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Attorneys for Plaintiffs and the Proposed Class

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, BRANDON KELLER,)	No. 10-cv-00940-IEG(WVG)
ED OBERKROM, and PATRICIA MURPHY,)	
on Behalf of Themselves and All Others)	<u>CLASS ACTION</u>
Similarly Situated,)	
)	SECOND AMENDED CLASS ACTION
Plaintiffs,)	COMPLAINT
)	
vs.)	
)	
TRUMP UNIVERSITY, LLC, (aka Trump)	
Entrepreneur Initiative) a New York Limited)	
Liability Company, DONALD J. TRUMP, and)	
DOES 1 through 50, inclusive,)	
)	
Defendants.)	JURY TRIAL DEMANDED

1 “When people are fearful, you should be greedy. When people are greedy, you should be
2 *fearful.*” – Warren Buffet

3 1. This is a quote often recited by Trump University’s speakers in its initial free seminar
4 to persuade consumers that now is the time to sign up for Trump University’s \$1,500 seminar to
5 learn how to make money in real estate investing. Unfortunately, Trump University has taken these
6 words to heart, and is taking advantage of these troubled economic times to prey on consumers’
7 financial fears for its own financial gain. Students who purchase these Trump University Seminars
8 learn only too quickly, but after it is too late for them to get their money back, that it is Trump
9 University who is greedy, and they who should have been fearful.

10 2. Plaintiffs Tarla Makaeff, Brandon Keller, Ed Oberkrom, and Patricia Murphy
11 (collectively “Plaintiffs”), by and through their attorneys, bring this action on behalf of themselves
12 and all others similarly situated against Trump University, LLC, Donald J. Trump and Does 1
13 through 50, inclusive (collectively “Defendants,” or “Trump University”).¹ Plaintiffs hereby allege,
14 on information and belief, except as to those allegations which pertain to the named Plaintiffs, which
15 allegations are based on personal knowledge, as follows:

16 **NATURE OF THE ACTION**

17 3. Trump University markets itself as a University driven by the mission to “train,
18 educate and mentor entrepreneurs on achieving financial independence through real estate
19 investing.” It is anything but. In fact, rather than serving its students as a university or college,
20 Defendant Trump University is more like an infomercial, selling non-accredited products, such as
21 sales workshops, luring customers in with the name and reputation of its founder and Chairman,
22 billionaire land mogul Donald J. Trump. Defendant Trump and his so-called University promise
23 “mentorships,” urging consumers that it’s the “next best thing” to being Donald Trump’s next

24
25 ¹ Trump University changed its name to Trump Entrepreneur Initiative on June 2, 2010, after
26 the New York Department of Education insisted that the “use of the word ‘university’ by your
27 corporation is *misleading and violates New York Education Law* and the Rules of the Board of
28 Regents.” However, as the corporation was named Trump University at the time the initial
complaint was filed on April 30, 2010, Defendant Trump University is referred to as Trump
University throughout.

1 “Apprentice.” But as class members quickly find out, all Defendants provide are empty promises.
2 The primary lesson Trump University teaches its students is how to spend more money by buying
3 more Trump Seminars.

4 4. Plaintiffs and Class members who attended Trump University’s real estate investing
5 classes, were promised a “complete real estate education,” a “one year apprenticeship,” a one-on-one
6 mentorship, practical and fail-safe real estate techniques, a “power team” consisting of real estate
7 agents, lenders, personal finance managers, property managers and contractors, and were assured
8 that although the Seminars were costly, they would make the money back in their first real estate
9 deal, and could make up to tens of thousands of dollars per month or more. Plaintiffs and Class
10 members did not receive what they bargained for.

11 5. Instead of a complete real estate education, students merely received an “infomercial”
12 pushing additional Seminars or workshops they were told they would need to take to succeed. The
13 “one year apprenticeship” they were promised was actually just a three-day seminar; the one-on-one
14 year-long mentorship consisted of no practical insights and no mentorship, but rather excursions to
15 Home Depot and “mentors” who either recommend real estate deals that they stood to benefit from
16 financially, raising a conflict of interest, or who quickly disappeared and failed to return calls.

17 6. Trump University representatives also told students during the three-day seminar to
18 raise their credit card limits four times during the break for “real estate transactions,” and had
19 students prepare detailed financial statements, presumably for real estate purchases. In fact, Trump’s
20 real reason for having students increase their credit limits and provide detailed financial statements
21 was to assess how much money each student had to spend on the next Trump seminar, and to
22 persuade the students to use their increased credit limit to purchase the Trump Gold Program for
23 \$34,995.

24 7. In attempting to publicly defend its reputation, Trump University has the audacity to
25 compare itself to Harvard University – claiming that it does not guarantee real estate success, just as
26 Harvard cannot guarantee a Rhodes scholarship. Comparing Trump University to Harvard
27 University is a bit like comparing a snake oil salesman to a brain surgeon. First, Harvard is clearly
28 an accredited institution while Trump is not; Harvard professors are educated in their field, while

1 Trump instructors and mentors are trained in sales, not real estate; and when Harvard students pay
2 for a four-year education, they receive four years of teaching, whereas Trump students who pay for a
3 one-year real estate education receive three days of a hard-sell sales presentation.

4 8. Plaintiffs are not bringing this action because they did not succeed in real estate –
5 they are bringing this action because Defendants misrepresented what Trump University was
6 providing. Trump University was represented as providing a year-long real estate education and
7 mentorship, when in actuality, it was providing only a three-day long infomercial, designed to
8 confuse, rather than educate, its students, and to persuade them to purchase even more Seminars.
9 The Program fails to give students complete information or specific techniques, so that they do not
10 feel confident to get involved in real estate investing on their own, and instead decide to purchase
11 another seminar. In sum, the program is not designed to educate, but to sell.

12 9. **Attorney General Investigations** – Attorneys General in six states have received
13 numerous complaints against Trump University, and at least two have either launched investigations
14 or are in the process of reviewing complaints, according to the New York Daily News.² In January,
15 2010, Texas Attorney General Greg Abbott’s office launched a probe of Trump University’s
16 advertising and business practices after getting two dozen complaints. The Texas Attorney General
17 indicated he was probing “possibly deceptive trade practices” dating back to 2008.

18 10. Florida Attorney General Bill McCollum’s office is “reviewing” 20 complaints from
19 people who paid up to \$35,000 for various Trump Seminars, according to the New York Daily
20 News, and the New York and Illinois Attorneys General have received dozens of complaints. The
21 Better Business Bureau has received at least 70 complaints of deceptive practices from students
22 nationwide. *See n.2.*

23 11. **Standardized scripts** – Representations made to consumers about the Trump
24 Seminars were standardized. When consumers made calls to or received calls from Trump
25 University, they spoke with a member of the Trump sales team. Each member of the sales team was

26
27 ² See Douglas Feiden, *Trump U Hit by Complaints from Those Who Paid up to 30G, and Say*
28 *They Got Very Little in Return*, New York Daily News, May 31, 2010.

1 given a five to six page sales script, and was required to stick to the script word-for-word. Likewise,
2 the in-person Seminars *were highly standardized*. Speakers used the same slide presentation, the
3 same script, and even had detailed instructions for the presentation, down to where the speakers and
4 coordinators should stand, the temperature of the room and the music to be played during the
5 Introduction – “Money, Money, Money” from the Apprentice show.

6 12. **Targeting seniors** – Trump University targeted seniors, and specifically designed its
7 sales pitch to scare seniors into attending and paying for additional Seminars. For example, in the
8 introductory seminar, the speaker would typically say, “how many times do you go into Walmart,
9 and you’re greeted by a guy or gal who is 70+ years old – do you want to be doing that when you’re
10 70 years old, or do you want to be playing golf and enjoying your retirement?” In its advertising and
11 at its Seminars, Trump University would throw around statistics (which may or may not be true)
12 such as:

- 13 • Did you know that you will need \$250,000 in savings to generate \$1,000 monthly
14 income during retirement?
- 15 • That means if you’re expecting to maintain your lifestyle during retirement based on
16 an annual income of \$70,000, you need to have \$1.75 million in liquid assets.
- 17 • The average savings of a 50-year old American is only \$2,500. That isn’t wealth,
18 that’s poverty.
- 19 • If you’re a retiree, unless you have \$1 million in cash, if you spend \$50,000 per year,
20 you’ll be broke by the time you’re 85.

21 13. **Student dissatisfaction** – While Trump University’s website has publicly claimed
22 that 95% to 98% of students are satisfied with its course, this figure is far from the truth. While it
23 may be true that Trump University received some positive ratings in surveys given to the students
24 while the Seminars were in session or immediately afterward, at this point, many of the students
25 actually still believe that they will eventually get the information and mentoring they need, since
26 they have been promised a one-year apprenticeship or one-year mentorship. Also, these surveys are
27 not anonymous, but have the students’ names on them, and students are often reluctant to criticize
28 the instructors and mentors who they have paid a lot of money to help them throughout the year. It
is not until later, when students see that the help and information they need is never coming – that
they realize they have been scammed. Some Trump University former employees responsible for

1 taking consumer complaint calls estimate that as many as **50%** or more of students who take the
2 Trump Seminars are dissatisfied, and one former employee indicated that nearly *everyone* he spoke
3 to who purchased the \$35,000 elite seminar was dissatisfied with it.

4 14. **The up-sell** – Insiders at Trump University have confirmed that the entire Trump
5 University program is focused on the “up-sell” – the whole purpose of the free seminar is to get
6 people to sign up for the \$1,500 seminar. The purpose of the \$1,500 seminar is to get people to sign
7 up for the \$35,000 seminar, and the entire purpose of that seminar is to get people to sign up for
8 additional Seminars, products and books. Instructors were taught to be “armed with objections and
9 rebuttals” and to “work the room with special attention to team members in *possession of a credit*
10 *card that needs to be run.*”

11 15. **Misrepresentation of instructors’ and mentors’ experience** – Contrary to
12 Defendants’ representations, many of the seminar instructors and mentors were not experienced in
13 real estate – in fact, many had little to no personal real estate experience, and most had not engaged
14 in the vast majority of the real estate techniques they were teaching. In fact, these instructors and
15 mentors were predominantly professional salespeople, hired for their ability to deliver a hard-sell
16 sales presentation, and paid exclusively on commission based on the percent of sales they delivered.
17 Trump’s best speakers earn commissions of \$30,000 or more per month.

18 16. **Misrepresentations of “unlimited one-year mentorship”** – While consumers who
19 purchased the \$35,000 seminar were promised unlimited mentoring for an entire year, in fact, Trump
20 University told its mentors it would not pay them for more than *six one-hour* mentoring sessions per
21 consumer. When one Trump University student became frustrated by the lack of any value or
22 information the mentor was providing and asked to meet twice per week, the mentor eventually
23 admitted that the “one year” of mentoring/consulting promised was really only *six one-hour*
24 coaching sessions. Indeed, Trump University Corporate has admitted to these consumers that the
25 fact that only 6 sessions would be provided should have been disclosed.

26 17. **Misrepresenting and fabricating testimonials** – Defendants enhance, misrepresent
27 and in certain instances, completely fabricate, student testimonials. They also continue to use
28 testimonials which it knows are no longer true. In addition, Trump’s testimonials often list gross

1 profit rather than net profit which is highly misleading. Indeed, when expenses are taken into
2 account, many of these “success stories” have not really made any money at all. Many of Trump
3 University’s testimonials violated FTC regulations and requirements.

4 18. **Donald Trump’s Involvement** – Donald Trump is personally liable due to his public
5 representations concerning Trump University and his involvement and role in the misconduct:

6 (a) Donald Trump is the founder and Chairman of Trump University – according
7 to Trump University seminar presenters, Donald Trump owns Trump University “lock, stock and
8 barrel,” and it is his “baby, his company”;

9 (b) Donald Trump authorized Trump University to use his name, photos and
10 quotes for all Trump University seminar presentations, website and advertising – the home page of
11 the website displays a large photo of Donald Trump along with the message from him: “*Are YOU*
12 *My Next Apprentice? Prove it to me!*”;

13 (c) Print advertisements featuring Donald Trump and his image included quotes
14 from him including: “*Don’t think you can profit in this market? You can. And I’ll show you how.*
15 *Learn from my handpicked expert* how you can profit from the largest real estate liquidation in
16 history.”³

17 (d) An email from Trump University to thousands or tens of thousands consumers
18 featured Donald Trump’s photo with the words: “*Are you My Next Apprentice,*” and stated: “*76% of*
19 *the world’s millionaires made their fortunes in real estate. Now it’s your turn. My father did it, I*
20 *did it, and now I’m ready to teach you how to do it too.*” The signature line at the bottom of the
21 email reads, Donald J. Trump, Chairman, Trump University, and even includes his signature.

22 (e) Trump University print advertisements were reviewed and authorized by
23 Donald Trump before they were released and contained quotes from Donald J. Trump, himself,
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25
26

27 ³ See Trump University Advertisement, New York Post, March 2, 2009.
28

1 including: “I can turn anyone into a successful real estate investor, including you. – Donald
2 Trump.”⁴

3 (f) Donald Trump sent signed letters to consumers nationwide, with Donald
4 Trump’s *name and signature* at the bottom, which stated: “[N]o course offers the same dept of
5 *insight, experience and support as the one bearing my name* My hand-picked instructors and
6 mentors will *show you how to use real estate strategies to: [s]upplement or even replace your*
7 *income, [s]ecure your long-term financial future . . . [s]tart profiting today! Now is the time to create*
8 *your financial legacy. You can do it, even if you only have five or ten hours a week to spare. With*
9 *our simple instructions and practice exercises – and ongoing support from your own Trump Team*
10 *of Experts – you’ll have what you need to succeed!”* (Emphasis in original). The letter closes with
11 Donald J Trump’s name, signature, and Trump University address, at 40 Wall Street, 32nd Floor,
12 New York, NY 10005.

13 (g) While consumers were in the midst of the Trump University \$1,500 seminar
14 and Trump University was trying to persuade them to sign up for the \$35,000 course, each of the
15 participants received a personalized (addressed to them by name) letter from Donald J. Trump. The
16 letter bore the Trump logo at the top of the letter and the words “From the Office of Donald J.
17 Trump.” The letters stated:

18 Success in real estate begins with great training and proven strategies.
19 Without education you don’t stand a chance.

20 *I know how to make money in real estate.* I’ve been doing it for a long time
21 with a lot of success. *My family has been a leader in real estate* since my father –
22 Fred Trump – started building residential homes in New York City 75 years ago. My
23 father was my mentor and he taught me a lot. *Now I want to teach you how to make*
money in real estate. To be my apprentice you need to Think BIG and really want to
24 succeed. More than anything, you need to take action.

25 Do YOU have What It Takes to Be My Next Apprentice?

26 I only work with people who are committed to succeed. I founded Trump
27 University back in 2005 to teach go-getters how to succeed in real estate. My team at
28 Trump University is filled with real estate experts . . . proven winners. We’re the

⁴ See Trump University Advertisement, New York Post, March 2, 2009.

1 best of the best and we know what works. If you think you have what it takes to be
2 my next apprentice, prove it to me.

3 We've trained thousands of real estate investors over the years and we know you will
4 be most successful when you work with a partner. . . .

5 If you're serious about making money and safeguarding your future, *learn to*
6 *invest in real estate. Trump University will teach you how. We'll give you the best*
7 *training* and the confidence to succeed. If you think you've got what it takes to be
8 my next Apprentice, come prove it to me and my team.

9 The letter closes with "See you at the top!" And, it is signed, "Donald J. Trump, Chairman,
10 Trump University."

11 (h) Donald Trump wrote 387 blogs posted on Trump University's website, and
12 stated that he intended to be actively involved with Trump University. Donald Trump wrote:

13 Trump University *grew out of my desire to impart my business knowledge,*
14 *accumulated over the years,* and my realization that there is a huge demand for
15 practical, convenient education that teaches success.

16 *I want the people* who go to Trump University *to succeed, and I plan to do my part*
17 *to help them. I'm not just putting my name on this venture; I plan to be an active*
18 *presence* in the curricula. The website, www.trumpuniversity.com, will include such
19 features as "*Ask Mr. Trump,*" *in which I answer your questions;* the *blog* you're
20 reading now; *video clips of me;* and more. *My words, ideas, and image will also be*
21 *woven into the courses we create.* The reason I'm playing such an active role in
22 Trump University is that I truly believe in the power of education . . . [T]he people
23 who go to Trump University want to be successful, and *I'm on their side.*⁵

24 In another blog, Trump wrote, "*I have to believe in whatever I put my name on,* and it has to
25 reflect who I truly am. To do otherwise would be a disservice to me, my loyal customers, and
26 prospective customers."⁶

27 (i) Donald Trump personally financed Trump University;

28 (j) Donald Trump personally reviewed Trump University's financials every
month with Trump University President, Michael Sexton;

29 _____
30 ⁵ <http://www.trumpinitiative.com/blog/post/2005/06/why-i-started-trump-university-a-passion-for-learning.cfm> (last visited 10-18-10).

31 ⁶ <http://www.trumpinitiative.com/blog/post/2005/06/on-being-a-brand-whats-in-a-name.cfm>
32 (last visited 10-18-10)

1 (k) Donald Trump personally reviewed all print, newspaper and direct mail
 2 advertisements before they went out;

3 (l) Trump University presenters told consumers that Donald Trump hand-picked
 4 the Trump University instructors and mentors;

5 (m) According to insiders, Donald Trump backed Trump University 100% and
 6 intended to appear at a fall 2010 event; and

7 (n) Donald Trump held periodic live online Q&A Sessions with Trump
 8 University students, according to Michael Sexton’s interview with *Business Week*. Also, according
 9 to the Trump University website, twice a month Donald Trump would personally choose and answer
 10 the best questions from Trump members:

Ask Donald Trump: Have you ever wanted to ask Donald Trump a question? Now’s your chance! Mr. Trump loves hearing from Trump University members, especially members with great questions! But as you can probably guess, he’s got a hectic schedule. That means Mr. Trump only has time for the most interesting and direct questions. Twice a month, he will choose the best questions and respond in true Donald Trump fashion. Look for answers to your questions (if answered) and previous questions and answers posted on the Trump Blog.

15 (Last visited 5/4/10).

The screenshot shows the Trump University website interface. At the top, there is a navigation bar with links for Home, Real Estate Investing, Entrepreneurship, Investing, Live Training, Trump Blog, and My Network. Below this is a secondary navigation bar with links for Network Home, C & A, Ask Donald Trump, Newsletters, Empre. City, Resource Library, and Webinars. The main content area features a 'Welcome to My Network' sidebar with links to My Programs, My Profile, and My Questions. The central focus is the 'Ask Donald Trump' section, which includes a photo of Donald Trump and a text prompt: 'Have you ever wanted to ask Donald Trump a question? Now's your chance! Mr. Trump loves hearing from Trump University members, especially members with great questions! But as you can probably guess, he's got a hectic schedule. That means Mr. Trump only has time for the most interesting and direct questions. Twice a month, he will choose the best questions and respond in true Donald Trump fashion. Look for answers to your question (if answered) and previous questions and answers posted on the Trump Blog.' Below this text is a note: 'You must be a member to use this feature. Login or Join Now'. The footer contains various links including About TrumpU, Faculty, Philosophy, Success Stories, Trump Insider Newsletter, Course Catalog, Store, Privacy Policy, FAQ, and Contact Us, along with social media icons for Facebook, Twitter, LinkedIn, and YouTube.

1 markets of California through the promotion, marketing, and advertising of Trump University
2 Seminars in this State and on the Internet to consumers in California.

3 23. Venue is proper in this District pursuant to 28 U.S.C. §1391(a)(2), because a
4 substantial part of the events or omissions giving rise to Plaintiffs' claims occurred in this District.
5 Venue is also proper under 28 U.S.C. §1391(a)(3), because Defendants are subject to personal
6 jurisdiction in this District as they transact a substantial amount of business in this District. Indeed,
7 until recently, Trump University has offered numerous Seminars in San Diego, California. Plaintiffs
8 have filed affidavits showing that this action has been commenced in a proper county pursuant to
9 Cal. Civ. Code §1780(c).

10 **PARTIES**

11 24. **Plaintiff Tarla Makaeff** – Plaintiff Tarla Makaeff resides in Corona Del Mar,
12 California. During the class period, in early August 2008, Plaintiff Makaeff was introduced to
13 Trump University through a friend who attended the free introductory seminar and invited her to
14 attend the three-day Trump University “Fast Track to Foreclosure Training” workshop for
15 approximately \$1,495. During the three-day workshop, the attendees, including Plaintiff Makaeff,
16 were told to raise their credit card limits so they could enter into “real estate transactions.” However,
17 at the end of the session, Trump University told Plaintiff Makaeff and the other seminar attendees to
18 use that credit to purchase an additional Trump “Gold” seminar for \$34,995. Based on Trump
19 University’s numerous misrepresentations, on or about August 10, 2008, Plaintiff Makaeff enrolled
20 in Trump University’s “Trump Gold Elite” Program (“Trump Gold Program”) for \$34,995, plus the
21 variable APR finances charges, interest fees, and late fees she has to pay her credit card company.
22 Plaintiff Makaeff ultimately spent nearly **\$60,000** on Trump University Seminars, and/or Seminars
23 related to or endorsed by Trump University, over the course of one year.

24 25. **Plaintiff Brandon Keller** – Plaintiff Brandon Keller is a San Diego resident who
25 resides in Del Mar, California. During the class period, in the fall of 2009, Plaintiff Keller received
26 an email advertisement about Trump University and, as a result thereof, on November 18, 2009, he
27 attended the free introductory real estate seminar at the Marriott in La Jolla, California. At the free
28 introductory seminar, Plaintiff Keller was lured by the Trump University speaker into purchasing a

1 \$1,500 three-day workshop, which he attended from Friday December 6, 2009, through Sunday
2 December 8, 2009, at the San Diego Hilton Bay hotel. During the three-day workshop, Plaintiff
3 Keller and the other consumer attendees were told to raise their credit card limits so they could enter
4 into “real estate transactions.” However, at the end of the session, Trump University told Plaintiff
5 Keller and the other seminar attendees to use that credit to purchase the \$35,000 Trump Elite
6 seminar. Based on Trump University’s numerous misrepresentations, on or about December 8,
7 2009, Plaintiff Keller enrolled in Trump University’s Elite seminar for about \$35,000, plus the
8 variable APR finances charges, interest fees, and late fees he has to pay his credit card company. As
9 set forth more fully below, contrary to Trump University’s promises, Plaintiff Keller was never
10 provided any assistance with real estate investing. Pursuant to Plaintiff Keller’s requests, he was
11 refunded his \$35,000 for the Elite seminar; however, Trump University refuses to return to Plaintiff
12 Keller his \$1,500.

13 26. **Plaintiff Ed Oberkrom** – Plaintiff Ed Oberkrom is a 65-year old senior citizen who
14 resides in St. Louis, Missouri. During the class period, in February 2009, Plaintiff Oberkrom was
15 lured by Trump’s advertising into attending a “free” introductory Trump seminar, wherein Plaintiff
16 Oberkrom purchased a three-day Trump University mentorship for two for approximately \$1,495.
17 During the three-day workshop, Plaintiff Oberkrom and the other consumer attendees were told to
18 raise their credit card limits so that they could enter into “real estate transactions.” However, at the
19 end of the session, Trump University told Plaintiff Oberkrom and the other seminar attendees to use
20 that credit to purchase an additional Trump Seminar. Based on Trump University’s numerous
21 misrepresentations, in March 2009, Plaintiff Oberkrom enrolled in Trump University’s Elite seminar
22 for two for about \$25,000, plus the variable APR finances charges, interest fees, and late fees he has
23 to pay his credit card company. Despite Plaintiff Oberkrom’s requests, Trump University refuses to
24 refund any of Plaintiff Oberkrom’s money.

25 27. **Plaintiff Patricia Murphy** – Plaintiff Patricia Murphy resides in Bronx, New York.
26 During the class period, Plaintiff Murphy was lured into attending a free introductory Trump seminar
27 by radio and/or television advertisements that Donald Trump was holding a free seminar. Plaintiff
28 Murphy then purchased three Trump University weekend Seminars, coaching sessions and software.

1 Plaintiff Murphy took out her life savings and spent approximately \$12,500 on these Seminars,
2 software and mentoring from approximately January 27 through March 12, 2007. As with the other
3 Plaintiffs and the Class, Plaintiff Murphy did not realize she was being scammed until it was too late.

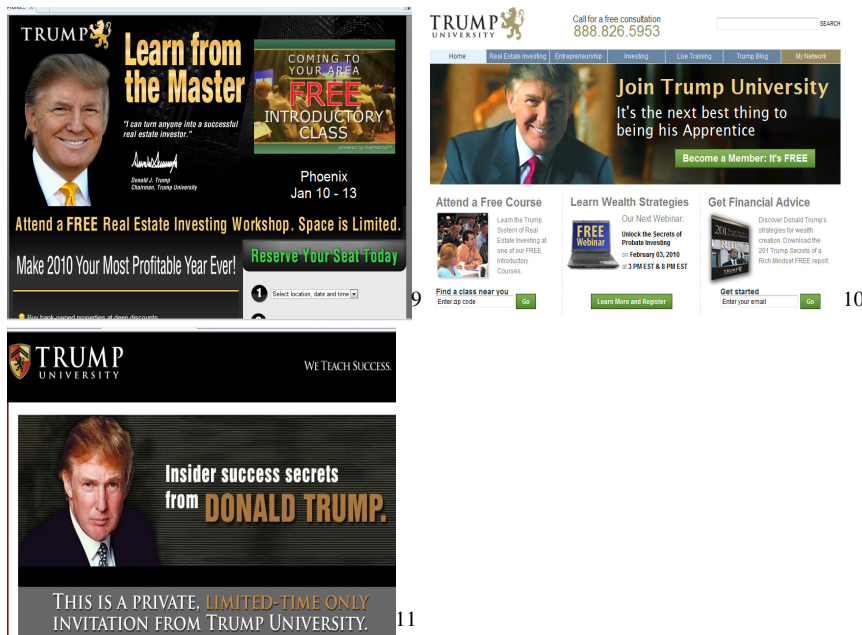
4 28. **Defendant Trump University, LLC** – Defendant Trump University, LLC (now
5 Trump Entrepreneur Initiative) is a New York limited liability company registered in New York. In
6 response to demands by the New York Department of Education, and after the initial Complaint in
7 this action was filed, it changed its name to “The Trump Entrepreneur Initiative” on or around June
8 2, 2010. Its executive offices and company headquarters are located in New York, New York.
9 Donald J. Trump is the chairman of Trump University, as well as the chairman and president of The
10 Trump Organization. Trump University conducts substantial business throughout the State of
11 California, including marketing, advertising, and hosting Seminars in San Diego County and all over
12 California. Plaintiffs are further informed and believe that at all times relevant hereto, Trump
13 University acted for or on behalf of Donald Trump in undertaking the acts and/or omissions alleged
14 herein.

15 29. **Defendant Donald J. Trump** – At all times herein mentioned, defendant Donald J.
16 Trump was and is an individual residing in the State of New York, and at all times herein mentioned,
17 Plaintiffs are informed and believe Trump was doing business within the State of California, as he
18 posted blogs on Trump University website that were viewed by California residents and reviewed
19 and authorized advertisements that were directed to California residents. At all times mentioned,
20 Trump was a founder, chairman, officer, director, manager, managing member, principal and/or
21 controlling shareholder of Trump University, and in connection with the matters set forth in this
22 action, Defendant Trump had business dealings within the State of California directly related to the
23 subject of this Action. At all times herein mentioned, Defendant Trump was also an officer, director,
24 President and/or CEO of The Trump Organization.

25 30. At all times herein mentioned, Defendant Trump approved, authorized, either
26 specifically and/or tacitly directed, ratified and/or participated in the acts complained of herein
27 engaged in by Trump University.

28

1 It also *promised two hours of “priceless information . . . all for free.”*⁸ Other advertisements urged
 2 consumers to “Learn from the Master” – Donald Trump,” that “It’s the next best thing to being his
 3 Apprentice,” and told consumers that they would learn “insider success secrets from Donald
 4 Trump.”



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35. At the free seminar, prospective customers are greeted by a large screen projector and two tall banners with Donald Trump’s photo on them. The speaker, who is following a Trump University script, begins addressing the audience with scare tactics. A large portion of the audience is typically comprised of senior citizens, and the speaker plays on their fears, asking: “How many of

⁸ David Lazarus, *Trump’s a grump about column on his ‘priceless’ tips*, L.A. Times, Dec. 16, 2009, <http://www.latimes.com/business/la-fi-lazarus16dec16,0,1670633.column>. When L.A. times reporter David Lazarus attended the Pasadena Hilton Trump seminar, he “learned by attending the seminar, the event was a two-hour sales pitch for a three-day workshop that would cost people \$1,495.” *Id.*

⁹ Screen shot from <http://www.trumpurealestate.com/market-Phoenix.html?cid=726078> (last visited 2/3/2010).

¹⁰ Screen shot from <http://www.trumpuniversity.com/> (last visited 2/3/2010).

¹¹ Screen shot from <http://www.trumptactics.com/> (last visited 2/3/2010).

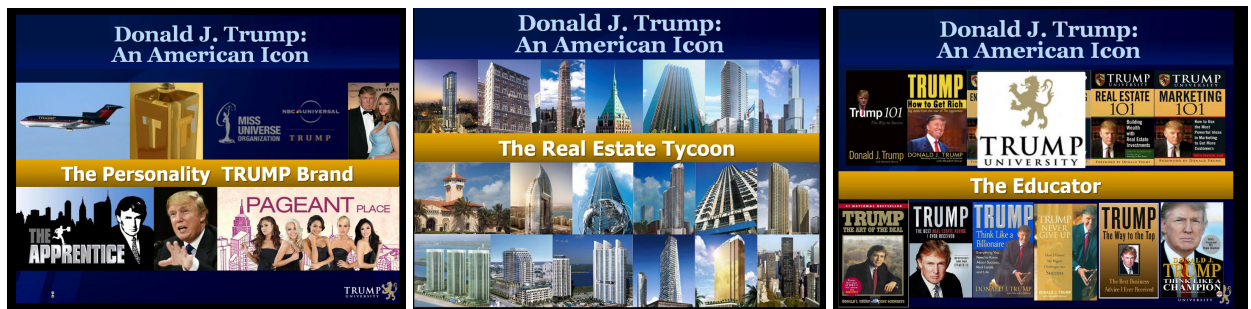
1 you lost a lot of your 401k investment in the market? How many of you are retired or want to retire?
 2 How many of you want to leave a legacy or property to your kids?”

3 36. The speaker induces the audience to trust in the Trump name and “family” by
 4 walking through the history of the Trump Organization and Donald Trump’s “humble beginnings.”
 5 He tells the audience that 76% of all millionaires are created from real estate – that “anyone can do
 6 it,” and that “it’s not easy, but it’s simple if you know what you’re doing, and we’ll teach you what
 7 you need to know.” He states that the mission of Trump University is to “train, educate and mentor
 8 entrepreneurs on achieving financial independence through real estate investing.”



16 37. The speaker emphasizes that on the television show, “The Apprentice,” Mr. Trump
 17 could only work one-on-one with one person a year, so he created this University – not to make
 18 money for himself, but so that he could teach others. With this apprenticeship program, the speaker
 19 claims, “Mr. Trump takes you through an entire apprenticeship for one year.” The speaker
 20 emphasizes that “*Trump University is owned, lock, stock and barrel by Mr. Trump – it’s his ‘baby,’*
 21 *his company*, designed to help him accomplish his goal of leaving a legacy.” The presentation plays
 22 on consumers’ reliance on the Trump name, Trump’s Apprentice television show, the Trump
 23 reputation, Trump’s wealth and Trump real estate expertise:

27 12 These and the following slides are from the free online introductory Trump seminar.



38. The presentation claims that the real estate transactions taught are safe and conservative. The speaker encourages members of the audience, including the elderly, to cash out their 401K's so they can supposedly make a higher return. He tells them, "this is by the numbers, and the numbers don't lie. This isn't speculative. It's a good idea." Consumers are told these strategies will make them money – they are time tested strategies that have been in the Trump family for over 75 years. Consumers are told they will pay off their credit cards, pay off their cars, fully fund their retirement and send their kids to college.



39. The whole presentation is essentially an "infomercial," designed to get members of the audience to sign up for the so-called one year Apprenticeship Program, which is purportedly going to be "A Comprehensive Real Estate Education." However, what the "one year apprenticeship" program actually turns out to be is merely a three-day workshop plus a phone number to call a "client advisor" for \$1,495.

40. Trump University promises "12 months of training," because "there's no shortcut to success." They also promise mentors who will be available for a *full year*. *"Other people don't have anyone to call, but you've got Trump. You'll call 40 Wall Street [Trump University], and they'll walk you through it."* They claim that after this seminar, "you're going to be walking on

1 Cloud 9 because you get it; you know so much.” The speaker says you can attend the first day and
2 then decide if the course is right for you. Your “Satisfaction is 100% Guaranteed.” The speaker
3 even says he will give consumers his personal email; he wants that connection with them, so they
4 can become part of the Trump family.

5 41. Trump University even promises that consumers will receive instructors and mentors
6 who were “*hand-picked by Trump.*” But, in fact, in most cases he didn’t even know who they were,
7 and in many cases, he had never even *met* them.

8 **Second Tier: the One-Year “Apprenticeship”**
9 **(actually a three-day infomercial)**

10 42. **One-Year Apprenticeship** – Defendants describe the second tier as a one-year
11 “apprenticeship” that allegedly provides a “comprehensive *real estate education.*” *In actuality, it is*
12 *merely a three-day infomercial to sell more* Trump University products. Students are told at the
13 free seminar that this one-year apprenticeship is “all you need.” However, rather than teach students
14 actual real estate techniques and how to fill out the necessary contracts and forms (as promised in the
15 free seminar), the entire “apprenticeship” is a three-day long “infomercial” to “up-sell” students to
16 buy the Trump Gold Program for \$34,995 to get a “full education.”

17 43. **Inducing students to increase credit card limits** – During the seminar, the speakers
18 demand that students raise their credit card limits by “four times” their current limits during class
19 breaks so that they can be ready to immediately purchase property. The speakers also ask each
20 student to fill out a detailed financial statement, presumably for real estate investment purposes, and
21 assess their financial situation under the guise of helping them – in fact, they assess how much
22 money each student has to spend on the next Trump University seminar. At the end of the
23 workshop, Defendants’ real reason for urging attendees to extend their credit limits becomes clear:
24 the Trump University representatives ask the students to use their increased credit to purchase the
25 next level of buy-in, the Trump University “Gold Elite” seminar, for \$34,995. Trump University
26 representatives predominantly pushed the “Trump Gold Elite” program for \$34,995, but if they were
27 unable to persuade students to purchase at this level (or if students did not have sufficient credit),
28 Defendants would encourage the students to purchase the “Trump Silver Elite” program for \$19,495

1 or the “Trump Bronze Elite” seminar for \$9,995. Each of these prices were purported to be “one-
2 day-only” price savings off their “regular” prices of \$48,490, \$23,490 and \$10,995, respectively.
3 See Ex. A, Trump University Enrollment Form.

4 44. Trump University representatives do not tell students that they are likely to incur
5 finance charges, interest fees and late fees by charging this expensive seminar on their credit cards.
6 Trump University also does not tell students that by increasing their credit limits, they could damage
7 their credit scores. Trump University representatives also never inform students that by “maxing
8 out” their credit cards, their credit scores could drop even more significantly. In fact, when Plaintiff
9 Makaeff “maxed out” her credit card, her previously high credit score immediately dropped.

10 45. Instead, Trump University representatives encourage students to max out their credit
11 cards to pay the for the \$35,000 seminar, telling them to “not worry,” because “you’ll make it back
12 in 30 or 60 or 90 days.” They knew that this was extremely unlikely, and that few, if any students
13 did so.

14 46. **Misrepresentations regarding calling student real estate “leads”** – Students were
15 also told at the free seminar that if they signed up for the \$1,500 seminar, they could bring in five to
16 ten real estate leads and Trump University representatives would call them during the seminar.
17 Students were told: Go get five for-sale-by-owner leads (FSBOs) in lower-middle income areas, with
18 a phone number and an address for each property, and five “for rent” ads. *“Our trainers, the best at
19 Trump, will call these for you. If they close the deal, you get to keep the profits.* But at the very
20 least, you get to watch and listen to the best deliver the correct words to get the right results, and you
21 get to watch it happen. No one else will do that. But we do – we’re Trump, we’re bold; we’re the
22 best.” However, at each \$1,500 seminar, Trump representatives called the leads of only one or two
23 students, even if dozens of students had brought their leads in.

24 47. **Mentorship** – Trump University promises students who purchase the \$1,495 seminar
25 an “entire year apprenticeship” – “one full year of expert, interactive support” where “you will be
26 trained properly by the best.” But in actuality, students get only a three-day seminar and an 800-
27 telephone number to call. Trump does not provide the details, support or training the students need
28 to actually engage in the real estate transactions mentioned. Nor does it provide any mentorship. In

1 fact, while Trump University promised consumers who purchased the \$35,000 seminar *unlimited*
2 *mentoring for an entire year*, Trump University told its mentors it would not pay them for more
3 than *six one-hour mentoring sessions* per consumer. When one Trump University student became
4 frustrated by the lack of any value or information the mentor was providing and asked to meet twice
5 per week, the mentor admitted that the “one year” of mentoring/consulting promised was really only
6 six one-hour coaching sessions. Students would never have paid \$35,000 for six one-hour sessions.
7 Indeed, Trump University Corporate admitted that the limit of six sessions should have been
8 disclosed.

9 48. **Illegal practices** – Furthermore, the real estate practices taught during the Seminars
10 include transactions that are illegal in certain states, including California, such as posting anonymous
11 “bandit signs.” These are signs placed by the roadway that mimic yellow and black road warning
12 signs and say, “WE BUY HOUSES, 619-222-2222.” Trump University instructors also instructed
13 students how to engage in real estate transactions which would be sanctionable as practicing real
14 estate without a real estate license.

15 49. **Conflict of interest** – As part of the \$1,495 seminar, students are promised they will
16 meet a Trump “power team” of mentors, real estate agents, brokers, contractors, attorneys and
17 accountants who were “*hand-picked by Donald Trump*,” and will help the student make money in
18 real estate. However, these Trump University “mentors” and power team members were not “hand-
19 picked” by Donald Trump. Even worse, these mentors and “power team” members often guide the
20 students toward deals in which they have a personal financial interest at stake – creating a severe
21 conflict of interest so that the mentors profit while the student does not.

22 50. **Money back guarantee and cancellation policy**– Students consistently complain
23 that they have timely requested refunds under Trump University’s money-back guarantee, but that
24 Trump University failed to refund them their money. In addition, Trump deliberately designed its
25 program and cancellation policy so that once students realize they are not getting the information
26 promised, it is too late to cancel. For example, in regard to the \$1,500 seminar, students must cancel
27 by the end of the first day (Friday) to get a full refund. However, on Friday, students are told that all
28 of the “good stuff” is going to happen on Saturday. On Saturday, Trump representatives will call the

1 students' leads, they will review their financial profile to assess what real estate investments are
2 appropriate, and will tell them about exclusive mentorship opportunities with Trump University.
3 Therefore, students are baited into waiting until the next day, and letting the cancellation period
4 expire, to see if Trump University will deliver – which it does not.

5 **Third tier – the \$35,000 Mentorship Program**

6 51. By the end of the \$1,495 seminar, students still have not received practical real estate
7 techniques. Instead, they only got a high-pressure sales pitch to purchase another program from
8 Trump University: the \$34,995 “Trump Gold Program.” Plaintiffs and Class members were clearly
9 reluctant to spend approximately \$35,000 more on an additional program, after already paying
10 Trump nearly \$1,500. However, Plaintiffs and the other Class members relied on the speakers’
11 claims that they were “guaranteed success” if they followed the techniques they would learn in the
12 Gold seminar.

13 52. Trump University’s representatives told Plaintiffs and Class members that with the
14 real estate mentorship they would receive in the Trump Gold Program, they could create a real estate
15 investing business that could earn up to tens of thousands of dollars of monthly income, and
16 potentially much more.

17 53. The same misrepresentations regarding the “on-going apprenticeship,” “hands-on
18 mentorship,” conflicts of interest with the mentors and “power team,” teaching of illegal real estate
19 practices, and failure to refund money timely requested also occurred during the Trump Gold
20 Program.

21 54. **Mentorship** – One of the biggest selling points of the Gold Program was the promise
22 of a three-day Field Mentorship with real estate experts and investors. Trump University represented
23 to Plaintiffs and Class members that the value of this mentorship alone was worth \$25,000.
24 Plaintiffs and Class members were told that they would receive priceless insights and information
25 from these mentors who were experts in the real estate industry and would personally teach them
26 what they would need to know. Instead, during the three-day mentorship, students typically spent
27 two days looking at real estate properties (which they could have done with a realtor for free and
28 were offered no unique insight or guidance), a half day at a local Home Depot and lunch, and an

1 hour or so discussing numbers. Mentors spent little to no time discussing the contracts essential to
2 the real estate transactions mentioned in the seminar. After the three-days, the mentors quickly
3 disappeared, in complete contradiction to what was promised: an ongoing mentor who would
4 personally assist the student for an entire year.

5 55. During the Gold Program, there was still constant up-sell pressure to purchase various
6 other Trump University affiliate programs and products, varying in price from \$495 to \$9,995.

7 56. Plaintiff Makaeff and the other students in her class who signed up for the \$34,995
8 seminar were told that deals would now be coming their way via email and that “these deals are
9 starting to POUR IN NOW.” However, few, if any deals came in, and those that did provided only
10 minimal positive cash flow, generally not worth enough to make the deal worthwhile, and certainly
11 not the “tens of thousands of dollars per month” of opportunity promised by Trump University.

12 57. Plaintiffs and other Class members were promised that they would receive the
13 contracts they needed to conduct various complex real estate transactions and teach them how to fill
14 them out – they never did. Even after the \$35,495 program, and after numerous phone calls to
15 Trump University, Plaintiffs and other Class members were not instructed how to use the contracts
16 they would need to conduct the real estate transactions described.

17 **Trump University Receives D- Rating from Better Business Bureau**

18 58. In January of 2010, the Better Business Bureau gave Trump University a *D minus*
19 *rating*. In addition, the New York Department of Education demanded that Trump University
20 remove “University” from its title, insisting that the “use of the word ‘university’ by your
21 corporation *is misleading and violates New York Education Law* and the Rules of the Board of
22 Regents.”¹³

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26 ¹³ See Douglas Feiden, *State Educocrats Give Failing Grade to Donald Trump’s “Misleading”*
27 *Trump University*, NY Daily News.com, April 16, 2010, and Lynn O’Shaughnessy, *Is Trump*
28 *University Flunking Out*, CBS MoneyWatch.com, April 19, 2010.

1 **Donald Trump is Liable for the Misrepresentations and Misconduct**

2 59. Donald Trump is personally liable because of his personal representations or
 3 representations purportedly made by him, as well as his involvement and role in Trump University:

4 (a) **Donald Trump is the founder and Chairman of Trump University –**
 5 Donald Trump is the founder and Chairman of Trump University. Donald Trump owns Trump
 6 University “lock, stock and barrel” according to Trump University seminar presenters. Trump
 7 University is Donald Trump’s “baby, his company,” according to the Seminars.

8 (b) Donald Trump allowed Trump University to use his name, photos and quotes
 9 for all Trump University seminar presentations, advertising – Donald Trump’s name, image, and
 10 personal representations were used extensively in Trump University seminar presentations and
 11 advertising. Donald Trump’s picture is on the home page of Trump University’s website, along with
 12 a personal message from him: “Are YOU My Next Apprentice? Prove it to me!” Other
 13 advertisements purported to provide “insider success secrets from Donald Trump,” and the
 14 opportunity to “Learn from the Master,” next to Donald Trump’s image. Consumers are told that the
 15 seminar is based on the “investing experience of Donald Trump.”

The screenshot shows the Trump University website interface. At the top left is the Trump University logo. To its right is a phone number: "Call for a free consultation 888.826.5953" and a search bar. Below this is a navigation menu with links: Home, Real Estate Investing, Entrepreneurship, Investing, Live Training, Trump Blog, and My Network. The main banner features a large photo of Donald Trump on the left and the text "Are YOU My Next Apprentice? Prove it to me!" in large, bold letters on the right. A green button below the banner says "Join Now. It's Free." Below the banner are three promotional boxes:

- Attend a Free Course:** Includes a photo of a seminar and text: "Learn the Trump System of Real Estate Investing at one of our FREE Introductory Courses." Below is a "Find a class near you" search box with a "Go" button.
- Learn Wealth Strategies:** Includes a laptop icon with "FREE Webinar" text and text: "Our Next Webinar: Creative Financing Techniques for Today's Market on May 05, 2010 at 6 PM EST & 9 PM EST." Below is a "Learn More and Register" button.
- Get Financial Advice:** Includes a book icon and text: "Discover Donald Trump's strategies for wealth creation. Download the 201 Trump Secrets of a Rich Mindset FREE report." Below is a "Get started" search box with a "Go" button.

 At the bottom is a footer with various links: About TrumpU, Faculty, Philosophy, Success Stories, Trump Insider Newsletter, Course Catalog, Store, Privacy Policy, FAQ, Contact Us, and social media icons for Facebook, Twitter, LinkedIn, and YouTube.

1 (c) Print advertisements featuring Donald Trump and his image included quotes
2 from him including: ***“Don’t think you can profit in this market? You can. And I’ll show you how.
3 Learn from my handpicked expert*** how you can profit from the largest real estate liquidation in
4 history.”¹⁴

5 (d) An email from Trump University to thousands or tens of thousands consumers
6 featured Donald Trump’s photo with the words: ***“Are you My Next Apprentice,”*** and stated: ***“76% of
7 the world’s millionaires made their fortunes in real estate. Now it’s your turn. My father did it, I
8 did it, and now I’m ready to teach you how to do it too.”*** The signature line at the bottom of the
9 email reads, Donald J. Trump, Chairman, Trump University, and even includes his signature.
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27 ¹⁴ See Trump University Advertisement, New York Post, March 2, 2009.
28

1
2 **From:** Trump University <email@info.trumpuniversity.com>
To: brandon
Sent: Thu, April 29, 2010 12:06:00 PM
Subject: Entrepreneurs Needed to be My Next Apprentice



9 **I want people who want success.**

10 If you Think BIG and believe you've got what it takes to succeed, I want you!

11 **76% of the world's millionaires made their fortunes in real estate. Now it's your turn. My father did it, I did it, and now I'm ready to teach you how to do it too.**

12 [Register Now ▶](#)

13 My team of real estate experts at Trump University is coming to your area in the next few days to conduct my Free Intro Apprenticeship Workshop. If you think you've got what it takes to be my next Apprentice, step up and attend. You should also bring along a trusted partner. This is YOUR opportunity to create wealth and take control of your own financial future with proven strategies that work in the current real estate market.

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17 **Attend the Free Intro Apprenticeship Workshop to learn how to:**

- 18
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1. Buy properties from banks at DEEP discounts
 2. Use short sales to CONTROL property
 3. Increase your financial POWER with leverage
 4. Negotiate PROFITABLE deals that meet your goals
 5. Attend and learn how to develop the CONFIDENCE to succeed in real estate

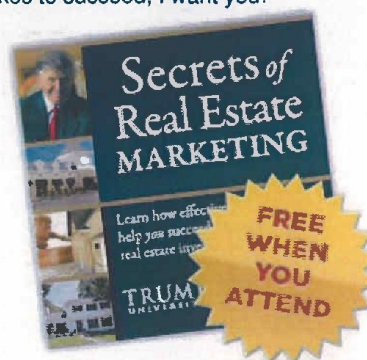
22 [Register Now ▶](#)

23 **See you at the top!**

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Donald J. Trump
Chairman, Trump University



I'm also going to give you my "Secrets of Real Estate Marketing" investor toolkit (a \$50 value) absolutely FREE when you attend.

Don't waste time - seating is very limited and my Trump Workshops always fill up fast.

1 (e) Trump University print advertisements were reviewed and authorized by
2 Donald Trump before they were released and contained quotes from Donald J. Trump, including: “I
3 can turn anyone into a successful real estate investor, including you. – Donald Trump.”¹⁵

4 (f) Donald Trump sent signed letters to consumers nationwide, with his *name*
5 *and signature* at the bottom, which stated: “[N]o course offers the same depth of insight,
6 *experience and support as the one bearing my name* My hand-picked instructors and mentors
7 will *show you how to use real estate strategies to: [s]upplement or even replace your income,*
8 *[s]ecure your long-term financial future . . . [s]tart profiting today! Now is the time to create your*
9 *financial legacy. You can do it,* even if you only have five or ten hours a week to spare. With our
10 simple instructions and practice exercises – *and ongoing support from your own Trump Team of*
11 *Experts – you’ll have what you need to succeed!”* (Emphasis in original). The letter closes with
12 Donald J. Trump’s name, signature, and at the Trump University address, at 40 Wall Street, 32nd
13 Floor, New York, NY 10005.

14 (g) While Plaintiffs and other Class members were in the midst of the Trump
15 University \$1,500 seminar and Trump University was trying to persuade them to sign up for the
16 \$35,000 course, each of the participants received a personalized (addressed to them by name) letter
17 from Donald J. Trump. The letter bore the Trump logo at the top of the letter and the words “From
18 the Office of Donald J. Trump.” The letters stated:

19 Success in real estate begins with great training and proven strategies.
20 Without education you don’t stand a chance.

21 *I know how to make money in real estate.* I’ve been doing it for a long time
22 with a lot of success. *My family has been a leader in real estate* since my father –
23 Fred Trump – started building residential homes in New York City 75 years ago. My
24 father was my mentor and he taught me a lot. *Now I want to teach you how to make*
money in real estate. To be my apprentice you need to Think BIG and really want to
succeed. More than anything, you need to take action.

24 Do YOU have What It Takes to Be My Next Apprentice?

25 I only work with people who are committed to succeed. I founded Trump
26 University back in 2005 to teach go-getters how to succeed in real estate. My team at

27 ¹⁵ See Trump University Advertisement, New York Post, March 2, 2009.

1 Trump University is filled with real estate experts . . . proven winners. We're the
2 best of the best and we know what works. If you think you have what it takes to be
my next apprentice, prove it to me.

3 We've trained thousands of real estate investors over the years and we know you will
4 be most successful when you work with a partner. . .

5 If you're serious about making money and safeguarding your future, *learn to*
6 *invest in real estate. Trump University will teach you how. We'll give you the best*
training and the confidence to succeed. If you think you've got what it takes to be
my next Apprentice, come prove it to me and my team.

7 The letter closes with "See you at the top!" And, it is signed, "Donald J. Trump, Chairman,
8 Trump University."

9 (h) **Donald Trump wrote nearly 400 blogs posted on Trump University's**
10 **website, and stated that he intended to be actively involved with Trump University** – Donald
11 Trump regularly posts blogs on the Trump University website – he has posted 387 blogs from May
12 27, 2005, to as recently as August 18, 2010, and these blogs all remained on the website as of
13 October 18, 2010.¹⁶ In these blogs, Donald Trump stated that he intended to be actively involved
14 with Trump University and intended to personally help consumers who paid for Trump University
15 Seminars. Donald Trump wrote: "I'm not just putting my name on this venture; I plan to be an
16 active presence in the curricula." For example in the blog "*Why I Started Trump University: A*
17 *Passion for Learning*," Donald Trump explains that:

18 Trump University *grew out of my desire to impart my business knowledge,*
19 *accumulated over the years,* and my realization that there is a huge demand for
practical, convenient education that teaches success

20 *I want the people* who go to Trump University *to succeed, and I plan to do my part*
21 *to help them. I'm not just putting my name on this venture; I plan to be an active*
22 *presence* in the curricula. The website, www.trumpuniversity.com, will include such
23 features as "*Ask Mr. Trump,*" *in which I answer your questions*; the *blog* you're
24 reading now; *video clips of me*; and more. *My words, ideas, and image will also be*
25 *woven into the courses we create.* The reason I'm playing such an active role in

26 ¹⁶ <http://www.trumpinitiative.com/blog/author/donald-trump.cfm>. (After the name change, all
27 references from Trump University were changed to Trump Entrepreneur Initiative, even in earlier
28 posts; for continuity, we use Trump University).

1 Trump University is that I truly believe in the power of education . . . [T]he people
2 who go to Trump University want to be successful, and *I'm on their side*.¹⁷

3 (i) In the blog "*Trump University Lampooned: We're Laughing All the*
4 *Way to the Bank*," Donald Trump acknowledges that much of the appeal and interest in Trump
5 University is due to the fact that it has his name on it, and his name has become a "brand":

6 Recently Gary Trudeau spent a week lampooning Trump University in his
7 comic strip *Doonesbury*. The basic premise of each strip in the series revolved
8 around the disparity between Trump University and a traditional university. . . .
9 Trump University has also been mocked in one of Jay Leno's monologues, in the
10 New York Post's Page Six cartoon, and probably in a lot of other places.

11 *It's nice to see that my new venture is making a splash in popular culture.*
12 As they say, no press is bad press.

13 * * *

14 [W]hen you get big, especially *when you become a brand, you become a target*. . . .
15 So, if some people want to get a few cheap laughs at the expense of Trump
16 University just because it has my name on it, that's fine.

17 (ii) Again in the blog "*On Being a Brand: What's in a Name?*" Donald
18 Trump acknowledges that his name has become a brand name, and that people pay more money
19 because of the association with him:

20 I never planned on becoming a brand name. Nevertheless . . . *Trump has*
21 *ultimately become a great brand name due to my rigorous standards of quality.*

22 * * *

23 The Trump name carries with it a price tag: people pay a lot more to live or
24 rent commercial space in my buildings because of the association with me and my
25 ideals.

26 * * *

27 *I have to believe in whatever I put my name on*, and it has to reflect who I truly am.
28 To do otherwise would be a disservice to me, my loyal customers, and prospective
customers.

(i) **Donald Trump's blogs were written by Donald Trump, not by Trump
University** – Donald Trump's blogs which were posted on the Trump University website were

¹⁷ <http://www.trumpinitiative.com/blog/post/2005/06/why-i-started-trump-university-a-passion-for-learning.cfm>.

1 written by him, or purported to be written by him; they were not written by Trump University.
2 These blogs were publicly posted on the Trump University website as public representations
3 concerning Trump University and its program and services.

4 (j) **Donald Trump personally financed Trump University** – Unlike most his
5 other ventures, Donald Trump personally financed Trump University. He remains one of the
6 primary investors in Trump University. As Business Week reported, shortly after Trump University
7 began operations, “Plenty is at stake for The Donald: Unlike many of his past ventures, he [Donald
8 Trump] has funded this one [Trump University] all by himself.” See Brian Hindo, *Trump*
9 *University: You’re Wired!*, Business Week, May 23, 2005.

10 (k) **Donald Trump personally reviewed Trump University financials every**
11 **month** – Donald Trump was involved in and knowledgeable about Trump University and its
12 financial operations.

13 (l) **Donald Trump personally reviewed all print and direct mail**
14 **advertisements before they went out** – Donald Trump was also involved in the advertising and
15 marketing of Trump University. Donald Trump also received regular updates from Michael Sexton.

16 (m) **Donald Trump hand-picked the Trump University instructors and**
17 **mentors** according to Trump University presenters during real estate investing Seminars.

18 (n) **Donald Trump backed Trump University 100% and intended to appear**
19 **at fall 2010 events** – Donald Trump himself and Trump Organization “are backing [Trump
20 University] 100% and are even pushing for a very large scale event with Mr. Trump in the near
21 future,” according to Trump University director April Neumann to President Michael Sexton,
22 Michael Bloom and other conference call team members on August 19, 2010.

23 (o) **Donald Trump would hold periodic live online Q&A Sessions with**
24 **Trump University students** – According to Michael Sexton, Donald Trump would hold periodic
25 live online Q&A sessions with Trump University students.¹⁸ Also, twice a month Donald Trump

27 ¹⁸ See Brian Hindo, *Trump University: You’re Wired!*, Business Week, May 23, 2005.
28

1 would personally choose and answer the best questions from Trump members, according to the
 2 Trump University website. The website stated:

3 Ask Donald Trump: Have you ever wanted to ask Donald Trump a question?
 4 Now's your chance! Mr. Trump loves hearing from Trump University members,
 5 especially members with great questions! But as you can probably guess, he's got a
 6 hectic schedule. That means Mr. Trump only has time for the most interesting and
 direct questions. Twice a month, he will choose the best questions and respond in
 true Donald Trump fashion. Look for answers to your questions (if answered) and
 previous questions and answers posted on the Trump Blog.

7 (Last visited 5/4/10).

24 **Complaints from Numerous Trump University Students Nationwide**

25 60. Plaintiffs are not alone in their complaints regarding Trump University's
 26 misrepresentations and unscrupulous conduct. Indeed, there are endless complaints nationwide
 27 on the internet that echo Plaintiffs' complaints, including, for example:
 28

- 1 • This recent post on <http://www.reviewopedia.com/trump-university.htm>, from Susan
2 in Michigan was posted on April 11th, 2010:

3 We purchased a mentor program for \$19,000 in December
4 2008. **We did not receive the promised materials or mentor service.**
5 We canceled immediately, calling both Rochester NY & Boca Raton
6 FL. Unfortunately we paid by check and did not have a credit card
7 company to help us get our money back. We have made several call,
8 emails, faxes, etc. **We've been lied to, deceived,** promised the person
with "authority" would call us back immediately (doesn't matter
when you call, they are never in) and told there was a glitch in their
system and our refund was being processed. **We still do not have our
refund** and they continue to play the game. Does this sound like
Donald Trump is an honest man concerned with helping you build
wealth? . . .

- 9 • Charles from Florida posted this on September 21, 2009: "I was told that after taking
10 the first 3 day seminar, which cost \$1,500 I could go out start making deals. . . . **The
11 only thing they want you to do is sign up for the next seminar** which can cost up to
12 \$35,000."
13 • Joe from Florida posted this on September 18, 2009: "**What a SCAM** I attended the
14 three day seminar and **really learned very, very little. [Their] goal is to talk you into
15 joining the next seminar,** which can cost up to 35,000. They use almost Gestapo
16 tactics to sign for this seminar Any questions you ask are never answered."
17 • L. Heard from Georgia had this to say on June 23, 2009:

18 I have been trying to get my money back from attending one
19 of the seminars and have yet to do so. My contract stated that I had 3
20 days after date of purchase to cancel and I did so in 1 day. I attended
21 the seminar on March 22, 2009 and here it is June 22, 2009 all they
22 can tell me is that they see that I have done all that I was supposed to
23 do but they don't know what is taking so long to refund my money.

- 24 • Dorla from California posted this on June 10, 2009:

25 Trump University is a major disappointment. **They charged me
26 \$35,000 for the program, which I would never have paid if I had known
27 that the info given to me was not true.** I based my decision on that info!
28 They would not return even a portion of my money after several long and
tearful conversations, even after agreeing the info was outdated and they
would have to do something about it. I would strongly suggest never using
them. There are other gurus out there that are honest and don't cost as much
**!!! I can't believe Donald Trump would allow such mis-behaving to be
associated with his name. Run fast and keep running** where they are
involved!

- Yu from Los Angeles posted this on March 25, 2009:

I signed up the tax lien products & as the organization
promised "Full Money Back Guarantee" within 10 days. I called at
least 10 times the organization & they keep on telling me different
time frame & story about why they delayed to refund me. It's been

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the 25th business days, have ***NOT yet received my refund. I checked BBB & found they did have a lot of fraud issues.***

- Linda from Newark, California had this to say on March 6, 2009: “I took several Trump classes and spent well over \$15,000 They give you a ton of information and then ***leave you high and dry. No support what so ever!!!!***”
- Rhonda from Georgia claimed ***her identity was used by Trump University without her permission*** (post from September 30, 2009):

Just had someone write me and call that said that they graduated from Trump University’s 3 day course and was led to me by ***James Harris who said that I was a student there.*** Okay – ***that’s not true.*** Then, he also said that when I came to him as a student I was almost broke and that the course made me successful. Wrong again! I have never been a student of his or the school I and never been broke.

That is slander and I would watch someone who makes up stuff to make their product look better. Hopefully the success of the school is not based on lies.

Whereas I am successful - #1 Real Estate Agent in Georgia, 6 years in a row, it was not because of Trump University or James Harris which I had no idea existed until it was brought to my attention.
<http://www.reviewopedia.com/trump-university.htm>.

- On December 13, 2009, another Class member that was scammed by Trump University wrote:

Do not trust Trump University! This company is a well designed scam using the name of Donald Trump who apparently doesn’t care how much more Americans get hurt this year and the next ones by a weak economy. Instead he’s using it to take advantage of you.

They will do whatever (and I mean, whatever) it takes to get you to open your pockets to invest in their company. I am sure there are tons of people like me who have lost precious money because of them. So if you have to borrow and have no credit to do this or even if you have good credit, don’t! They will rob from you . . . ***this is modern day robbery*** . . . and then they will place in a very dangerous position. You could lose equity in your house if you have to borrow to attend, ***you could damage your credit*** if you have to max out your credit cards, or you could even lose your house like so many Americans because that last bit of money that was supposed to get you through another six months or year for mortgage payments is now gone based on a false promise!

The scam in all of this is that the information always skims the surface. No matter the class, ***you get loads of advice on buying more classes, not advice on execution.*** They will never tell you that it takes 1000 steps to do something and instead magnify the few positive points of real estate. Don’t be fooled by them or their grand

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statements of flipping a house with 10 hours of work. They are full of it! I know because I have been through it.

* * *

Oh and when they tell you they'll be there for you, they'll scam as soon as they've collected the dough. The instructors are there for their 3 day classes and then off to the next city to convince more unsuspecting prospects to drop 15-35G's. . . . <http://trump-university.pissedconsumer.com/trump-university-reviews-20091213164344.html>.

- On January 20, 2010, another consumer wrote:

Trump U preys on the elderly.

This is the biggest SCAM I've ever seen! My 82 year old father went to a free seminar promising to make him rich through real estate. The seminar was solely for the purpose of upselling him into attending a \$1500 three day workshop by promising him they would teach him how to buy and sell foreclosures for huge profits (which is totally unrealistic because the vast majority of foreclosures today are because people are upside down in their homes) Anyway, he goes to the 3 day workshop and when he comes home we find out that they pressured him into spending \$35k MORE! I don't care who you are there is no real estate course worth \$35k. Then he proceeds to tell us how the majority of people there were SENIORS like him! These aren't long term investors here, these are people being tricked into thinking they can make a quick profit! If this isn't the definition of preying on the elderly then I don't know what is. <http://www.moneystance.com/trump-university-reviews>

- On December 13, 2009, another consumer stated that:

Trump University and their staff should be ashamed of themselves! They RUINED my credit!!! They told me I would get my large investment back in my first real estate deal because I would have access to amazing mentors and course content. I did what they told me in all of the courses and it was nonsense! *I maxed out my credit cards* because I thought Donald Trump wouldn't have such a sorry excuse for a school just to make more money. But he is a greedy man so I should have known.

Be aware that when they tell you to increase your credit limit to purchase real estate it's really to scam you out of tons of money that you've worked so hard for. <http://www.complaintsboard.com/complaints/trump-university-c288699.html>.

- On November 3, 2008, another victim stated:

At the retreat, the only three things that happened: they pre-qualify you for their \$35, 000.00 GOLD PACKAGE, [2] *they ask you to call all your credit card companies and request a credit limit increase (so you can pay for the 35K)*, then during three days the sell you over

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and over their mentoring services and keep telling you that the information you are waiting to hear is coming . . . three days later nothing worth is mention. Their material is completely worthless. 100+ pages of content-empty power point print outs.

I requested a refund, both in person and in writing and was denied

BE AWEARE, THESE ARE MASTERS OF THE SCAM.
<http://www.complaintsboard.com/complaints/trump-university-c118292.html>.

- On February 27, 2009, Patt from Sacramento, California wrote:

Trump University real estate programs are ALL scams. I paid the \$1500 for the 3 day course which turned out to be three days of them trying to get me to sign up for the \$21,000 gold course. They ***ask for all your financial information*** (which fortunately I refused to give them) and then spend the remaining “class time” pulling people out to ***hard close them on the gold program and private coaching.***
<http://www.ripoffreport.com/seminar-programs/trump-university/trump-university-rip-off-of-th-99exd.htm>.

- On June 19, 2008, Truth from Brooklyn, New York stated:

I wished I saw this site BEFORE I fell for [p]aying the \$1,500 at the free seminars. ***[T]hey will take your money and the 3 day event will be used to make you buy more stuff. [A]nd even after you buy more stuff, they will sell you more.*** [A]m not sure how much trump is making from this. But, i do feel that if he know what bull they are teaching, he would not authorize to use his name. [A]s you may know, this is the same things that other companies are doing to sell you more and more training. [T]he only difference in this situation is that they use trump name.
<http://www.ripoffreport.com/seminars/trump-university-tru/trump-university-trump-seminar-pcc44.htm>.

- On March 20, 2008, another consumer from Las Vegas, Nevada that was scammed by Trump University wrote:

Trump University will rip you off.

They do not teach you what they say they will teach you and what you have paid for. They also do not deliver what they say they will deliver and if you ask for a refund on something that you have not received they will not give it to you. All that I can say is do your research.”
<http://www.ripoffreport.com/seminar-programs/trump-university/trump-university-is-a-scam-w-eba5e.htm>.

- On August 7, 2007, a real estate investor from New York, New York wrote:

Trump University is the biggest scam EVER!!! After speaking with most everyone employed ***there only ONE yes, ONE person on their staff invests in real estate.*** I have tried to blog

1 several times asking if Mr. Michael Sexton (President of Trump
 2 University) has properties and I have never received a response. I
 3 paid over \$20,000.00 after they told me that I would get personalized
 4 service and all I got was a box filled with books to read and terrible
 5 software that costs under \$500.00 when buying from Barnes &
 6 Noble. The live events were a total joke and even the main presenter
 7 there bar[e]ly has investing experience. I fortunately have enough
 8 money to not go broke because of them but *almost everyone there*
 9 *took out loans or maxed out their credit cards to get this trash*
 10 *service.* It is just like every other late night infomercial and am
 11 disgusted by Mr. Trump being affiliated or supporting this program. I
 12 have talked to several different people there because each person I get
 13 handed off to quits or got fired from the organization. They don't
 14 know what they are doing *and are preying on the weak who are just*
 15 *trying to make it in life!!!!!!!! SHAME ON YOU MR TRUMP AND*
 16 *TRUMP UNIVERSITY.*
 17 [http://www.ripoffreport.com/seminar-programs/trump-](http://www.ripoffreport.com/seminar-programs/trump-university/trump-university-scam-to-steal-s3c7s.htm)
 18 [university/trump-university-scam-to-steal-s3c7s.htm.](http://www.ripoffreport.com/seminar-programs/trump-university/trump-university-scam-to-steal-s3c7s.htm)

19 PLAINTIFFS' FACTS

20 Plaintiff Tarla Makaeff

21 61. Tarla Makaeff purchased the three-day Trump University "Fast Track to Foreclosure
 22 Training" workshop for approximately \$1,495. Two people were permitted to attend for the \$1,495
 23 price, so Plaintiff Makaeff attended with a friend and split the cost. During the three-day workshop,
 24 Plaintiff Makaeff was told to raise her credit card limit four times so she could enter in to "real estate
 25 transactions." However, at the end of the session, Trump University revealed its real reason for
 26 pushing Plaintiff Makaeff and Class members to extend their credit limits: to use that credit to
 27 purchase an additional \$35,000 Trump seminar. Based on Defendants' numerous
 28 misrepresentations, on or about August 10, 2008, Plaintiff Makaeff enrolled in Trump's Gold
 Program for \$34,995, plus the variable APR finances charges, interest fees, and late fees she had to
 pay her credit card company.

62. The day Plaintiff Makaeff signed up for the \$34,995 program, James Harris
 immediately told Plaintiff Makaeff that he would now be personally available to her by phone and
 email, and shortly thereafter emailed to her "we can do a ton together." Then, she never heard from
 him again.

63. **"Guarantee" that Plaintiff Makaeff's first deal would pay for her \$35,000
 seminar** – While Plaintiff Makaeff was on the fence about spending the additional money, Trump

1 University speaker Tiffany Brinkman persuaded Plaintiff Makaeff to sign up by “guaranteeing”
2 Plaintiff Makaeff that her first real estate deal would earn her in the ballpark of \$35,000, so that she
3 could immediately pay off her Trump University debt, leaving only profits for the future. Although
4 Plaintiff Makaeff signed up for the seminar in reliance on this representation, which was a standard
5 representation made by Trump University representatives, it could not have been farther from the
6 truth – Plaintiff Makaeff never made *any* money.

7 64. **Mentors** – Plaintiff Makaeff was assigned two mentors, and initially, the mentors
8 would return calls, but would only speak to Plaintiff Makaeff for two to three minutes, offering no
9 practical advice. After that, although the mentors were supposed to provide “mentorship” to
10 Plaintiff Makaeff for a full year, they mostly disappeared. After Plaintiff Makaeff complained about
11 the lack of assistance provided by her assigned mentors, Rick McNally and Mike Kasper, Tad
12 Lignell, the mentor with the “power team,” offered to help her personally, but then engaged in
13 misappropriate conduct and misadvised her regarding a property in Las Vegas in which he had a
14 personal financial interest.

15 65. After spending approximately **\$60,000** over the course of an entire year to attend
16 numerous Trump University related or endorsed Seminars, only two real estate deals ever came to
17 Plaintiff Makaeff, and Plaintiff Makaeff did not accept either, as both were flawed and appeared
18 unprofitable.

19 66. In one of the two deals offered to Plaintiff Makaeff, Trump mentor Tad Lignell
20 introduced Plaintiff Makaeff to a real estate agent, Noah Herrera of Las Vegas regarding a property
21 purchase in Las Vegas. Lignell did not disclose to Plaintiff Makaeff that he had a financial interest in
22 referring Trump students to Noah Herrera. ***The Power Team then misquoted comps to Plaintiff***
23 ***Makaeff***. Rather than making a profit on the deal, as she would have made if the comps had been
24 correct, she would have likely suffered a 20% ***loss*** on the transaction. When she discovered that the
25 comps were incorrect and that she was likely to lose money on the deal, she looked for a way out.
26 As it turned out, Mr. Lignell’s protégé fraudulently and illegally altered the real estate documents
27 Plaintiff Makaeff had previously signed at the escrow office without Plaintiff Makaeff’s
28

1 authorization or approval. As a result of this illegal and fraudulent conduct, Plaintiff Makaeff was
2 permitted to void the transaction, which she did.

3 67. The only other real estate transaction that came Plaintiff Makaeff's way involved a
4 Houston property. After being told by Trump representatives that the deals "are starting to POUR
5 IN NOW," the only deal that came in was the Houston deal. It was outside of Trump University's
6 recommended guidelines for real estate investing, as it would provide only \$40/month positive cash
7 flow, and Trump's own representative, Stephen Gilpin instructed Plaintiff Makaeff never to accept a
8 deal under \$100/month positive cash flow. Furthermore, this potential deal raised an inherent and
9 improper conflict of interest, as it was referred by a partner (Mike Kasper) to the Trump mentor,
10 Rick McNally, who stood to financially benefit from the deal.

11 68. **Bandit signs** – Furthermore, certain real estate practices that Trump University taught
12 Plaintiff Makaeff and other class members during the Seminars included transactions that are *illegal*
13 in California and other states, such as posting anonymous "bandit signs." These are the signs that
14 are posted by the side of the roadway, mimic black and yellow road warning signs and say, "WE
15 BUY HOUSES, 619-222-2222." Plaintiff Makaeff was posting bandit signs, as taught by the Trump
16 Seminars she attended, and had no idea they were illegal until she was contacted by the District
17 Attorney's Office and told that those techniques could subject her to *hundreds of thousands of*
18 *dollars in fines, a misdemeanor charge, and up to six months in jail*. As a result, she was required
19 to retain a criminal attorney. Makaeff suffered physical and emotional damage as a result of the
20 stress of the DA investigation, as well as continuing financial stress due to the substantial amount of
21 money she lost to Trump.

22 69. **Makaeff's written and videotaped comments regarding Trump University** –
23 Trump University has attempted to tarnish Makaeff's credibility by stating to the press that Makaeff
24 gave Trump University good written reviews. After the \$35,000 seminar, Makaeff did write a
25 review saying positive things about the program, but her mentors who were supposed to be
26 providing her with a full year of one-on-one mentoring were right there looking over her shoulder, so
27 she did not want to offend them by writing anything negative. Also, at this point, immediately after
28 the seminar, Makaeff actually believed she would still get the information and mentoring she was

1 promised by Trump. Like most people who attend the seminar, she did not fully realize she had
2 been scammed until later on. She kept thinking she would get the help and mentoring she was
3 promised, but it never came. In regard to the videotape Trump University has referred to in the press
4 as a Trump “testimonial,” at the last seminar Makaeff attended in July 2009 on “California specific
5 strategies,” a cameraman shoved a camera in her face unexpectedly and started recording and asking
6 questions. Again, trying to be polite and not to offend her mentor, whom she still expected to help
7 her with real estate deals, her recollection of the tape is that she replied in general terms that mentors
8 in general are important (without reference to the Trump mentors specifically) and that she had some
9 mentors in her life that had benefitted her. She did say that she believed real estate knowledge is an
10 important skill to have – and she still believes this – however, Trump’s programs unfortunately did
11 not provide her with the real estate education she expected to receive.

12 **Plaintiff Ed Oberkrom**

13 70. Ed Oberkrom is a 65-year old senior citizen who lives in St. Louis, Missouri and
14 purchased the three-day Trump seminar for \$1,500 in February 2009 and then went on to purchase
15 the \$25,000 Elite seminar in March 2009. He attended the seminar after seeing and relying on
16 Trump University advertisements.

17 71. Ed and the students in his class were told that the first students to sign up for the
18 \$25,000 seminar would be the first to get the best properties on a list, and access to get the best
19 buyers. The speaker also told them that the first students to sign up would get the first access to an
20 exclusive website of *properties hand-picked by Donald Trump*. As he later came to learn, these
21 properties were *not* hand-picked by Donald Trump. And the website was *not* “exclusive” at all –
22 anyone could buy it for \$39/month.

23 72. The Trump University instructor, Steve Goff, sold Ed Oberkrom on the program by
24 telling him that he had family in St. Louis and that he planned to come back to town frequently and
25 would give him personal training. However, once he and Trump got Ed Oberkrom’s money, Goff
26 *has not once been back* to town – or at least he has not contacted Mr. Oberkrom.

27 73. **Raising credit card limits** – As is standard in all Trump \$1,500 Seminars, the Trump
28 instructor, Goff, asked all the students to raise their credit card limits – and then purchase the

1 \$25,000 or \$35,000 “mentoring” program. Each student was asked to fill out a “gold sheet” of
2 financial information, real estate owned, credit info, etc.

3 74. **Mentoring** – During the course of the three-day seminar, Goff took Mr. Oberkrom
4 out one afternoon to look at some properties, but it was completely unproductive. Goff said that he
5 would follow-up with him and tell him what to bid on the properties, but he never did tell Oberkrom
6 what to bid, and never followed up with him, and the deadlines to purchase the properties passed.

7 75. **Refund refused** – Mr. Oberkrom was supposed to receive 2-1/2 more days of “in-
8 person” mentoring in regard to the supposed year-long mentorship, but it has been over a year, and
9 despite some discussion of trying to set a date, no mentoring has occurred (and none of the \$25,000
10 refunded). In fact, when Mr. Oberkrom asked for his money back from Trump University, since he
11 never received the mentoring he paid for, Trump told him that because he did not cancel within the
12 three-day rescission period, he was out of luck.

13 **Plaintiff Patricia Murphy**

14 76. Patricia Murphy is a New York retired schoolteacher from the Bronx. She was a full-
15 time school teacher for seven years. After she was laid off and started making less money substitute
16 teaching, she began looking for a way to supplement her income. She heard advertisements on the
17 radio and television that Donald Trump was having a free seminar and would show her how to be
18 successful and make money in real estate. She took out her life savings and spent about \$12,500 on
19 wealth building Seminars, software and mentoring from approximately January 27 through March
20 12, 2007. She did not realize she was being scammed until it was too late.

21 77. According to Murphy, an educator, the Seminars did not provide any kind of an
22 education – they were worthless. Trump instructors promised they would get Murphy connected
23 with investors or banks and guaranteed that they would be at her side – but they never did anything
24 for her. Hoping to get more individualized help, she paid for additional “mentoring,” but her mentor
25 was just as bad – he basically told her to look at the real estate listings in the newspaper – not
26 especially valuable advice.

27 78. In Murphy’s own words, she says: “I took out most of my life’s savings, maxed out
28 my credit cards and badly damaged my credit rating. And what do I have to show for it? Big bills,

1 interest payments, finance charges – an awful lot of stress.” In fact, the stress was so much, that she
2 had to be hospitalized over Christmas, and she is now in the worst financial condition she has ever
3 been in her life.

4 **Plaintiff Brandon Keller**

5 79. Plaintiff Brandon Keller is a San Diego resident who resides in Del Mar, has a degree
6 in Business Administration/Finance from University of Arizona in Tucson and is currently going to
7 school to become a nurse. He received an email advertisement about Trump University in the fall of
8 2009 and attended the free seminar on November 18, 2009, at the Marriott in La Jolla on La Jolla
9 Village Drive.

10 80. At the free introductory real estate seminar, the Trump University speaker went
11 through the standard slides and presentation discussed above. The speaker claimed that he
12 personally made \$50,000 after attending the three-day \$1,500 seminar and showed slide testimonials
13 of people who claimed they made \$90,000 after attending the \$1,500 seminar.

14 81. Keller paid for and attended the \$1,500 seminar on Friday December 6, 2009 through
15 Sunday, December 8, 2009, at the San Diego Hilton Bay hotel downtown. He decided to take the
16 seminar because Trump University promised it would teach students specifically how to make
17 money in real estate without using any of their own money. Trump representatives also promised
18 students that with the \$1,500 seminar, they would have access to a real estate coach and program
19 director, Paul Reisner, for a full year – neither provided any assistance to Keller with real estate
20 investing.

21 82. **Misrepresentations regarding calling student real estate “leads”** – Keller and the
22 students at his free introductory seminar were told that that if they signed up for the \$1,500 seminar,
23 they could bring in five to ten real estate leads and Trump University representatives would call
24 them during the \$1,500 seminar. Students were told: Go get five for-sale-by-owner leads (FSBOs)
25 in lower-middle income areas, with a phone number and an address for each property, and five “for
26 rent” ads. *“Our trainers, the best at Trump, will call these for you. If they close the deal, you get
27 to keep the profits.* But at the very least, you get to watch and listen to the best deliver the correct
28 words to get the right results, and you get to watch it happen. No one else will do that. But we do –

1 we're Trump, we're bold; we're the best." However, at the \$1,500 seminar, even though there were
2 30 people in the class, including Keller, who brought in potential real estate leads, Trump University
3 representatives called leads for only 2 of the 30 students.

4 83. The speaker at Keller's \$1,500 seminar was Steve Goff. He told students that at one
5 point in his life he was homeless, but he found a real estate mentor, and that person taught him how
6 to make money in real estate. Goff said that after he had made a lot of money in real estate and did
7 over 100 real estate deals, Donald Trump approached him and said he wanted Goff to work for him,
8 so he left his lucrative real estate career to be a touring speaker for Donald Trump.

9 84. **Money back guarantee and cancellation policy**– Keller knew that in order to
10 request his money back under the Trump University "satisfaction guarantee," he had to cancel after
11 the first day (Friday) of his \$1,500 seminar. However, on Friday of the three-day seminar, Keller
12 and his class were told that all of the "good stuff" was going to happen on Saturday – the Trump
13 University representatives would call his leads, review his financial profile to assess what real estate
14 investments were appropriate for him, and he would learn about exclusive mentorship opportunities
15 with Trump University. Therefore, Keller felt he was basically forced to come on Saturday to get the
16 information Trump University promised, and by then, it was too late to cancel.

17 85. **Mentorship** – during the \$1,500 seminar, the Trump University speaker told students
18 over and over again that they really needed a mentor to succeed in real estate investing. He
19 repeatedly told them that you really have to have a mentor to make a lot of money in real estate and
20 so you do not make mistakes. If you do not have a mentor, you can lose a lot of money and have a
21 lot of problems. The speaker gave several examples of how he lost money in real estate before he
22 had a mentor, and how he made a fortune in real estate once he had a mentor. The speaker never
23 mentioned the price of this "mentor" on Friday, when students still had time to cancel and receive
24 their money back, but on Saturday, after it was too late to cancel, Trump University representatives
25 eventually revealed that the price for this year-long mentorship (including three days in-person) was
26 \$35,000. He assured students that although that may sound expensive, compared to Wharton
27 Business School where Donald Trump attended, it is a bargain – Wharton is \$35,000/year, and it is a
28 four-year school – they were better off going with Trump University, he told them.

1 86. **Increasing credit card limits** – As is standard procedure during the \$1,500
2 Seminars, on Saturday, the Trump University speaker told Keller and all the other students to
3 increase the credit limits on all of their credit cards so that they would have more credit available to
4 buy real estate. The speaker also asked every student to fill out a sheet of their personal financial
5 information, including a list of all credit cards, the credit limit on each card and the available credit
6 to charge, so that they could purportedly assess what real estate investments would be best for each
7 student. Then, as is also standard procedure, Trump University asked the students to use their
8 increased credit limit to purchase the \$35,000 Trump Elite seminar. The speaker even told students
9 they could spread the amount out over multiple credit cards. This is what Keller did – he put
10 \$10,000 on each of two credit cards, and \$15,000 on a third. Keller believed that most students who
11 purchased the \$35,000 seminar from his class put the amount on two to five credit cards, depending
12 on their credit limits. Keller estimates that *30-50% of the 30 students in his \$1,500 seminar signed*
13 *up for the \$35,000 seminar.*

14 87. **Trump University guaranteed his real estate deals would pay for his Seminars** –
15 At the free seminar, Keller was told that if he signed up for the \$1,500 seminar, he was guaranteed to
16 make \$5,000 to \$10,000 within 30 days to cover the cost of the seminar. He did not. At the \$1,500
17 seminar, Keller was told by the speaker that he was guaranteed to make \$75,000 on the first deal to
18 more than cover the cost of the \$35,000 program. He did not.

19 88. After Keller signed up for the \$35,000 seminar, he was assigned Jeff Nolan in
20 Arizona as his mentor. Before the three-day mentorship commenced, Keller wrote some emails to
21 his mentor asking various real estate questions, but his mentor wouldn't answer his questions or give
22 him any help or assistance. Since this was not the mentor experience that had been described when
23 he purchased the program, he called Trump University program director Paul Reisner and requested
24 a refund of his \$35,000. Trump refunded him the money since he had never received the three-day
25 in-person mentorship. Keller also asked that Trump University refund the \$1,500 he paid for the
26 introductory seminar as it did not provide any of the education or instruction promised, but Trump
27 University refused. The \$1,500 Keller paid for the Trump University introductory seminar still
28 remains on his credit card, accruing interest charges.

- 1 (i) Whether Defendants’ conduct was unlawful, unfair or fraudulent;
- 2 (ii) Whether Defendants’ advertising is likely to deceive the public;
- 3 (iii) Whether Defendants’ conduct was false, misleading or likely to
- 4 deceive;
- 5 (iv) Whether Defendants violated the Unfair Competition Law, Cal. Bus.
- 6 & Prof. Code §17200 (“UCL”);
- 7 (v) Whether Defendants violated the Consumers Legal Redies Act, Cal.
- 8 Civ. Code §1750 (“CLRA”);
- 9 (vi) Whether Defendants violated the False Advertising Law, Cal. Civ.
- 10 Code §17500 (“FAL”);
- 11 (vii) Whether Defendants received funds from Plaintiffs and class members
- 12 that they unjustly received;
- 13 (viii) Whether Defendants breached contracts;
- 14 (ix) Whether Defendants breached the implied covenant of good faith and
- 15 fair dealing;
- 16 (x) Whether Defendants violated §349 of New York’s General Business
- 17 Law;
- 18 (xi) Whether Defendants are liable for intentional and/or negligent
- 19 misrepresentations;
- 20 (xii) Whether Defendants are liable for making false promises;
- 21 (xiii) Whether Plaintiffs and Class members have been harmed and the
- 22 proper measure of relief;
- 23 (xiv) Whether Plaintiffs and Class members are entitled to an award of
- 24 punitive damages, attorneys’ fees and expenses against Defendants; and
- 25 (xv) Whether, as a result of Defendants’ misconduct, Plaintiffs and Class
- 26 members are entitled to equitable relief, and if so, the nature of such relief;
- 27 (e) Plaintiffs’ claims are typical of the claims of the members of the proposed
- 28 Class. Plaintiffs and Class members have been injured by the same wrongful practices of

1 Defendants. Plaintiffs' claims arise from the same practices and conduct that give rise to the claims
2 of all Class members and are based on the same legal theories;

3 (f) Plaintiffs will fairly and adequately protect the interests of the Class in that
4 they have no interests antagonistic to those of the other Class members, and Plaintiffs have retained
5 attorneys experienced in consumer class actions and complex litigation as counsel;

6 (g) A class action is superior to other available methods for the fair and efficient
7 adjudication of this controversy for at least the following reasons:

8 (i) Given the size of individual Class member's claims and the expense of
9 litigating those claims, few, if any, Class members could afford to or would seek legal redress
10 individually for the wrongs Defendants committed against them and absent Class members have no
11 substantial interest in individually controlling the prosecution of individual actions;

12 (ii) This action will promote an orderly and expeditious administration and
13 adjudication of the proposed Class claims, economies of time, effort and resources will be fostered
14 and uniformity of decisions will be insured;

15 (iii) Without a class action, Class members will continue to suffer
16 damages, and Defendant's violations of law will proceed without remedy while Defendants continue
17 to reap and retain the substantial proceeds of their wrongful conduct; and

18 (iv) Plaintiffs know of no difficulty that will be encountered in the
19 management of this litigation which would preclude its maintenance as a class action.

20 94. Defendants have, or have access to, address information for the Class members,
21 which may be used for the purpose of providing notice of the pendency of this class action.

22 95. Plaintiffs seek damages and equitable relief on behalf of the Class on grounds
23 generally applicable to the entire proposed class.

24 **FIRST CAUSE OF ACTION**

25 **(Violations of California Business and Professions Code §17200)**

26 96. Plaintiffs re-allege and incorporate by reference the allegations contained in the
27 paragraphs above as if fully set forth herein.

28

1 97. California Business & Professions Code §17200 prohibits acts of unfair competition,
2 which means and includes any “unlawful, unfair or fraudulent business act or practice” and any act
3 prohibited by Cal. Bus. & Prof. Code §17500.

4 98. Defendants violated Cal. Bus. & Prof. Code §17200’s prohibition against engaging in
5 an “*unlawful*” business act or practice by, *inter alia*, making the material misrepresentations
6 regarding Trump University and its Seminars as set forth more fully elsewhere in this Complaint, in
7 violation of Cal. Civ. Code §§1572 (actual fraud), 1573 (constructive fraud), 1709 and 1710 (deceit),
8 1750 *et seq.* (the CLRA); Cal. Bus. & Prof. Code §17500 (false advertising); Cal. Welf. & Inst. Code
9 §15600 (elder abuse); §349 of New York’s General Business Law; and the common law, including
10 the breach of contract; breach of the covenant of good faith and fair dealing; and breach of the duty
11 to disclose.

12 99. In addition to the foregoing, Defendants engaged in unlawful conduct by: (a)
13 instructing students to engage in real estate practices that are illegal, such as posting bandit signs and
14 engaging in the practice of real estate without a real estate license; (b) issuing student testimonials
15 which are misleading, and in some cases, completely fabricated by Trump University employees;
16 and (c) forging student signatures on seminar contracts when students have forgotten to sign the
17 contracts.

18 100. Plaintiffs reserve the right to allege other violations of law which constitute other
19 unlawful business acts and practices. Such conduct is ongoing and continues to this date.

20 101. Defendants violated Cal. Bus. & Prof. Code §17200’s prohibition against engaging in
21 a “*fraudulent*” business act or practice by, *inter alia*, disseminating, through common advertising,
22 untrue statements about Trump University and its Seminars that have a tendency to mislead the
23 public and making numerous common material misrepresentations with the intent to induce reliance
24 by consumers to purchase Trump University Seminars. Furthermore, Defendants violated §17200 by
25 issuing misrepresentations and untrue statements at the Trump University Seminars and by forging
26 student signatures on seminar contracts when students have forgotten to sign the contracts.

27 102. The foregoing conduct also constitutes “*unfair*” business acts and practices within the
28 meaning of Cal. Bus. & Prof. Code §17200. Defendants’ practices offend public policy and are

1 unethical, oppressive, unscrupulous and violate the laws stated. Defendants’ conduct caused and
2 continues to cause substantial injury to Plaintiffs and Class members. The gravity of Defendants’
3 alleged wrongful conduct outweighs any purported benefits attributable to such conduct. There were
4 also reasonably available alternatives to Defendants to further their business interests.

5 103. Plaintiffs and Class members have suffered injury in fact and have lost money and/or
6 property as a result of Defendants’ unlawful, fraudulent and unfair business practices and are
7 therefore entitled to the relief available under Cal. Bus. & Prof. Code §17200, *et seq.*

8 **SECOND CAUSE OF ACTION**

9 **(Violations of the Consumer Legal Remedies Act,
10 California Civil Code §1750 *et seq.*)**

11 104. Plaintiffs re-allege and incorporate by reference the allegations contained in the
12 paragraphs above as if fully set forth herein.

13 105. This cause of action arises under the Consumers Legal Remedies Act (“CLRA”), Cal.
14 Civ. Code §1750, *et seq.* Plaintiffs are consumers as defined by Cal. Civ. Code §1761(d).
15 Defendant’s Seminars constitute “services” and/or “products” as defined by Cal. Civ. Code §1761(a)
16 and (b). At all times relevant hereto, Defendants constituted “persons” as that term is defined in Cal.
17 Civ. Code §1761(c), and Plaintiffs’ and Class members’ purchases of Trump University Seminars
18 constitute “transactions,” as that term is defined in Cal. Civ. Code §1761(e).

19 106. Defendants violated and continues to violate the CLRA by engaging in the following
20 deceptive practices specifically proscribed by Cal. Civ. Code §1770(a), in transactions with Plaintiffs
21 and Class members that were intended to result or which resulted in the sale or lease of goods or
22 services to consumers:

23 (a) In violation of Cal. Civ. Code §1770(a)(5), Defendants’ acts and practices
24 constitute misrepresentations that the Seminars in question have characteristics, benefits or uses
25 which they do not have;

26 (b) In violation of Cal. Civ. Code §1770(a)(7), Defendants misrepresented that the
27 Seminars are of particular standard, quality and/or grade, when they are of another; and
28

1 (c) In violation of Cal. Civ. Code §1770(a)(9), Defendant advertised the Seminars
2 with the intent not to sell them as advertised or represented.

3 107. Defendants' uniform representations as set forth more fully elsewhere in this
4 Complaint were false, deceptive, and/or misleading and in violation of the CLRA.

5 108. Pursuant to Cal. Civ. Code §1782, Plaintiffs notified Trump University in writing by
6 certified mail of the particular violations of Cal. Civ. Code §1770 alleged herein, and have
7 demanded that Trump University rectify the problems associated with the actions detailed above and
8 give notice to all affected consumers of its intent to so act. Plaintiffs sent this notice by certified
9 mail, return receipt requested, to Trump University's principal place of business. Plaintiffs are
10 notifying Defendant Donald Trump of same.

11 109. Defendants have failed to rectify or agree to rectify the problems associated with the
12 actions detailed above and give notice to all affected consumers within 30 days after receipt of the
13 Civil Code §1782 notice, thus Plaintiffs seek actual damages and punitive damages for violation of
14 the Act.

15 110. In addition, pursuant to Civil Code §1780(a)(2), Plaintiffs are entitled to, and
16 therefore seek, a Court order enjoining the above-described wrongful acts and practices that violate
17 Cal. Civ. Code §1770.

18 111. Plaintiffs and the Class are also entitled to recover attorneys' fees, costs, expenses and
19 disbursements pursuant to Cal. Civ. Code §§1780 and 1781.

20 **THIRD CAUSE OF ACTION**

21 **(Untrue and Misleading Advertising in Violation of**
22 **Cal. Bus. & Prof. Code §17500 et seq.)**

23 112. Plaintiffs re-allege and incorporate by reference the allegations contained in the
24 paragraphs above as if fully set forth herein.

25 113. California Business & Professions Code §17500 prohibits various deceptive practices
26 in connection with the dissemination in any manner of representations which are likely to deceive
27 members of the public to purchase products and services such as the Trump University Seminars.
28

1 114. Defendants disseminated, through common advertising, untrue statements about
2 Trump University and its Seminars and Defendants knew or should have known that the Seminars
3 did not conform to the advertisements or representations regarding the Seminars. Defendants
4 intended Plaintiffs and the Class upon the advertisements and numerous material misrepresentations
5 as set forth more fully elsewhere in the Complaint. Plaintiffs and the Class relied upon the
6 advertisements and misrepresentations to their detriment.

7 115. As a result of the foregoing, Plaintiffs, and the Class members, are entitled to
8 injunctive and equitable relief and damages in an amount to be proven at trial.

9 **FOURTH CAUSE OF ACTION**

10 **(Breach of Contract against Trump University)**

11 116. Plaintiffs re-allege and incorporates by reference the allegations contained in the
12 paragraphs above as if fully set forth herein.

13 117. Contracts exist between Plaintiffs, Class members and Trump University. Plaintiffs
14 and Class members entered into agreements with Trump University for a three-day seminar for
15 which they paid approximately \$1,495. Plaintiff Makaeff and some Class members also entered into
16 an agreement with Trump University for the Trump Gold Program for which they paid about
17 \$34,995, plus the variable APR finances charges, interest fees, and late fees they had to pay to their
18 credit card companies. Attached hereto as Exhibit A is a true and correct copy of a contract for the
19 Trump Gold Program.

20 118. Under Plaintiffs' and each Class member's contracts, Plaintiffs and the Class
21 members were only required to pay the amount of the seminar in each Class member's contract.

22 119. All conditions precedent under the contracts have been performed by Plaintiffs and
23 the Class, including the payment amount of the Seminars.

24 120. Trump University breached the terms of its standardized contracts with Plaintiffs and
25 the Class by failing to provide them with the promised products and services as contracted.

26 121. As a result of Trump University's breach of its contracts, Plaintiffs and the Class have
27 been damaged in an amount to be determined at trial.

28

FIFTH CAUSE OF ACTION

(Breach of the Implied Covenant of Good Faith and Fair Dealing against Trump University)

122. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above as if fully set forth herein.

123. The law implies a covenant of good faith and fair dealing in every contract.

124. Trump University violated this covenant of good faith and fair dealing in its contract with Plaintiffs and members of the Class by, *inter alia*, misrepresenting to Plaintiffs and the Class the true nature of the Seminars as alleged more fully elsewhere in the Complaint.

125. Plaintiffs and the Class members performed all, or substantially all, of the significant duties required under their agreements with Defendant.

126. The conditions required for Trump University's performance under the contract agreements had occurred.

127. Trump University did not provide and/or unfairly interfered with the right of Plaintiffs and class members to receive the benefits under their agreements with Trump University.

128. Plaintiffs and the Class have been damaged by Trump University's breach of the implied covenant of good faith and fair dealing in an amount to be proven at trial.

SIXTH CAUSE OF ACTION

(Money Had and Received)

129. Plaintiffs re-allege and incorporate by reference the allegations contained in the paragraphs above as if fully set forth herein.

130. Defendants improperly received and continue to improperly receive from Plaintiffs and Class members millions of dollars as a result of the conduct alleged above.

131. As a result, Plaintiffs and the Class have conferred a benefit on Defendants to which Defendants are not entitled. Defendants have knowledge of this benefit, wrongfully and deceptively obtained this benefit, and have voluntarily accepted and retained the benefit conferred on them. Defendants will be unjustly enriched if they are allowed to retain such funds and, therefore, a

1 constructive trust should be imposed on all monies wrongfully obtained by Defendants and the
2 money should be disgorged from Defendants, and returned to Plaintiffs and Class members.

3 **SEVENTH CAUSE OF ACTION**

4 **(Negligent Misrepresentation)**

5 132. Plaintiffs re-allege and incorporate by reference the allegations contained in the
6 paragraphs above as if fully set forth herein.

7 **Standardized Promises and Misrepresentations**

8 133. Defendants' sales tactics are based on standardized representations in written
9 materials and scripted sales pitches by instructors (professional salespersons paid on commission).
10 Speakers are required to use the same PowerPoint presentation, same script, and same guidelines
11 when giving Seminars. Former employees confirmed every presentation is virtually identical,
12 regardless of presenter. Each aspect of the Seminars were scripted down to where speakers and
13 coordinators stood, the temperature of the room (no more than 68 degrees) and music to be played in
14 the Introduction – "Money, Money, Money" from Donald Trump's "The Apprentice" show.
15 Additionally, when Plaintiffs and Class members made calls to or from Trump University, they
16 spoke with a member of the Trump sales team, each of whom had a five to six page sales script,
17 which they were required to follow word-for-word. Defendants made numerous standardized
18 misrepresentations and omissions including:

19 **Misrepresentations About the**
20 **Year-Long Mentoring Program**

21 134. Through written materials and uniform presentations at the free introductory
22 Seminars, Trump University represents that consumers will receive a year-long "apprenticeship"
23 program if they purchase the \$1,995 program (perpetually on sale for "one-day only" at Seminars for
24 \$1,495). With the aid of a Power point presentation, the speakers inform consumers that they will
25 receive "12 months of training" and "one full year of expert, interactive support." Trump University
26 speakers represent: "Other people don't have anyone to call, but you've got Trump. You'll call
27 Wall Street [Trump University], and they'll walk you through it." Defendants promised Plaintiffs
28 and Class members a one-year mentorship with all the access and contracts they needed; that any

1 time Plaintiffs and Class members had a question, they could just call and Trump University would
2 walk them through the issue; that Trump University would give them step-by-step training “by the
3 numbers” on how to make money. When Plaintiffs and Class members did not get this promised
4 information at the Seminars, Defendants promised that it was still coming – they could get it from
5 their mentors, from Trump University instructors, or another program. However, Defendants never
6 intended to, and did not, perform on this promise. These misrepresentations were made to Plaintiffs
7 at Trump University Seminars as follows: Tarla Makaeff on or about August 2008; Brandon Keller
8 on or about November 18, 2009, and December 6-8, 2009; Ed Oberkrom on or about March 2009.

9 **Misrepresentations About Number of Sessions**
10 **Provided in One-Year of “Unlimited” Mentoring**

11 135. Defendants represented to Plaintiffs and Class members who purchased the \$35,000
12 seminar that they would receive *unlimited mentoring for an entire year*. This misrepresentation
13 was made to Plaintiffs at Seminars as follows: Tarla Makaeff on or about August 2008; Brandon
14 Keller on or about November 18, 2009, and December 6-8, 2009; and Ed Oberkrom on or about
15 March 2009 (in regard to a \$25,000 seminar). These representations were false. In fact, mentors
16 were not paid for more than six one-hour mentoring sessions per consumer. Mentors were instructed
17 to evade phone calls and emails from Plaintiffs and Class members and provide evasive, unhelpful
18 responses when they did speak to students to discourage the students from continuing to call. This
19 plan generally worked – Plaintiffs and Class members became frustrated and dissatisfied by the
20 mentor’s advice, which most Plaintiffs and Class members describe as “worthless.” However, when
21 one Trump University student became frustrated by the lack of any value or information the mentor
22 was providing and asked to meet twice per week, rather than once, the mentor eventually admitted
23 that the “one year” of mentoring/consulting promised was really only *six one-hour coaching*
24 *sessions*. The consumers were understandably outraged. They never would have paid \$35,000 for
25 six one-hour sessions. Indeed, Trump University Corporate admitted to Plaintiffs and Class
26 members that only six sessions would be provided should have been disclosed.
27
28

1 Misrepresentations About Three-Day Field Mentorship

2 136. Defendants also represented in standardized materials that if Plaintiffs and Class
3 members purchased the \$35,000 Gold Elite program, they would receive a “3 Day Field Mentorship”
4 worth \$25,000. For the \$25,000 value, students were promised an exclusive three days with a
5 “power team” of highly-accomplished experts in the real estate industry to become their personal
6 partners and teach them insider tips for investing in real estate, including how to use the contracts
7 essential to the real estate transactions mentioned at the Seminars. Plaintiffs and the Class were told
8 that they would receive priceless insight and information from these mentors who were experts in the
9 real estate industry, who would personally teach them what they would need to know. These
10 misrepresentations were made to Plaintiffs at Trump University Seminars as follows: Tarla Makaeff
11 on or about August 2008; Brandon Keller on or about November 18, 2009, and December 6-8, 2009;
12 and Ed Oberkrom on or about March 2009 (in regard to a \$25,000 seminar). Instead, the
13 “mentorship” consisted merely of two days looking at real estate properties with no unique insight or
14 guidance, a half day at a local Home Depot and lunch, and an hour of discussing numbers. Mentors
15 spent little to no time discussing the contracts essential to the real estate transactions mentioned in
16 the seminar. Thereafter, the mentors typically quickly disappeared, in complete contradiction to what
17 was promised: an ongoing mentor who would personally assist the student for an entire year.

18 Misrepresentations About Instructors and Mentors

19 137. Defendants uniformly represented through Seminars and written materials that its
20 seminar instructors and mentors were experienced in real estate. These misrepresentations were
21 made to Plaintiffs at Trump University Seminars as follows: Tarla Makaeff on or about August
22 2008; Brandon Keller on or about November 18, 2009, and December 6-8, 2009; Ed Oberkrom on or
23 about March 2009; and Patricia Murphy on or about January 27 to March 12, 2007. However,
24 Trump University instructors and mentors had little to no personal experience, and most had not
25 engaged in the vast majority of the real estate techniques purportedly taught. In fact, the instructors
26 and mentors were predominantly salespeople, hired for their ability to deliver a hard-sell
27 presentation, and paid exclusively on commission based on the percentage of sales delivered. Trump
28

1 University's best "speakers" earn commissions of \$30,000 or more per month for sales of products
2 and Seminars.

3 138. Further, Defendants promised in written materials at free and paid Seminars that
4 instructors and mentors were "hand-picked by Trump." These misrepresentations were made to
5 Plaintiffs at Trump University Seminars as follows: Tarla Makaeff on or about August 2008;
6 Brandon Keller on or about November 18, 2009, and December 6-8, 2009; Ed Oberkrom on or about
7 March 2009; and Patricia Murphy on or about January 27 to March 12, 2007. These
8 misrepresentations were critical because Trump University was sold on promises that consumers
9 would "Learn from the Master [Donald] Trump," it was "the next best thing to being his [Donald
10 Trump's] Apprentice," and they would learn "Insider success secrets from Donald Trump."
11 However, Plaintiffs and Class members received nothing of the sort. Trump did not hand-pick the
12 instructors and mentors.

13 **Misrepresentations About Prior Student Experiences**

14 139. Defendants enhance, misrepresent and in certain instances, completely fabricate
15 student testimonials to get consumers to sign up. In addition, testimonials often claim a person made
16 a certain amount of money without taking into account their expenses. Indeed, when expenses and
17 costs are taken into account, many of these "success stories" actually lost money. These misleading
18 testimonials were presented to Plaintiffs at Trump University Seminars as follows: Tarla Makaeff on
19 or about August 2008; Brandon Keller on or about November 18, 2009, and December 6-8, 2009; Ed
20 Oberkrom on or about March 2009; and Patricia Murphy on or about January 27 to March 12, 2007.
21 Plaintiffs relied on these 'trumped up' success stories in signing up for Trump University. Many of
22 these testimonials also were illegal and/or improper in that they violated FTC regulations and/or
23 requirements.

24 **Misrepresentations About the Real Estate Training Provided**

25 140. Trump University represents to consumers that they will "teach you what you need to
26 know" to be successful in real estate. These misrepresentations were made to Plaintiffs at Trump
27 University Seminars as follows: Tarla Makaeff on or about August 2008; Brandon Keller on or about
28 November 18, 2009, and December 6-8, 2009; Ed Oberkrom on or about March 2009; and Patricia

1 Murphy on or about January 27 to March 12, 2007. However, it not only failed to provide the
2 detailed information that Plaintiffs and Class members needed to know concerning real estate
3 contracts and numbers, but it affirmatively led them astray by teaching them to use tactics that are
4 illegal in California and other states. For example, instructors told attendees to post “bandit signs” to
5 generate business. These are signs posted on the side of the roadway, intended to mimic black and
6 yellow road warning and signs and say “WE BUY HOUSES, 619-222-2222.” Trump University
7 fails to inform Plaintiffs and Class members these signs are illegal and can result in fines, criminal
8 charges, and six months in jail. These misrepresentations regarding bandit signs were made to
9 Plaintiff Makaeff on or about August 2008; Ed Oberkrom on or about March 2009; and Patricia
10 Murphy on or about January 27 to March 12, 2007. Trump University also encourages Plaintiffs and
11 Class members to engage in transactions that would require a real estate license – conduct that is also
12 illegal in California and other states. These representations regarding engaging in practices that
13 require a real estate license were made to Plaintiffs at Trump University Seminars as follows: Tarla
14 Makaeff on or about August 2008; Brandon Keller on or about November 18, 2009, and December
15 6-8, 2009.

16 **Misrepresentations that Students Would**
17 **Make Their Money Back in First Deal**

18 141. Defendants routinely told potential students that, although the Seminars were
19 expensive, they should take the leap and just charge it on the credit card because they would quickly
20 make all their money back in their first real estate deal, and could make up to tens of thousands of
21 dollars per month or more after that. These misrepresentations were made to Plaintiffs at Trump
22 University Seminars as follows: Tarla Makaeff on or about August 2008; Brandon Keller on or about
23 November 18, 2009, and December 6-8, 2009; Ed Oberkrom on or about March 2009; and Patricia
24 Murphy on or about January 27 to March 12, 2007. In fact, Defendants knew that it was extremely
25 unlikely, and extremely rare that Plaintiffs and Class members would quickly make back the price
26 they paid for the Seminars.
27
28

1 **Misrepresentations that Consumers Should**
2 **Raise Their Credit Card Limits During the**
3 **Seminar to Be Ready for Real Estate Transactions**

4 142. Trump University representatives routinely told students on the second day of the
5 three-day \$1,500 seminar to raise their credit card limits four times during the break for “real estate
6 transactions,” and had students prepare detailed financial statements, presumably for real estate
7 purchases. These misrepresentations were made to Plaintiffs at Trump University Seminars as
8 follows: Tarla Makaeff on or about August 2008; Brandon Keller on or about November 18, 2009,
9 and December 6-8, 2009; Ed Oberkrom on or about March 2009; and Patricia Murphy on or about
10 January 27 to March 12, 2007. In fact, Defendants’ real reason for this was to assess how much
11 money each student had to spend on the next Trump University seminar, and to persuade the
12 students to use their increased credit limit to purchase the Trump University Gold Program for
13 \$34,995.

14 143. Defendants’ misrepresentations were supplied for the purpose of affecting Plaintiffs’
15 and Class members’ financial decisions.

16 144. Defendants had no reasonable grounds for believing that their misrepresentations
17 were true.

18 145. Defendants failed to exercise reasonable care and/or diligence in communicating their
19 misrepresentations.

20 146. Defendants’ misrepresentations were objectively material to the reasonable consumer,
21 and therefore reliance upon such representations may be presumed as a matter of law.

22 147. Defendants intended that Plaintiffs and members of the Class would rely on its
23 misrepresentations.

24 148. Plaintiffs and Class members reasonably and justifiably relied to their detriment on
25 Defendants’ misrepresentations.

26 149. As a proximate result of Defendants’ misrepresentations, Plaintiffs and Class
27 members were damaged in an amount to be proven at trial.

28 150. Defendants directly benefited from, and were unjustly enriched by, their
misrepresentations.

EIGHTH CAUSE OF ACTION

(Fraud)

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2
3 151. Plaintiffs re-allege and incorporate by reference the allegations contained in the
4 paragraphs above as if fully set forth herein.

5 152. As alleged herein, Defendants intentionally and falsely represented to Plaintiffs and
6 Class members that they would receive a “complete real estate education,” a “one year
7 apprenticeship,” one-on-one mentorship, practical real estate techniques and contracts, a “power
8 team” of real estate agents, lenders, personal finance managers, property managers and contractors,
9 and were assured that although the Seminars were costly, they would make the money back in their
10 first real estate deal, and could make up to tens of thousands of dollars per month or more.

11 153. Instead of a complete real estate education, students merely received an “infomercial”
12 pushing additional Seminars or workshops they were told they would need to take to succeed. The
13 “one year apprenticeship” they were promised was actually just a three-day seminar; the one-on-one
14 year-long mentorship consisted of no practical insights and no mentorship, but rather excursions to
15 Home Depot and “mentors” who either recommend real estate deals that they stand to benefit from
16 financially, raising a conflict of interest, or immediately disappeared and failed to return calls.
17 Defendants’ representations were false and Defendants knew the representations were false at they
18 time they were made, or made the representations recklessly and without regard for its truth.

19 154. Trump University representatives also told students during the three-day seminar to
20 raise their credit card limits four times during the break for “real estate transactions,” and had
21 students prepare detailed financial statements, presumably for real estate purchases, when in fact,
22 Defendants’ real reason for this was to assess how much money each student had to spend on the
23 next Trump University seminar, and to persuade the students to use their increased credit limit to
24 purchase the Trump University Gold Program for \$34,995.

25 155. Defendants falsified and at times completely fabricated testimonials of students and
26 posted testimonials that were in violation of FTC regulations and guidelines.

27 156. Defendants intended that Plaintiffs and Class members rely on the representations.
28

1 157. Plaintiffs and Class members reasonably and justifiably relied to their detriment on
2 Defendants' misrepresentations.

3 158. As a proximate result of Defendants' misrepresentations, Plaintiffs and Class
4 members were damaged in an amount to be proven at trial.

5 159. Plaintiffs and Class members' reliance on Defendants' representations were a
6 substantial factor in causing their harm.

7 **NINTH CAUSE OF ACTION**

8 **(False Promise)**

9 160. Plaintiffs re-allege and incorporate by reference the allegations contained in the
10 paragraphs above as if fully set forth herein.

11 161. As alleged herein, Defendants made a number of promises to Plaintiffs and Class
12 members, which were important to Plaintiffs and Class members' decision to purchase Trump
13 University's Seminars.

14 162. Defendants did not intend to perform these promises when they made them.

15 163. Defendants intended that Plaintiffs and Class members rely on these promises and
16 Plaintiffs and the Class did reasonably rely on Defendants' promises.

17 164. Defendants did not perform any of the promised acts.

18 165. As a proximate result of Defendants' failure to act on its promises, Plaintiffs and
19 Class members were damaged in an amount to be proven at trial.

20 166. Plaintiffs and Class members' reliance on Defendants' promises were a substantial
21 factor in causing their harm.

22 **TENTH CAUSE OF ACTION**

23 **(Deceptive Acts and Practices in Violation of §349 of New York's**
24 **General Business Law)**

25 167. Plaintiffs reallege and incorporate by reference the allegations contained in the
26 paragraphs above as if fully set forth herein.

27
28

1 168. Defendants' acts and practices as detailed herein constitute unlawful, unfair,
2 deceptive and fraudulent business practices in violation of §349 of New York's General Business
3 Law ("GBL").

4 169. Defendants' misleading and deceptive business practices adversely impacted
5 Plaintiffs and the Class, and therefore constitutes consumer-oriented conduct under GBL §349,
6 which resulted in a direct harm to Plaintiffs and the Class.

7 170. Plaintiffs, on behalf of themselves and the Class, seek injunctive relief and damages
8 under §349 of New York's General Business Law.

9 **PRAYER FOR RELIEF**

10 WHEREFORE, Plaintiffs pray this Court enter a judgment against Defendants that:

11 A. This action be certified and maintained as a class action under Rule 23(b)(2) and
12 (b)(3) of the Federal Rules of Civil Procedure and certify the proposed Class as defined, appointing
13 Plaintiffs as representatives of the Class, and appointing the attorneys and law firms representing
14 Plaintiffs as counsel for the Class;

15 B. Awards compensatory, statutory and/or punitive damages for Defendants' breach of
16 contract, breach of the implied covenant of good faith and fair dealing, fraud, negligent
17 misrepresentation and false promises, where such relief is permitted;

18 C. Awards Plaintiffs and Class members the costs of this action, including reasonable
19 attorneys' fees and expenses;

20 D. Orders Defendants to immediately cease their wrongful conduct as set forth above;
21 enjoins Defendants from continuing to falsely market and advertise, conceal material information,
22 and conduct business via the unlawful and unfair business acts and practices complained of herein;
23 orders Defendants to engage in a corrective notice campaign, and requires Defendants to refund to
24 Plaintiffs and all Class members the funds paid for the subject Seminars;

25 E. Awards equitable monetary relief, including restitution and disgorgement of all ill-
26 gotten gains, and the imposition of a constructive trust upon, or otherwise restricting the proceeds of
27 Defendant's ill-gotten gains, to ensure that Plaintiffs and Class members have an effective remedy;

28 F. Awards pre-judgment and post-judgment interest at the legal rate; and

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G. Such further legal and equitable relief as this Court may deem just and proper.

JURY DEMAND

Plaintiffs demand a trial by jury on all issues so triable.

DATED: December 16, 2010

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s/ Amber L. Eck
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CERTIFICATE OF SERVICE

I hereby certify that on December 16, 2010, I authorized the electronic filing of the foregoing with the Clerk of the Court using the CM/ECF system which will send notification of such filing to the e-mail addresses denoted on the attached Electronic Mail Notice List, and I hereby certify that I caused to be mailed the foregoing document or paper via the United States Postal Service to the non-CM/ECF participants indicated on the attached Manual Notice List.

I certify under penalty of perjury under the laws of the United States of America that the foregoing is true and correct. Executed on December 16, 2010.

s/ AMBER L. ECK
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Manual Notice List

The following is the list of attorneys who are **not** on the list to receive e-mail notices for this case (who therefore require manual noticing). You may wish to use your mouse to select and copy this list into your word processing program in order to create notices or labels for these recipients.

- (No manual recipients)