

Message

From: David Orowitz [/O=TRUMP ORG/OU=FIRST ADMINISTRATIVE GROUP/CN=RECIPIENTS/CN=DOROWITZ]
Sent: 12/16/2011 9:31:17 PM
To: Allen Weisselberg [weisselberg@trumporg.com]
Subject: IMPORTANT: Need to discuss now
Importance: High

Allen,

Ivanka wanted me to change the language in the GAAP section. She asked that I review with you.

Can you review the following and let me know if this works? We need to send to the printer, so I need to get your thoughts as soon as possible. I am jumping on a call, but will call you immediately afterwards. If you prefer to respond by email, that is fine also.

Dave

3b) Financial statements appear to have multiple GAAP departures including but not limited to not including separately held entity financials, no provisions for income tax and the PV of the deposits not reflected

We believe that Mr. Trump's financial statements clearly demonstrate that we are more than capable to fund this project and that, in fact, we could do so entirely in cash. That said, this will not be necessary due to our commitment from Colony and strong interest from existing banking relationships (letters from some of them were included in our proposal).

The financial statements provided are Mr. Trump's personal statements. For a number of different reasons, GAAP exceptions are frequently included in private financial statements unlike those of publicly traded companies. We will attempt to respond to your specific examples.

Separately held entities: Mr. Trump owns approximately 400 entities that are in various businesses. Unlike Mr. Trump's personal financial statements, which are completed as of June 30th each year, the individual entities are accounted for on a calendar year. This timing issue makes it very challenging to provide accounting for each separately held entity at the point in time of Mr. Trump's financial statements. This would not have been possible to achieve during the period of time allotted for the RFP response.

Provisions for income tax: To establish a provision for income taxes, we would need to provide accounting for each individual entity. We have discussed the reasons that this was not done above.

PV of the deposits: Membership deposits are not documented as a liability as they generally do not become due until a member resigns and then only after a very long period of time (e.g., 30 years) or when multiple new members join (e.g., a member only receives his or her deposit back once a number of new members join and the new members initiation fees offset the refunded deposits paid to the resigning member). It should be noted that the footnotes to the financial statement disclose the full amount of these membership deposits for each club facility.

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