trump side ever heard of this notification  
19                  to Commissioner Bodman. In fact, the roadway  
20                  study continued by Wilbur-Smith, other contacts  
21                  were made to the Department of Transportation,  
22                  correspondence was sent with the initial  
23                  roadway study conclusions, and eventually the  
24                  roadway study was forwarded to Commissioner  
25                  Bodman for his initial review and consideration.

1                   Closing - Mr. Ribis

2                   Despite the testimony of Mr. Friedenrich,  
3                   it seems that his own planning staff, in a  
4                   memo December 2nd, 1985, marked A-12 in  
5                   evidence, disputed his position that the  
6                   planning staff agreed with the original  
7                   determination to proceed as planned in  
8                   1983, and I quote from this memorandum,  
9                   "Our Planning Bureau has determined that there  
10                  is a current need for grade separation at the  
11                  Route 30 and Huron Avenue intersection. This  
12                  would dictate that Phase II is needed to  
13                  be built first. They have also determined  
14                  that, with an additional at-grade improvement,  
15                  the Huron Avenue/Brigantine Boulevard  
16                  intersection could operate at an acceptable  
17                  level of service for about eight years,  
18                  provided that no other casinos, no other  
19                  major developments are built in the marina  
20                  area. This additional improvement has been  
21                  determined to be two-lane, free right turn  
22                  from Brigantine Boulevard southward."

23                  Despite Mr. Friedenrich's protestation,  
24                  it is clear that his planning staff had a  
25                  varying point of view to his. Mr. Friedenrich

1                   Closing - Mr. Ribis

2                   interestingly enough, also testified that  
3                   the State of New Jersey required private  
4                   developers to contribute on a reasonable  
5                   basis, for certain roadway improvements.

6                   What he said is that, "The State of  
7                   New Jersey does not have a bottomless well  
8                   of resources to fund those types of improvements,"  
9                   and I agree with Mr. Friedenrich's comment,  
10                  and I think it's appropriate to the instant  
11                  situation. Neither Trump's Castle Associates,  
12                  Harrah's Marina, Golden Nugget or the  
13                  other casino developers have a bottomless  
14                  well of resources to fund roadway improvements  
15                  that may not be necessary under the current  
16                  circumstances.

17                  I suggest that this Commission has  
18                  heard testimony regarding all these points,  
19                  and can determine that there has been  
20                  compliance with the condition placed in the  
21                  casino license and that there has been  
22                  compliance with the representations as  
23                  contained in the record before this  
24                  Commission.

25                  I'm stopping for a moment because I'm

1           Closing - Mr. Ribis

2           going to address now what the Public Advocate  
3           had said about Mr. Trump and, I believe, me.

4           The Public Advocate came to this  
5           hearing under a statutory authority given to  
6           him by the legislature. That is to protect  
7           the public interest.

8           What we heard in this summation is  
9           that the public interest is not as important  
10          as attacking Donald Trump. What I heard  
11          from the summation from the Public Advocate,  
12          he's not here for the Brigantine residents.  
13          Where was he in 1981 when Mayor Kline went  
14          to every state agency and complained about the  
15          need for roadway improvements, in 1982, in  
16          1983, when Harrah's Marina opened, and  
17          in 1984, and 1985, and 1986 at renewal  
18          hearings for Harrah's Marina? He wasn't  
19          there because it wasn't Donald Trump.

20          Donald Trump is good news today, and  
21          the Public Advocate knew that. His  
22          responsibility, as mandated by the statute,  
23          was to protect the citizens of Brigantine  
24          and their public health and safety. He comes  
25          before this Commission and sums up and attacks

1                   Closing - Mr. Ribis                   1226

2                   the credibility of Mr. Trump and his family  
3                   and his attorney.

4                   I think it's not only inappropriate,  
5                   I think the veil of protection that the  
6                   Public Advocate has to make comments relating  
7                   to public issues has been breached.

8                   Well beyond the statutory permission  
9                   has the Public Advocate gone, and that may  
10                  have to be addressed some day in some other  
11                  forum.

12                  I personally take issue with the  
13                  comments that the Public Advocate made as to  
14                  me and my law firm. This Commission knows,  
15                  over the past many years, of the amount of  
16                  time and effort I spend on matters before  
17                  this Commission. I wasn't appointed as  
18                  Chairman of the Essex County Ethics Committee  
19                  because I don't have high ethics, and don't  
20                  assume my responsibilities.

21                  Nor was Mr. Trump an individual whose  
22                  character of honesty and integrity to be  
23                  attacked by the Public Advocate.

24                  The statutory responsibility's with  
25                  the Division of Gaming Enforcement. That's where

1           Closing - Mr. Ribis

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1                   Closing - Mr. Ribis

1226

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23                  attacked by the Public Advocate.

24                  The statutory responsibility's with  
25                  the Division of Gaming Enforcement. That's where

1                   Closing - Mr. Ribis

2                   it should stay.

3                   Whether this Commission erred in  
4                   permitting the Public Advocate to be here,  
5                   is an issue we've already passed. The  
6                   Public Advocate was here, I thought, to  
7                   address specific issues. Those issues related  
8                   to public health and safety for the citizens  
9                   of Brigantine.

10                  Finally, I'd like to address the  
11                  question which we have spent many days  
12                  regarding the testimony of Mr. Coakley and  
13                  the testimony of Mr. Trump and many other  
14                  people.

15                  This issue, as stated by the  
16                  Division of Gaming Enforcement, is not a  
17                  licensing matter, and should not be considered  
18                  to be such by the Commission.

19                  There may be an honest disagreement  
20                  from reputable witnesses as to whether there  
21                  was or wasn't a 10-minute conversation on  
22                  April 27th, regarding the roadway improvements  
23                  and who was present at the meeting. We've  
24                  heard some versions of the meeting from all  
25                  sides, Mr. Coakley doesn't remember Mr. Freeman,

1           Closing - Mr. Ribis

2           Mr. Freeman doesn't remember being there,  
3           Mr. Bernstein doesn't remember escorting  
4           Mr. Trump into the meeting, Mr. Walderman  
5           and Associates don't remember the meeting  
6           taking place.

7           There is no question that on April  
8           27th, if the conversation took place, it  
9           was after difficult and long negotiations  
10          relating to a \$320 million transaction.

11          Mr. Trump does not recall the meeting.  
12          Therefore, when and if a short 10-minute  
13          discussion took place, it may not be as  
14          embedded in Mr. Trump's mind as it was in  
15          Mr. Coakley's, or Mr. McAuley's, or Elizabeth  
16          Corey's mind. They were talking to Mr.  
17          Trump, and they were really impressed with  
18          that, and they should be. They recalled it;  
19          Mr. Trump didn't recall it.

20          Any conversations that occurred  
21          during a 10-hour closing, which included  
22          major business decisions on Mr. Trump's part  
23          in order to execute the contracts of sale,  
24          to place \$320 million at risk, despite his  
25          attorneys' recommendation not to do so, if the

1           Closing - Mr. Ribis

2           transaction didn't close, his determination  
3           whether he would receive the financing from  
4           Manufacturers Hanover of \$300 million, as  
5           well as other last-minute business negotiations,  
6           I'm sure Mr. Trump remembers those things  
7           and I'm sure Mr. Trump would have remembered  
8           a significant meeting.

9           The substance of the conversations,  
10          without question, are not important because  
11          there's no question that what we have is an  
12          honest dispute from reputable people as to  
13          what happened in a 10-minute conversation  
14          during a 10-hour day.

15          I believe that the Commission should  
16          not be sidetracked on that issue, that the  
17          Commission should view, as a whole, the  
18          Trump Castle Associates' application, Mr.  
19          Trump and his background, the background of  
20          his business and his family, and I request  
21          that this Commission renew the license of  
22          Trump's Castle Associates.

23          Thank you.

24          CHAIRMAN READ: Thank you, Mr. Ribis.  
25          If there's nothing further to bring

1 before us this afternoon, unless counsel  
2 have something we've overlooked by way of  
3 housekeeping, I'm not aware of anything,  
4 if that's the case, we will stand  
5 adjourned at this time, and we will certainly  
6 make every effort to come to a conclusion  
7 and announce a result by the end or latter  
8 part of the public meeting tomorrow here  
9 at Lawrenceville.

10 If there's nothing further, we stand  
11 adjourned.

12 (Whereupon, the hearing was adjourned  
13 at 4:05 p.m.)  
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C E R T I F I C A T I O N

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

\_\_\_\_\_  
Trump Renewal hearing-Volume VI  
\_\_\_\_\_

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

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

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

Dated: June 10, 1986

Catherine Talbot, C.R.  
Certified Shorthand Reporter  
# 237

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

I, LE ROY EARL, Certified  
Shorthand Reporter and Notary Public of the State of  
NEW JERSEY, do hereby certify that the foregoing is a  
true and accurate transcription of my Stenographic  
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\_\_\_\_\_  
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case.

Dated: June 10, 1986

LeRoy Earl  
Certified Shorthand Reporter  
# 526