

UNITED STATES DISTRICT COURT
FOR THE SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM
and PATRICIA MURPHY, on Behalf of Themselves
and all others Similarly Situated,

Plaintiffs,

CASE NO.: 10 CV 0940 EIG (WVG)

-against-

TRUMP UNIVERSITY, LLC (AKA TRUMP
ENTREPRENEUR INITIATIVE) a New York
Limited Liability Company, DONALD J. TRUMP,
and DOES 1 through 50, inclusive,

Defendants.

VIDEOTAPED DEPOSITION of MICHAEL SEXTON

August 22, 2012

New York, New York

Reported by:
Eileen Mulvenna
CSR/RMR/CRR
Job No. 10003486

<p style="text-align: center;">** CONFIDENTIAL ** CONFIDENTIAL **</p> <p>UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA CASE NO.: 10 CV 0940 EIG (WVG)</p> <p style="text-align: center;">-----x</p> <p>TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM and PATRICIA MURPHY, on Behalf of Themselves and all others Similarly Situated,</p> <p style="text-align: center;">Plaintiffs, -against-</p> <p>TRUMP UNIVERSITY, LLC (AKA TRUMP ENTREPRENEUR INITIATIVE) a New York Limited Liability Company, DONALD J. TRUMP, and DOES 1 through 50, inclusive,</p> <p style="text-align: center;">Defendants.</p> <p style="text-align: center;">-----x</p> <p style="text-align: center;">August 22, 2012 9:57 a.m.</p> <p>VIDEOTAPED DEPOSITION of MICHAEL SEXTON, 30(b)(6) Witness in the above-captioned matter, taken by Plaintiffs, held at 725 Fifth Avenue, New York, New York, before Eileen Mulvenna, CSR/RMR/CRR, Certified Shorthand Reporter, Registered Merit Reporter, Certified Realtime Reporter and Notary Public of the State of New York.</p> <p style="text-align: right;">Page 1</p>	<p style="text-align: center;">** CONFIDENTIAL ** CONFIDENTIAL **</p> <p>1 A P P E A R A N C E S: 2 3 4</p> <p>5 ROBBINS GELLER RUDMAN & DOWD, LLP Attorneys for Plaintiffs 6 655 West Broadway Suite 1900 San Diego, California 92101 7 BY: RACHEL L. JENSEN, ESQ. rachelj@rgrdlaw.com</p> <p>8 9 -and-</p> <p>10 11 ZELDES & HAEGGQUIST, LLP 625 Broadway Suite 906 San Diego, California 92101 12 BY: AMBER L. ECK, ESQ. ambere@zhlaw.com 13 AARON M. OLSEN, ESQ. aaron@zhlaw.com</p> <p>14 15 16 YUNKER & SCHNEIDER Attorneys for Defendants 17 655 West Broadway Suite 1400 San Diego, California 92101 18 BY: DAVID K. SCHNEIDER, ESQ. dks@yslaw.com</p> <p>19 20 21 ALSO PRESENT: 22 Richard Ramos, Videographer 23 24 25</p> <p style="text-align: right;">Page 2</p>
<p>1 ** CONFIDENTIAL ** CONFIDENTIAL **</p> <p>2 STIPULATIONS</p> <p>3</p> <p>4 IT IS HEREBY STIPULATED AND AGREED,</p> <p>5 by and between the attorneys for the respective</p> <p>6 parties herein, that filing and sealing be and</p> <p>7 the same are hereby waived.</p> <p>8</p> <p>9 IT IS FURTHER STIPULATED AND AGREED</p> <p>10 that all objections, except as to the form of the</p> <p>11 question, shall be reserved to the time</p> <p>12 of the trial.</p> <p>13</p> <p>14 IT IS FURTHER STIPULATED AND AGREED</p> <p>15 that the within deposition may be signed and</p> <p>16 sworn to before any officer authorized to</p> <p>17 administer an oath, with the same force and</p> <p>18 effect as if signed and sworn to before the</p> <p>19 officer before whom the within deposition was</p> <p>20 taken.</p> <p>21 22 23 24 25</p> <p style="text-align: right;">Page 3</p>	<p>1 SEXTON - CONFIDENTIAL</p> <p>2 THE VIDEOGRAPHER: Good morning.</p> <p>3 This is Tape No. 1 of the videotaped</p> <p>4 deposition of Michael Sexton in the matter</p> <p>5 of Tarla Makaeff, et al., versus Trump</p> <p>6 University LLC, et al., in the United</p> <p>7 States District Court for the Southern</p> <p>8 District of California.</p> <p>9 This deposition is being held at The</p> <p>10 Trump Organization located at</p> <p>11 725 5th Avenue, New York, New York 10022 on</p> <p>12 August 22, 2012, at approximately 9:57 a.m.</p> <p>13 My name is Richard Ramos and I'm the</p> <p>14 legal video specialist. The court reporter</p> <p>15 is Eileen Mulvenna.</p> <p>16 Will counsel please introduce</p> <p>17 themselves beginning with the party</p> <p>18 noticing this proceeding.</p> <p>19 MS. JENSEN: Yes. Good morning. My</p> <p>20 name is Rachel Jensen from Robbins Geller</p> <p>21 Rudman & Dowd, and I'm here representing</p> <p>22 the plaintiffs.</p> <p>23 MS. ECK: Amber Eck of Zeldes &</p> <p>24 Haeggquist representing the plaintiffs.</p> <p>25 MR. OLSEN: Aaron Olsen, Zeldes &</p> <p style="text-align: right;">Page 4</p>

1 **SEXTON - CONFIDENTIAL**
2 **psychographics.**
3 A. It is.
4 **Q. What were your years of employment**
5 **there?**
6 A. I want to say 2000 to 2002.
7 **Q. And for all of these positions,**
8 **Accenture and then Digital Discovery and then**
9 **Install, did you leave these positions**
10 **voluntarily to pursue the next position?**
11 A. Yes, I did.
12 **Q. Then after Install, for what**
13 **companies did you work?**
14 A. I worked for -- I started a company
15 called Katon Direct.
16 **Q. Can you spell that?**
17 A. K-A-T-O-N.
18 It was called Katon Partners when we
19 launched it. And that's a -- that was a
20 technology-driven health care recruitment
21 company.
22 **Q. Can you explain that?**
23 A. Yes. So traditionally if you need
24 to hire a nurse, put an ad out on Monster or the
25 newspaper and you hope people see your ad and

1 **SEXTON - CONFIDENTIAL**
2 apply for the job. Or you hire -- for a higher
3 level job, you may hire a headhunter to go out
4 and find somebody.
5 So for licensed professionals, you
6 can literally get everybody that legally can fill
7 that job. And what we did is we got the universe
8 of people that had the required licensure to fill
9 a specific job. And then rather than hope people
10 saw the ad, employers would come to us and say, I
11 want four registered nurses at this location.
12 We had all the licensed
13 professionals that can legally fill that role, so
14 we could very effectively and efficiently contact
15 everybody in a drive range around that location,
16 because commute time is a key indicator of job
17 satisfaction, and reach out to them and say, hey,
18 there's this job, are you interested?
19 So it's a much more proactive way to
20 make what people always refer to as that passive
21 job candidate -- make them aware that there's an
22 opening close to them.
23 **Q. And when did you start the company?**
24 A. Probably 2003 or late 2002,
25 somewhere in there.

1 **SEXTON - CONFIDENTIAL**
2 **Q. And what was your position there?**
3 A. I was partner.
4 **Q. How many partners did you have?**
5 A. Three at the time.
6 **Q. And how many employees did you have?**
7 A. When I left, maybe a dozen.
8 **Q. When did you leave?**
9 A. It would have been the winter of
10 2004, so sometime before the new year.
11 **Q. And why did you leave?**
12 A. I left to start Trump University.
13 **Q. And do you still have an interest in**
14 **Katon?**
15 A. I do not.
16 **Q. Is this Katon -- is Katon still in**
17 **business?**
18 A. It is.
19 **Q. So do you -- strike that.**
20 **Did you sever all ties when you left**
21 **Katon in terms of equity interest and so forth?**
22 A. Yes, I did.
23 **Q. Accenture is still in business,**
24 **isn't it?**
25 A. Yes.

1 **SEXTON - CONFIDENTIAL**
2 **Q. Digital Discovery?**
3 A. I don't know.
4 **Q. Install?**
5 A. No.
6 **Q. When did that company go out of**
7 **business?**
8 A. Shortly after 9/11.
9 **Q. Was it related to 9/11?**
10 A. Yes, it was.
11 **Q. Was it in one of the towers or --**
12 A. No, it was a funding issue. It was
13 scheduled to close to allow us to expand. And
14 that environment -- post 9/11, nobody was lending
15 money -- or investing money.
16 **Q. Is that why you left and started**
17 **another company?**
18 A. Yes, it is.
19 **Q. Could you take me through and -- the**
20 **process of starting Trump University, whose idea**
21 **was Trump University?**
22 A. It was my idea.
23 **Q. And did you present that directly to**
24 **Mr. Trump?**
25 A. I did.

<p>1 SEXTON - CONFIDENTIAL</p> <p>2 Q. How did you come to meet Mr. Trump?</p> <p>3 A. One of my former partner's</p> <p>4 brother-in-law was a golfing friend of</p> <p>5 Mr. Trump's.</p> <p>6 Q. Former partner's brother-in-law?</p> <p>7 A. Yes.</p> <p>8 Q. Was a golfing buddy?</p> <p>9 A. Yes.</p> <p>10 Q. And who was that?</p> <p>11 A. His name a Jonathan Spitalny.</p> <p>12 Q. Could you spell his last name.</p> <p>13 A. S-P-I-T-A-L-N-Y.</p> <p>14 Q. And was Jonathan involved in the</p> <p>15 starting of Trump University as well?</p> <p>16 A. He was involved in the -- not in the</p> <p>17 operational portion of starting the company, but</p> <p>18 in the negotiations to start the company.</p> <p>19 Q. And when you say "negotiations," do</p> <p>20 you mean negotiations with Mr. Trump?</p> <p>21 A. Yes, I do.</p> <p>22 Q. And how was he involved?</p> <p>23 A. He was present at the early</p> <p>24 meetings, obviously he arranged for the early</p> <p>25 meetings, and continued to be involved through --</p> <p style="text-align: right;">Page 65</p>	<p>1 SEXTON - CONFIDENTIAL</p> <p>2 through the negotiation of the contract.</p> <p>3 Q. And did he have an interest in Trump</p> <p>4 University?</p> <p>5 A. Yes, he did.</p> <p>6 Q. Do you know what his interest was?</p> <p>7 A. I believe it's 3.5 percent.</p> <p>8 Q. Does he still have an interest in</p> <p>9 Trump University?</p> <p>10 A. I don't know.</p> <p>11 Q. How did you have the idea to start</p> <p>12 Trump University?</p> <p>13 A. The business was going well, and we</p> <p>14 were looking for additional services that we</p> <p>15 could provide to our target market health care</p> <p>16 professionals.</p> <p>17 Q. I'm sorry, when you say "business,"</p> <p>18 you mean Katon?</p> <p>19 A. Katon, yes.</p> <p>20 And I started looking at</p> <p>21 specifically the requirements for health care</p> <p>22 professionals to get continuing education credits</p> <p>23 to maintain a licensure and was exploring</p> <p>24 offering those educational training products</p> <p>25 through the Internet, an e-learning platform.</p> <p style="text-align: right;">Page 66</p>
<p>1 SEXTON - CONFIDENTIAL</p> <p>2 And that's where -- the genesis.</p> <p>3 The idea was that -- running the</p> <p>4 numbers found that the acquisition cost to get a</p> <p>5 new customer in a pretty commoditized environment</p> <p>6 was too high. And so started thinking about what</p> <p>7 other -- if there's a brand in that -- in that</p> <p>8 industry you could license to differentiate</p> <p>9 yourself from the other continuing education</p> <p>10 providers.</p> <p>11 And that's where -- that's what kind</p> <p>12 of got the thinking if you can do it in that</p> <p>13 area, why limit yourself just to health care?</p> <p>14 Why not -- other small business owners that have</p> <p>15 a need for business education that aren't</p> <p>16 adequately being served today, if we could</p> <p>17 license a brand that could cut through the</p> <p>18 clutter and connect with small/midsize</p> <p>19 businesses, that would be a compelling business.</p> <p>20 Q. What do you mean by "cut through the</p> <p>21 clutter"?</p> <p>22 A. So if you're -- anybody that's tried</p> <p>23 to market to small business owners or even</p> <p>24 executives at midsize businesses, middle market</p> <p>25 companies know that it's very -- it's difficult</p> <p style="text-align: right;">Page 67</p>	<p>1 SEXTON - CONFIDENTIAL</p> <p>2 to reach them because, you know, they're busy</p> <p>3 people. And if you had a brand, it would make --</p> <p>4 it would make it much more compelling from a</p> <p>5 marketing standpoint to be able to connect with</p> <p>6 them and effectively communicate what you were</p> <p>7 offering.</p> <p>8 Q. And the idea of brand, did that make</p> <p>9 you think of Donald Trump?</p> <p>10 A. It did. It was -- if I recall, it</p> <p>11 was during the first season of The Apprentice.</p> <p>12 And it seemed like a long time ago, but they</p> <p>13 were -- made quite a splash then because there</p> <p>14 were a number of courses being taught at</p> <p>15 traditional four-year colleges, lessons learned</p> <p>16 about the -- from The Apprentice, management</p> <p>17 lessons from The Apprentice.</p> <p>18 And it kind of caught my attention</p> <p>19 that the brand had transcended real estate to be</p> <p>20 something much bigger, more of an entrepreneurial</p> <p>21 brand in many people's mind. And I thought it</p> <p>22 was -- from a brand equity standpoint, I thought</p> <p>23 it would be a very effective -- very, very</p> <p>24 effective way to connect with people.</p> <p>25 Q. I was just thinking who says that TV</p> <p style="text-align: right;">Page 68</p>

1 **SEXTON - CONFIDENTIAL**
2 **watching isn't productive.**
3 A. That's right.
4 **Q. So this came to you in a flash**
5 **thinking about The Apprentice?**
6 A. It did.
7 **Q. And -- and then -- and then Jonathan**
8 **put you in touch with Mr. Trump?**
9 A. He did.
10 **Q. And when was the first time you met**
11 **with Donald Trump?**
12 A. It would have been in 2004. I
13 imagine the summer of 2004.
14 **Q. And not to belabor the point, but in**
15 **that conversation, the first meeting, as it were,**
16 **was it you and Jonathan and Mr. Trump?**
17 A. And a partner of mine, Richard
18 Kaskel.
19 **Q. Who is Richard Kaskel?**
20 A. He was my partner at Katon Partners.
21 **Q. And did he also have an equity**
22 **interest in Trump University?**
23 A. No.
24 **Q. Did he have any role in Trump**
25 **University?**

1 **SEXTON - CONFIDENTIAL**
2 **Q. And was he -- was his equity**
3 **interest about roughly 93 percent?**
4 A. 92 1/2, I believe. No, you're
5 right, 93. No, I'm sorry, I don't remember. 92
6 or 93.
7 **Q. Sure.**
8 **And do you recall how much of his**
9 **own money he invested?**
10 MR. SCHNEIDER: I'm going to object.
11 The court's already ruled it's not
12 appropriate for the case.
13 I instruct you not to answer.
14 The court's already ruled on this,
15 Rachel.
16 MS. JENSEN: The court did not rule
17 as to the amount of money that he invested
18 in the company.
19 MR. SCHNEIDER: He did. You --
20 you've asked in documents. You've asked
21 him redacted documents for his capital
22 contribution, how much money has been paid
23 to Mr. Trump, how much money was put into
24 the company. And every time the judge has
25 ruled, now twice, that monies to or from

1 **SEXTON - CONFIDENTIAL**
2 A. Originally our strategy was to
3 license the brand. And he would have had a role
4 if we had gone down that path. We didn't, so he
5 didn't.
6 **Q. And what would -- I'm sorry. Is he**
7 **an attorney or --**
8 A. No, no. He was just a business
9 person.
10 **Q. Okay. Okay. Why did you decide not**
11 **to go down -- I think you said that path?**
12 A. That path.
13 During the course of multiple
14 meetings with Mr. Trump and other members of the
15 Trump organization, Mr. Trump kind of -- it
16 changed at his direction from a licensing
17 agreement to an equity ownership.
18 **Q. And you mean, by "equity ownership,"**
19 **his equity ownership?**
20 A. Correct. Rather than us raising
21 money in the financial markets and licensing his
22 brand to build the business, he wanted to put his
23 own money in. He thought it was a compelling
24 concept. And rather than an arm's length
25 license, he would, in fact, be equity partner.

1 **SEXTON - CONFIDENTIAL**
2 Donald Trump are not relevant to your case.
3 MS. ECK: My recollection is that
4 the question was in regard to money paid to
5 Donald Trump and not in regard to money
6 that Donald Trump paid.
7 MR. SCHNEIDER: That's not accurate.
8 MS. JENSEN: That's correct.
9 MR. SCHNEIDER: You all brought a
10 motion seeking to get the capital
11 contributions on the limited liability
12 operating agreement. And you lost. That
13 included the capital contributions in the
14 limited -- in the operating agreement that
15 were redacted. And you asked the court to
16 remove the redaction so you could see the
17 contributions made by the partners, and the
18 court said no.
19 MS. JENSEN: My recollection is that
20 it was the monies that were paid to. But
21 again, you know, I want to keep moving, so
22 we'll reserve on that. And we might come
23 back to that.
24 BY MS. JENSEN:
25 **Q. So in your initial meetings, besides**

1 SEXTON - CONFIDENTIAL
2 asked for it this week, we produced it this
3 morning and --
4 (Discussion off the record.)
5 BY MS. JENSEN:
6 **Q. In case I didn't ask this question**
7 **on the record.**
8 **Again, I'm -- how much of a pay**
9 **reduction did you take in terms of dollar**
10 **amounts?**
11 A. 10 percent.
12 (Discussion off the record.)
13 **Q. How were you compensated -- how were**
14 **you compensated by Trump University?**
15 MR. SCHNEIDER: Are you asking for a
16 dollar amount? Are you trying to invoke
17 the objection? I'll make it. I'm not sure
18 if you're asking if he received a paycheck
19 every two weeks, or are you asking for the
20 dollar amount.
21 BY MS. JENSEN:
22 **Q. I'm asking -- I'll say were you paid**
23 **by a flat salary?**
24 A. I was paid a management fee.
25 **Q. Was that management fee set**

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1 SEXTON - CONFIDENTIAL
2 A. It did not.
3 **Q. Did your responsibilities or job**
4 **duties ever change?**
5 A. No, they did not.
6 MS. JENSEN: David, do you have
7 additional copies of the employment
8 agreement?
9 MR. SCHNEIDER: I think I did make a
10 couple of copies.
11 MS. JENSEN: Okay. That's a
12 document I do not have in the binders for
13 you because I just received it.
14 MR. SCHNEIDER: (Handing document to
15 the witness.)
16 MS. JENSEN: But I would like to
17 introduce this document as Exhibit No. 2.
18 It is entitled the "Employment Agreement,"
19 it is Bates ranges TU129757 to 71, which I
20 will ask the court reporter to mark as
21 Exhibit No. 2.
22 (Plaintiffs' Exhibit 2, Bates Nos.
23 TU129757 through 72, Employment Agreement,
24 marked for identification.)
25 (Discussion off the record.)

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1 SEXTON - CONFIDENTIAL
2 **annually?**
3 A. It actually never changed from the
4 original agreement.
5 **Q. Was it an annual amount?**
6 A. Yes, it was. Paid out every two
7 weeks.
8 **Q. And was it contingent on revenues?**
9 A. No, it was not.
10 **Q. Was it contingent on profits?**
11 A. No, it was not.
12 **Q. Just to clarify, by "original**
13 **agreement," do you mean your employment**
14 **agreement?**
15 A. I do.
16 **Q. And I take it that your employment**
17 **agreement was part of the negotiations for Trump**
18 **University --**
19 A. Yes, it was.
20 **Q. -- we were talking about previously?**
21 **And I don't want to ask you**
22 **questions that I think I know the answers to, so**
23 **you were originally the president; correct?**
24 A. Correct.
25 **Q. And did your title ever change?**

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1 SEXTON - CONFIDENTIAL
2 MR. OLSEN: Can I have the Bates
3 numbers again?
4 MS. JENSEN: It's TU129757.
5 BY MS. JENSEN:
6 **Q. Mr. Sexton, is this the employment**
7 **agreement for your employment with Trump**
8 **University?**
9 A. Yes, it is.
10 **Q. If you can turn to the last page of**
11 **the document, which is -- I don't know -- do you**
12 **see the heading, "Schedule A"?**
13 A. Yes, I do.
14 **Q. And there is a list from number 1 to**
15 **10 for employees' duties and responsibilities?**
16 A. Uh-huh.
17 **Q. Does that fairly portray what your**
18 **duties and responsibilities were while at Trump**
19 **University?**
20 (Witness peruses the exhibit.)
21 A. Yes, it was -- yes, it does.
22 **Q. And were you the person primarily**
23 **responsible for each one of these duties and**
24 **responsibilities?**
25 A. Yes, I was.

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1 SEXTON - CONFIDENTIAL
2 **Q. Looking at Schedule A, is there**
3 **anybody else who had primary responsibility for**
4 **these duties and responsibilities?**
5 A. Well, number 6, certainly Steven
6 Matejek, our controller.
7 Number 9, certainly our chief
8 marketing officer.
9 **Q. I'm sorry, that's Michael Bloom?**
10 A. Correct.
11 But other than that, yes. And,
12 look, number 3 was kind of a collaborative
13 effort.
14 **Q. Collaborative effort?**
15 A. With -- it's pretty high level
16 talking about business processes. If there was a
17 customer service business process, it would be
18 David Highbloom. If it was a marketing business
19 process, it would be Michael Bloom. But
20 certainly I worked in collaboration with them.
21 **Q. Thank you.**
22 **Where did you report location-wise?**
23 **Where did you show up every morning?**
24 A. Well, initially we didn't have
25 offices, so it was kind of pre -- pre venture.

1 SEXTON - CONFIDENTIAL
2 We worked out of here, this building, at times.
3 We -- again, I don't recall the exact date, but
4 we got offices at 40 Wall Street relatively
5 quickly. And that's where -- that's where we
6 remained in a different -- two different office
7 spaces there for the remainder of the term.
8 **Q. I'm sorry, so you had two different**
9 **office spaces at 40 Wall --**
10 A. We started in a very small space and
11 then, as we grew a bit, we got a slightly bigger
12 space.
13 **Q. Did you have an office at Trump**
14 **Organization -- you said in the beginning?**
15 A. No, we were never given an office.
16 If we needed to use a conference room, we'd use a
17 conference room.
18 **Q. Okay. Fair enough.**
19 **Did you report to anyone?**
20 A. You know, technically, I don't know.
21 I mean, technically, Mr. Trump is the managing
22 member. Practically speaking, Allen Weisselberg
23 is the CFO.
24 **Q. CFO of Trump Organization?**
25 A. Correct.

1 SEXTON - CONFIDENTIAL
2 Again, reporting is a little --
3 there's kind of the reporting from a -- the
4 operating agreement standpoint. You know, I
5 didn't report to anybody in Trump Organization
6 from an organizational hierarchy standpoint.
7 **Q. I'm sorry, I just want to make sure**
8 **I understand your question -- your answer.**
9 A. Sure.
10 **Q. So from an operating agreement**
11 **standpoint. So, again, are you referring to the**
12 **members?**
13 A. Correct. The LLC. So I reported --
14 inasmuch as I had to report the managing in
15 Schedule A to the managing member financial
16 results, I'm using report in one way. If you're
17 asking who -- from an organizational development
18 standpoint or hierarchy standpoint who I reported
19 to here, I didn't report to anybody.
20 **Q. So you did have a responsibility to**
21 **report the financials to the managing member?**
22 A. The overall performance of the
23 business.
24 **Q. Correct.**
25 **And then also I see, on number 10,**

1 SEXTON - CONFIDENTIAL
2 **there's a parenthetical next to "Negotiating**
3 **significant contracts."**
4 A. Uh-huh.
5 **Q. It says, "With approval of a**
6 **managing member or another person authorized by**
7 **Donald Trump."**
8 **What types of contracts would be**
9 **significant enough to warrant preapproval?**
10 A. The BSG contract would be a good
11 example. We certainly didn't have many, but
12 that's the one that sticks in my mind as --
13 **Q. Any others?**
14 A. Maybe the rent, the office lease
15 at -- yes, I'm sure the office lease at 40 Wall.
16 Other than that, I can't recall.
17 **Q. And then in terms of people who**
18 **reported to you, is it fair to say that everybody**
19 **else at Trump University ultimately reported to**
20 **you?**
21 A. Yes, it is.
22 **Q. Did you have anybody directly report**
23 **to you?**
24 A. Yes.
25 **Q. And who was that?**

1 **SEXTON - CONFIDENTIAL**
2 A. David Highbloom, who is the chief
3 operating officer. I mean, it evolved over time,
4 right. So if you want a snapshot, towards the
5 end, it was Michael Bloom as the chief marketing
6 officer, Steven Matejek as the controller. I
7 guess April Neumann as the director of
8 operations.
9 (Discussion off the record.)
10 **Q. Trump University was registered to**
11 **do business in New York; correct?**
12 A. Yes.
13 **Q. Was it registered to do business in**
14 **any other state?**
15 A. Yes.
16 **Q. What other states?**
17 A. It's A long list. We had operations
18 in Illinois, where we had a -- our Greg Saunders,
19 who we spoke of earlier, was effectively our CTO,
20 lived and worked out of his home.
21 And Ben Mueller from Florida.
22 Chief learning officer by the name
23 of Roger Schank.
24 **Q. Sorry, what was his title, chief**
25 **learning officer?**

1 **SEXTON - CONFIDENTIAL**
2 **California?**
3 A. No, we did not.
4 **Q. Did you have any other nexus in**
5 **California?**
6 A. No, we did not.
7 **Q. Is there an entity called Trump U**
8 **CA?**
9 A. I believe there is, yes.
10 **Q. And what was its relationship to**
11 **Trump University LLC?**
12 A. I didn't deal with the specific
13 corporations, but I believe it was a company that
14 we set up to ensure we paid the proper taxes in
15 Canada. I know -- again, I wasn't directly
16 involved with that, but I know we had to go
17 through a fair amount of paperwork,
18 administrative to do business in Canada. That
19 was part of it.
20 **Q. So the "CA" stands for Canada?**
21 A. Yes, it does.
22 **Q. Besides the offices at 40 Wall**
23 **Street, did Trump University also have an office**
24 **at 399 Pine Road, Briarcliff Manor, New York?**
25 A. No.

1 **SEXTON - CONFIDENTIAL**
2 A. Learning officer, uh-huh.
3 **Q. And could you spell Roger's last**
4 **name for the record?**
5 A. I believe it's S-C-H-A-N-K.
6 We had a fulfillment, logistics kind
7 of pick, pack and ship fulfillment warehouse that
8 we contracted with out in Arizona. And then we
9 filed to do businesses in states where we were
10 going to appear in the course of business.
11 **Q. Do you recall what states -- what**
12 **states you were registered with?**
13 A. I would just be guessing, but
14 California, Florida, New York, New Jersey,
15 Maryland, Virginia. Every state where we would
16 routinely conduct business.
17 **Q. And do you mean by "routinely**
18 **conduct business" the live events or --**
19 A. Correct. Correct. And/or have a
20 presence. I think they call it nexus, where --
21 where we had an employee or some kind of ongoing
22 operation like the logistics facility --
23 **Q. Sure.**
24 A. -- in Phoenix.
25 **Q. Did you have any employees in**

1 **SEXTON - CONFIDENTIAL**
2 **Q. Do you know -- does that address**
3 **ring a bell?**
4 A. It doesn't to me. I know Mr. Trump
5 has I think a golf course in Briarcliff Manor,
6 but I don't know the address of it.
7 **Q. Moving to the Trump University**
8 **operating agreement, did Trump University**
9 **entered -- enter into a license with Donald Trump**
10 **to use the name Trump?**
11 A. I don't recall if that was a
12 specific part of the operating agreement.
13 **Q. I'm going to direct your**
14 **attention --**
15 A. Should I do something with this?
16 **Q. You can put it actually back into**
17 **the binder -- I'm sorry, that one wasn't in the**
18 **binder before. Could you put it in the left-hand**
19 **pocket right there.**
20 (Witness complies.)
21 **Q. That would be great. Thanks.**
22 I'd like to direct your attention to
23 a document labeled TU62027 through 56. Perhaps
24 your counsel can help you --
25 MR. SCHNEIDER: Which binder?

1 SEXTON - CONFIDENTIAL
2 MS. JENSEN: These are all labeled
3 numerically, and it says on the binder what
4 the Bates ranges are.
5 THE WITNESS: This goes up to 56
6 or --
7 MR. SCHNEIDER: So what is the
8 number?
9 MS. JENSEN: It should be the one
10 after that.
11 62027.
12 We'll ask that it be marked as
13 Exhibit No. 3.
14 (Plaintiffs' Exhibit 3, Bates Nos.
15 TU62027 through 56, Operating Agreement,
16 marked for identification.)
17 BY MS. JENSEN:
18 **Q. Could you please turn to page No. 6.**
19 **I'm sorry, before we get there, do**
20 **you recognize that this is the operating**
21 **agreement of Trump University?**
22 A. It appears to be, yes.
23 **Q. Turning to page No. 6, do you see**
24 **the heading for "Name"?**
25 A. Yes, I do.

1 SEXTON - CONFIDENTIAL
2 **it was for brand purposes. Can you explain that**
3 **a little bit more?**
4 A. We thought it was a very
5 aspirational and inspirational brand that could
6 motivate people. And going back to the earlier
7 testimony, at this point in time, the Trump brand
8 really transcended real estate.
9 And there was actually a survey --
10 we'd done a fair amount of research into what
11 brands really do represent the best of
12 entrepreneurship in America. And there was a
13 survey done by a recognized company, I forget,
14 maybe it was Microsoft, and Trump was the number
15 two recognized brand for entrepreneurship very
16 specifically in America.
17 And we felt it was the most
18 compelling brand out there that would -- that
19 would be accessible to a broad range of people
20 who would understand kind of instantly when you
21 put that name what it stood for.
22 **Q. Did you keep that survey in your**
23 **records?**
24 A. I don't recall. I'm sure it was
25 referenced in -- you know, in early documents.

1 SEXTON - CONFIDENTIAL
2 **Q. It says that the company will enter**
3 **into a license agreement with Trump, which**
4 **states, among other things, the rights of the**
5 **company for the use of the name "Trump" as part**
6 **of the name of the company in the form and on the**
7 **terms satisfactory to the manager?**
8 A. Yes, I do.
9 **Q. Does that refresh your recollection**
10 **as to whether there was a license agreement?**
11 A. Yes, appears to be.
12 **Q. Whose idea was it to use the name**
13 **Trump in the name of the organization?**
14 A. It was mine. We wouldn't have
15 approached the Trump Organization and Donald
16 Trump specifically unless we intended to use that
17 name as part of the branding.
18 **Q. So that was always part of the plan?**
19 A. Right.
20 **Q. To which -- it sounds like Mr. Trump**
21 **agreed?**
22 A. Yes, he agreed.
23 **Q. Why did you want to use the name**
24 **Trump? I understand that it's -- from your prior**
25 **testimony, I'm not trying to misstate anything,**

1 SEXTON - CONFIDENTIAL
2 **Q. Do you remember the name of the**
3 **survey?**
4 A. You know, I believe it was Intuit,
5 actually. I believe it was Intuit who conducted
6 the survey.
7 **Q. You don't recall the name of the**
8 **survey, sitting here?**
9 A. No. That was seven years ago.
10 **Q. Was the survey released in 2004?**
11 A. I believe it's 2004.
12 **Q. Just curious, what was the number**
13 **one?**
14 A. I believe it was Bill Gates.
15 **Q. Would have made sense, if it was a**
16 **Microsoft survey.**
17 A. That's why I was thinking Microsoft.
18 **Q. Right.**
19 A. But, again, it wasn't lost on us
20 that colleges -- four-year colleges and some
21 community colleges were actually teaching courses
22 based on lessons learned from the program. So it
23 clearly -- clearly people were motivated by it,
24 so we thought it was a very, very good brand.
25 **Q. And by "motivated," do you mean**

<p>1 SEXTON - CONFIDENTIAL</p> <p>2 motivated to buy?</p> <p>3 A. Motivated to do -- to act. We did a</p> <p>4 fair amount of research on small business owner</p> <p>5 market. And historically, it's been a very, very</p> <p>6 difficult market to crack because small business</p> <p>7 owners are typically more worried about making</p> <p>8 payroll and the day-to-day operations of the</p> <p>9 business as opposed to investing in building</p> <p>10 their education and training to grow the</p> <p>11 business.</p> <p>12 And so many companies had kind of</p> <p>13 gone down that path and been frustrated by --</p> <p>14 even though everybody agrees -- surveys will show</p> <p>15 they know they need to do specific things to</p> <p>16 improve their financial performance and grow the</p> <p>17 business, but they don't have time to do it.</p> <p>18 So we were looking for something</p> <p>19 that was aspirational that would get people to</p> <p>20 get up and act.</p> <p>21 Q. And, I'm sorry, by "act," do you</p> <p>22 mean sign up for the program?</p> <p>23 A. To engage in the training and</p> <p>24 education, right.</p> <p>25 Q. Okay. So -- I mean, the end result</p> <p style="text-align: right;">Page 117</p>	<p>1 SEXTON - CONFIDENTIAL</p> <p>2 would be to buy the product; right?</p> <p>3 MR. SCHNEIDER: Well, he's answered</p> <p>4 this two or three times now, Rachel. You</p> <p>5 keep asking. He said it's to do</p> <p>6 something --</p> <p>7 MS. JENSEN: I know. I understand.</p> <p>8 I'm trying to flush it out, David.</p> <p>9 MR. SCHNEIDER: What you want is the</p> <p>10 answer that -- what you want is the answer</p> <p>11 to buy, but he's twice now told you that's</p> <p>12 not what it was. He said it's to do</p> <p>13 something, to get businesses to move</p> <p>14 into --</p> <p>15 MS. JENSEN: No, I understand. I'm</p> <p>16 trying to flush it out further. So that's</p> <p>17 what --</p> <p>18 MR. SCHNEIDER: That's not what your</p> <p>19 question was. You said, it's this; right?</p> <p>20 And he said, no, it's X. And you go, okay,</p> <p>21 but really it's this; right? And he said,</p> <p>22 no. And you said, okay, but it's to buy --</p> <p>23 MS. JENSEN: Are you instructing</p> <p>24 your client not to answer?</p> <p>25 MR. SCHNEIDER: If you harass him, I</p> <p style="text-align: right;">Page 118</p>
<p>1 SEXTON - CONFIDENTIAL</p> <p>2 will.</p> <p>3 MS. JENSEN: I'm not harassing. I'm</p> <p>4 absolutely not harassing. So let me ask my</p> <p>5 questions and let him give me the answers.</p> <p>6 And right now you're -- you're coaching</p> <p>7 him, so --</p> <p>8 MR. SCHNEIDER: No, he's answered</p> <p>9 it -- I let him answer twice, and then on</p> <p>10 the third time, you're trying to</p> <p>11 recharacterize it. That's improper.</p> <p>12 MS. JENSEN: No, I'm not trying to</p> <p>13 recharacterize it at all. I'll trying to</p> <p>14 flush it out.</p> <p>15 I think the question is still</p> <p>16 pending.</p> <p>17 (Record read.)</p> <p>18 THE WITNESS: Again, we were kind of</p> <p>19 thinking about it. When you build a</p> <p>20 business, you have to understand who your</p> <p>21 market is and what their need is. And if</p> <p>22 their need's not currently being met by</p> <p>23 other products or services on the market,</p> <p>24 then there's an opportunity.</p> <p>25 So the opportunity for us was to get</p> <p style="text-align: right;">Page 119</p>	<p>1 SEXTON - CONFIDENTIAL</p> <p>2 people engaged in training and education</p> <p>3 with a specific purpose of building their</p> <p>4 business. So when we talk about acting and</p> <p>5 motivating, we were trying to act -- get</p> <p>6 small business owners to act on their own</p> <p>7 behalf to build their skill base so that</p> <p>8 they could grow their business and achieve</p> <p>9 their goals.</p> <p>10 BY MS. JENSEN:</p> <p>11 Q. And they -- they would do so how? I</p> <p>12 guess I'm not understanding the end --</p> <p>13 A. Sure.</p> <p>14 Q. -- the end result here.</p> <p>15 A. So the end result is, if I can give</p> <p>16 a store owner in Idaho an opportunity to take a</p> <p>17 marketing class from Don Sexton, a tenured</p> <p>18 professor at Columbia Business School, for \$300,</p> <p>19 I want to do everything I can to get him to take</p> <p>20 that class because that class is fundamentally</p> <p>21 going to change the way he approaches his</p> <p>22 business.</p> <p>23 And that's not -- that was never</p> <p>24 available anywhere at that time. And to the best</p> <p>25 of my knowledge, you start seeing a little bit of</p> <p style="text-align: right;">Page 120</p>

1 SEXTON - CONFIDENTIAL
2 it being available now, but that was a very
3 compelling value proposition from my standpoint.
4 **Q. And so for purposes of this**
5 **hypothetical, did Don Sexton offer these courses**
6 **through Trump University?**
7 A. Yes, he did.
8 **Q. Online? They're online courses?**
9 A. Yes.
10 **Q. Did he ever teach at a live event?**
11 A. No. We specifically wanted him as a
12 subject matter expert for the e-learning courses.
13 **Q. Besides the equity that you**
14 **discussed earlier as to Donald Trump, did he --**
15 **was there consideration given on behalf of Trump**
16 **University to obtain the license agreement?**
17 MR. SCHNEIDER: Objection. Vague.
18 THE WITNESS: No. Everything was
19 included in this operating agreement.
20 BY MS. JENSEN:
21 **Q. Okay. Was -- the operating**
22 **agreement, was that written up by Trump**
23 **Organization?**
24 A. Yes, it was.
25 **Q. Jason Greenblatt?**

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1 SEXTON - CONFIDENTIAL
2 A. Just to clarify, that's my last
3 formal day. I helped with transition. Obviously
4 no compensation, but helped manage a transition
5 for, you know, I don't know a month and a half
6 after that, something like that, as-needed.
7 Were there discussions about
8 bankruptcy?
9 MR. SCHNEIDER: Those would be
10 discussions outside of the presence of any
11 counsel.
12 THE WITNESS: I can't think of any
13 time we discussed that outside of the
14 presence of counsel.
15 BY MS. JENSEN:
16 **Q. Do you know whether there's an**
17 **ongoing discussion about whether to file for**
18 **bankruptcy on behalf of Trump University?**
19 MR. SCHNEIDER: Objection.
20 Foundation.
21 And, first, I doubt there's a
22 foundation, but -- about what's currently
23 going on, but any information that you
24 personally have unrelated to counsel --
25 THE WITNESS: I have no information.

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1 SEXTON - CONFIDENTIAL
2 A. Yes.
3 **Q. Do you have an understanding at that**
4 **time as to why Trump Organization was providing**
5 **legal services for Trump University's operating**
6 **agreement? Was there an agreement that Trump**
7 **Organization would provide legal services for**
8 **Trump University?**
9 A. I can't talk to what happened before
10 the formation of the company, how Greenblatt was
11 acting on behalf of the managing member. I don't
12 know. I will say subsequent to that, we had --
13 you know, we used one of the few things we used
14 the Trump Organization for as a shared service
15 was the legal department, if that's your
16 question.
17 **Q. Yes. Thank you.**
18 A. For part of our agreements.
19 **Q. Was that in a side agreement or in**
20 **writing anywhere?**
21 A. No, it wasn't. No.
22 **Q. I understand that you left the**
23 **company, according to your testimony today,**
24 **July 31, 2010. At that time, were there**
25 **discussions about filing for bankruptcy?**

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1 SEXTON - CONFIDENTIAL
2 MS. JENSEN: Just for the future,
3 David, if you could please finish -- I
4 mean, wait to start talking until after I
5 finish my question. I was still asking my
6 question. So I want to make sure we have a
7 clean record for this deposition.
8 MR. SCHNEIDER: Well, the question
9 said, "Do you know whether there's any
10 ongoing discussion about whether to file
11 for bankruptcy on behalf of Trump
12 University?"
13 And then I made my objection on
14 foundation. So were you not finished with
15 that question?
16 MS. JENSEN: You were starting to
17 talk before I had finished that question.
18 So apparently we have a very proficient
19 court reporter who can still clean it up.
20 But I'm saying for a clean record --
21 MR. SCHNEIDER: Sure.
22 MS. JENSEN: -- and also for
23 courtesy, if you could just please wait
24 until I've finished, I'd appreciate it.
25 That's all I'm asking.

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1 SEXTON - CONFIDENTIAL
2 to do. We were the exact opposite.
3 And that was our position, was it's
4 not about ivy tower. It's about practical, at
5 the time very cost-effective, very, very
6 high-quality education delivered tactically and
7 quickly to your computer. You know, so, no, I
8 don't -- we went to great pains to make it clear
9 this wasn't my intent, it wasn't traditional
10 education.
11 **Q. It was for e-learning?**
12 A. Correct. Not only e-learning, this
13 is continuing ed for working adults. And this is
14 very practically focused education to help build
15 specific skills that could help business people
16 achieve their goals.
17 **Q. And you've used the term "continuing**
18 **education" a couple of times. To be clear, did**
19 **Trump University offer any credits for continuing**
20 **legal requirements -- I mean, continuing**
21 **education requirements?**
22 A. "Continuing education" is a very
23 broad term. It doesn't -- a portion of it infer
24 continuing ed credits; but continuing ed is --
25 you can go to a learning annex and you can take

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1 SEXTON - CONFIDENTIAL
2 Education like U -- ULC or something.
3 **Q. Was the brand name Trump U used in**
4 **Maryland and the D.C. area?**
5 A. We did use Trump U in certain
6 states.
7 **Q. Why was that term used in certain**
8 **states?**
9 A. I believe the states that used that
10 were additional states that regulated the word
11 "university."
12 **Q. When you say "additional states," do**
13 **you mean besides New York?**
14 A. Yes.
15 **Q. Why did you feel the need to use**
16 **Trump U instead of Trump University in those**
17 **states?**
18 A. I think in Maryland, we may have
19 gotten a call from the education department,
20 something like that. I guess Massachusetts,
21 probably something similar. And we just agreed
22 to change, and the -- and the state was happy
23 with that.
24 **Q. So to be clear, did you start off**
25 **using the term "Trump University" in those states**

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1 SEXTON - CONFIDENTIAL
2 continuing ed course; right?
3 We -- we were certified by the -- by
4 IACAT to offer continuing ed credits. It's
5 I-A-C-A-T. I forget what the acronym stands for,
6 but we went through that certification process
7 and received -- received approval grant
8 continuing ed credits for -- for our courses.
9 **Q. Did Trump University ever seek**
10 **accreditation to become a university?**
11 A. No, never.
12 **Q. And besides the names Trump**
13 **University LLC, Trump University CA LLC, and**
14 **Trump Entrepreneur Initiative LLC, did Trump**
15 **University ever operate under another name?**
16 A. I believe there's another name in
17 Canada. Again, I believe that Delaware Corp. --
18 there was a Canadian -- they don't call them LLCs
19 out there, they call them something else.
20 Something else. But I believe that fed into the
21 Delaware Corp. And I believe we called it Trump
22 Education in Canada. So that would be the only
23 other name that would appear, that I can recall.
24 **Q. Was it Trump Education, perhaps?**
25 A. Trump Education, but it's Trump

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1 SEXTON - CONFIDENTIAL
2 and then you changed that --
3 A. Yes, we did.
4 **Q. -- after you got that phone call?**
5 A. Yes.
6 **Q. And in -- in New York, it's my**
7 **presumption you didn't get a call until May of**
8 **2010, or did you get a call before then from --**
9 A. No, we got a call -- if it's --
10 spring of 2010, sometime in that time frame.
11 **Q. Right.**
12 A. Yes. And it was brought to our
13 attention that there was an issue with the name
14 and we quickly changed it.
15 **Q. Do you have an understanding of**
16 **why -- why they waited until spring of 2010?**
17 MR. SCHNEIDER: Objection. Calls
18 for speculation.
19 THE WITNESS: When was this -- when
20 was this lawsuit filed?
21 MR. SCHNEIDER: April or May of
22 2010.
23 THE WITNESS: I would suspect that
24 was the cause for . . .
25

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<p>1 SEXTON - CONFIDENTIAL 2 BY MS. JENSEN: 3 Q. That's fine. Anyway, it doesn't 4 matter what I think. 5 A. I would suspect. I don't know. 6 Q. Okay. Okay. Sure. 7 How was the name Trump Entrepreneur 8 Initiative chosen? 9 A. We brainstormed a number of 10 different names, shared them with Mr. Trump. And 11 I think we all agreed that Trump Entrepreneur 12 Initiative captured -- was kind of a very 13 mission-oriented name that captured what we were 14 trying to do, to create a creative generation of 15 entrepreneurs out there. 16 Q. So that decision was made in 17 conjunction with Donald Trump? 18 A. Yes, it was. 19 Q. And who else contributed to that 20 decision? 21 A. Michael Bloom. I know Mr. Trump 22 asked other people's opinions as well internally. 23 Q. Are you familiar with a document 24 called the playbook? 25 A. Yes, I am.</p> <p style="text-align: right;">Page 161</p>	<p>1 SEXTON - CONFIDENTIAL 2 Q. Who created that document? 3 A. David Highbloom did, with assistance 4 from April Neumann. 5 Q. Do you know when -- 6 A. Probably others within that team. 7 Q. Do you know when it was created? 8 A. I believe the first one was created 9 prior to an annual meeting in Atlanta, Georgia in 10 I believe December of 2008. 11 Q. Was it updated over time? 12 A. It was. It was -- it was treated as 13 kind of a living document that evolved as we 14 added regulations, rules. I know the big updates 15 came -- in addition to updates over time, the big 16 updates came prior to annual training. So that 17 would have been December of '09 and December of 18 '10 as well, in New Orleans and Las Vegas, 19 respectively. 20 Q. I'm sorry, were there annual 21 meetings after you left in July 2010? 22 A. No. Did I mess up the dates again? 23 Q. That's okay. 24 A. Move all those back again. 25 Q. So Atlanta 2007?</p> <p style="text-align: right;">Page 162</p>
<p>1 SEXTON - CONFIDENTIAL 2 A. Yes. 3 Q. New Orleans in 2008? 4 A. Yes. 5 Q. And Las Vegas in 2009? 6 A. Thank you, yes. That also solves 7 the mystery. 8 Q. You threw me off there. 9 A. Those dates are killing me. 10 Q. Okay. And what was the purpose of 11 the playbook? 12 A. It was -- it was an aggregation of 13 all the standard operating procedures, rules, 14 regulations that governed how we as an 15 organization behaved and acted out in the field. 16 Q. Going back to the name, when you 17 were changing the name to Trump Entrepreneur 18 Initiative, did you consider any names that did 19 not have Trump in them? 20 A. No, we did not. 21 Q. And why was it important to retain 22 the name Trump? 23 A. We believed it had brand equity. 24 There was value to it. Certainly from a 25 continuity standpoint, it made a tremendous</p> <p style="text-align: right;">Page 163</p>	<p>1 SEXTON - CONFIDENTIAL 2 amount of sense; but at the end of the day, the 3 brand was critical to the business. 4 Q. When the New York Department of 5 Education contacted Trump University, do you know 6 whether it did so by letter? 7 A. It did so by letter, yes. 8 Q. And to whom was it addressed? Do 9 you know? Was it addressed to you? 10 A. I believe it was. I believe it was. 11 Q. What did Trump University do in 12 response to the letter? 13 A. We spoke to Joseph Frey at the 14 Department of Education. 15 Q. Can you spell Joseph's name for the 16 record? 17 A. Last name F-R-E-Y. 18 We obviously referred it immediately 19 to counsel as well. 20 Q. By "counsel," who do you mean? 21 A. George Sorial. 22 Q. George Sorial, for the record, is 23 with? 24 A. Trump Organization. 25 Q. And did you -- did you -- did you</p> <p style="text-align: right;">Page 164</p>

1 **SEXTON - CONFIDENTIAL**
2 **ever respond by letter or in writing?**
3 A. I didn't.
4 **Q. Do you know whether Trump University**
5 **did?**
6 A. I don't know. I imagine we did. I
7 don't know.
8 **Q. Do you know whether any documents**
9 **were produced to the New York Department of**
10 **Education?**
11 A. I don't believe so, but I don't know
12 for sure.
13 **Q. Do you know who would know?**
14 A. George Sorial.
15 **Q. Would -- George Sorial would also**
16 **know if there was any letter of response to the**
17 **New York Department of Education?**
18 A. Yes.
19 **Q. And to your understanding, did the**
20 **New York Department of Education notify Trump**
21 **University that the use of the term "university"**
22 **violated the rules of the board of regents?**
23 A. Yes.
24 **Q. And, again, that was by a letter as**
25 **well, that same letter that you received?**

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1 **SEXTON - CONFIDENTIAL**
2 **Q. Does it have any subsidiaries?**
3 A. Again, I would direct you to Steve
4 Matejek. The only one I can think of is the
5 Canadian entity, which, again, I believe was
6 called Trump Education, I believe it's ULC up
7 there, which I believe is a wholly owned
8 subsidiary of Trump University LLC.
9 **Q. Does Trump University have any other**
10 **affiliates?**
11 A. No, not that I'm aware of.
12 **Q. Or has it throughout its history?**
13 A. No.
14 **Q. What is Prosper, Incorporated,**
15 **P-R-O-S-P-E-R?**
16 A. Prosper was -- it is a -- they're
17 kind of a sales and marketing partner that will
18 work with branded entities and provide -- kind of
19 partner to provide marketing and sales and --
20 marketing and sales support as well as execution
21 of specifically coaching.
22 **Q. So getting a little more specific,**
23 **what did Prosper provide for Trump University?**
24 A. So early, and I guess in 2005 it
25 would have been, they made a proposal to us, and

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1 **SEXTON - CONFIDENTIAL**
2 A. Yes.
3 **Q. So to tie this up, in -- the upshot**
4 **of this investigation, as I understand it, was**
5 **that Trump University changed its name; correct?**
6 A. (Witness nods head in the
7 affirmative.)
8 **Q. Were there any other consequences or**
9 **actions taken as a result of that investigation?**
10 A. No.
11 **Q. Were there any fines imposed?**
12 A. No.
13 **Q. Penalties?**
14 A. No.
15 **Q. Anything else?**
16 A. No.
17 **Q. Besides the companies that we've**
18 **discussed, does Trump University have any parent**
19 **company?**
20 A. No.
21 **Q. Actually, let me take that**
22 **disclaimer out of there.**
23 **Does Trump University have a parent**
24 **company?**
25 A. No.

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1 **SEXTON - CONFIDENTIAL**
2 we agreed to pilot it to -- where they would
3 market a coaching program, a real estate coaching
4 program under the Trump University brand. And
5 they would incur the costs to market it. And
6 then they demonstrated to us they had expertise
7 in that area. They would sell coaching programs
8 and they would deliver coaching programs
9 specifically in the area of real estate.
10 **Q. And was it done under Prosper's name**
11 **or under Trump University's name?**
12 A. Trump University's name.
13 **Q. And were there any agreements,**
14 **written agreements, between Trump University and**
15 **Prosper which memorialized that relationship?**
16 A. There was an agreement for a pilot.
17 I believe it was -- it covered kind of a test,
18 like a memo of understanding, that kind of thing.
19 **Q. And who was primarily responsible**
20 **for negotiating that -- executing that?**
21 A. I was.
22 **Q. And did Trump University make a**
23 **portion of the revenues?**
24 A. Correct. So that was a revenue
25 share.

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1 SEXTON - CONFIDENTIAL
2 okay. And, if they're not okay, then we would
3 have a conversation and also give the instructor
4 coaching on what -- what was the appropriate
5 thing to say, if any, at the time.
6 **Q.** Do you know what those reports were
7 called?
8 **A.** We didn't call them anything. It
9 was kind of a process. They were just compliance
10 review. I guess compliance review.
11 **Q.** Okay. You didn't just make that up,
12 did you?
13 **A.** It sounded right, so I'm going with
14 it. I believe it was called compliance review.
15 **Q.** Okay. Do you know -- do you know
16 which employees did those reviews?
17 **A.** So outside counsel -- you're talking
18 about the initial review of either the transcript
19 and/or audio?
20 **Q.** The initial --
21 **A.** Outside counsel initially did them.
22 And then two outsourced partners did them that
23 weren't -- it wasn't a full-time job. It
24 was . . .
25 **Q.** But the -- but the documents -- the

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2 recordings would have been on the Trump
3 University system; right?
4 **A.** Correct.
5 **Q.** And the compliance reviews would
6 have been on the Trump University system?
7 **A.** Yes. They would have been, yes.
8 **Q.** Okay.
9 **A.** And by "system," I mean they would
10 have been -- a lot of those would have ended up
11 on my hard drive. There wasn't any system.
12 There wasn't a like shared server anywhere. They
13 would have ended up on my hard drive if I was the
14 one giving feedback back to the instructor.
15 **Q.** Okay. There was a server at Trump
16 University, correct, or were there only a series
17 of hard drives?
18 **A.** I believe -- I only used my hard
19 drive. I believe there was a shared server
20 that -- Matejek I think set up a shared server
21 for his finance team. Honestly, I don't recall.
22 There may have been, actually. Now I'm sitting
23 here, I actually don't recall. I think there
24 was. It wasn't -- it wasn't resident there. It
25 was --

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2 MR. SCHNEIDER: Don't speculate.
3 Just testify to what you know.
4 THE WITNESS: Okay. Got it.
5 (Discussion off the record.)
6 BY MS. JENSEN:
7 **Q.** Did you -- you reviewed the
8 compliance reviews; correct?
9 **A.** Most of them. David would have
10 reviewed some as well. Kind of divide and
11 conquer on that.
12 **Q.** And based on your review, did you
13 generate any correspondence or documents?
14 **A.** No. Those were important. We
15 picked up the phone immediately and had a
16 one-on-one with the instructor so they understood
17 exactly where we're coming from, our position.
18 MS. JENSEN: I see that we are out
19 of time on the tape. Why don't we go ahead
20 and change the tape.
21 THE VIDEOGRAPHER: The time is 3:32
22 and we're off the record.
23 (Recess from the record.)
24 THE VIDEOGRAPHER: The time is 4:07.
25 This begins Tape No. 4 of the videotaped

1 SEXTON - CONFIDENTIAL
2 deposition of Michael Sexton.
3 BY MS. JENSEN:
4 **Q.** Mr. Sexton, during the break, we
5 discussed there might be some ambiguity about the
6 relationship between Trump University LLC and
7 Trump University CA LLC. If there was something
8 you wanted to clarify from your testimony, I
9 invite you to do so.
10 **A.** There may have been a misconception
11 that monies flowed from Trump University LLC into
12 the Canadian entity. And to the best of my
13 knowledge, other than some small monies to seed
14 that account, that wasn't the case. Monies
15 flowed from the other way.
16 So when we had events in Canada,
17 there's a bank account in Canada and we paid for
18 the cost of those events and taxes, obligations
19 for those events out of that account, and
20 whatever balance remained flowed back to the LLC.
21 So I just wanted to make that clear.
22 **Q.** That is helpful. Thank you.
23 Before we broke, we went on break,
24 we discussed the compliance process. First I
25 wanted to establish a time frame for that

1 **SEXTON - CONFIDENTIAL**
 2 **compliance process.**
 3 **When was that compliance process**
 4 **instituted?**
 5 A. Very early in the -- in our
 6 launching of the -- our live events, Trump
 7 University live events. I believe we recorded
 8 them from the get-go. And the policy continued
 9 to be refined over time, but the bulk was in
 10 place very early in our live events -- our live
 11 events -- staging our live events.
 12 **Q. Was that in the 2007 time frame?**
 13 A. I would imagine. I don't recall the
 14 exact date, but I would imagine.
 15 **Q. And when did Peter Hoppenfeld come**
 16 **on board?**
 17 A. As outside counsel?
 18 **Q. Yes.**
 19 A. Again, I don't recall the exact
 20 date. I would say sometime in 2008.
 21 **Q. And so up until he came on board,**
 22 **was somebody reviewing the recordings for**
 23 **compliance?**
 24 A. I don't recall.
 25 **Q. And was Peter Hoppenfeld brought on**
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1 **SEXTON - CONFIDENTIAL**
 2 **counsel review Trump University's marketing**
 3 **and/or advertisement materials?**
 4 A. Yes.
 5 **Q. And which counsel did that?**
 6 A. Peter Hoppenfeld certainly reviewed
 7 materials.
 8 **Q. How about course materials?**
 9 A. I believe Peter Hoppenfeld reviewed
 10 course materials as well.
 11 **Q. How about the requirements for**
 12 **instructors to the extent they were written down?**
 13 A. Requirements in terms of?
 14 **Q. For the terms of employment or**
 15 **contracting.**
 16 A. I see. Yes, Peter was -- Peter was
 17 very active in helping us script those as well.
 18 **Q. How about any credentials for the**
 19 **instructors?**
 20 A. Yes. We worked with Peter to put in
 21 a process to vet instructors.
 22 **Q. Was that in writing?**
 23 A. I believe it was. Yes, I know it
 24 was.
 25 **Q. Do you know what document that would**
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1 **SEXTON - CONFIDENTIAL**
 2 **board because of concerns about FTC regulations?**
 3 A. No, no. He was -- he was -- he is a
 4 very well-recognized expert in this industry.
 5 He's been in the industry for 25, 30 years. So
 6 we leapt at the chance to work with him when he
 7 left his previous employer. Not that we employed
 8 him. We used him as outside counsel, but when we
 9 had the opportunity, we wanted to do that.
 10 **Q. Which firm was he with at the time**
 11 **when you brought him on board?**
 12 A. He actually formerly was the general
 13 counsel for BSG and their other entities.
 14 **Q. Then when you were working with him,**
 15 **for what firm did he work?**
 16 A. For his own firm.
 17 **Q. Did -- were the compliance**
 18 **procedures -- were they written down anywhere,**
 19 **the actual policies and procedures for**
 20 **compliance?**
 21 A. Yes, I believe they were.
 22 **Q. Do you know what the name of the**
 23 **document was?**
 24 A. I'm sorry, I do not.
 25 **Q. Did legal review -- did any legal**
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1 **SEXTON - CONFIDENTIAL**
 2 **have been?**
 3 A. I don't. I wouldn't know the name
 4 of it.
 5 **Q. Do you know what time frame that**
 6 **was?**
 7 A. I know we got more sophisticated
 8 over time. And I imagine kind of our near final
 9 version would have been sometime in early 2009,
 10 late 2008.
 11 **Q. Did legal review any live**
 12 **presentation material?**
 13 A. The PowerPoint presentation?
 14 **Q. Yes.**
 15 A. Yes.
 16 **Q. Did all Trump University personnel**
 17 **receive a copy of the playbook that we discussed**
 18 **earlier?**
 19 A. All of the entire field team did.
 20 So anybody that was involved in any way in any
 21 aspect of the field operation did. Somebody like
 22 in finance did not.
 23 **Q. Did that include all the**
 24 **instructors?**
 25 A. Yes.
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 2 **Q. And all the mentors?**
 3 A. Yes.
 4 **Q. And all the other speakers?**
 5 A. Yes, yes.
 6 **Q. And then also the sales reps that**
 7 **accompanied --**
 8 A. Yes.
 9 **Q. -- them at the live events?**
 10 **I presume along with the -- so if**
 11 **they received a copy, they were also required to**
 12 **review it; correct?**
 13 A. Yes. They were required to attend
 14 the annual training which the purpose of which
 15 was to lay out what our standard operating
 16 procedures were, not really from a content
 17 standpoint, but from a procedural standpoint. So
 18 we -- that's where we made sure everybody was on
 19 the same page with regards to how we operated in
 20 the field.
 21 **Q. And was that with respect to all --**
 22 **all aspects of being out in the field?**
 23 MR. SCHNEIDER: Objection. Vague.
 24 You mean not content?
 25 THE WITNESS: The primary purpose
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 2 was focused on operational procedures, so
 3 dos and don'ts, how we behave, whatever
 4 innovations we were coming up with in the
 5 process improvement standpoint. You
 6 can't -- it was a two-day meeting. We
 7 didn't have time to get into content, but
 8 it was about making sure we had a
 9 disciplined approach and a consistent
 10 approach to how we operated.
 11 BY MS. JENSEN:
 12 **Q. Were there other retreats or other**
 13 **mandatory meetings where content was discussed?**
 14 A. The only time the -- the content was
 15 discussed at the annual meeting. Not everybody
 16 had been to, for instance, a commercial advanced
 17 training. So the individual that was teaching
 18 that gave a brief synopsis of what materials were
 19 covered so individuals got a sense of what that
 20 experience was like so they could share it with
 21 prospective students. Other than that, no.
 22 **Q. What is the profit from real estate**
 23 **orientation program?**
 24 A. I don't know.
 25 **Q. Would that be the same as the**
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1 SEXTON - CONFIDENTIAL
 2 **preview that we discussed earlier?**
 3 A. Over the period of time, we called
 4 that preview event different things. That name
 5 doesn't ring a bell. The word "orientation" is
 6 throwing me. I don't recall ever using that, but
 7 profit from real estate was what at one point we
 8 called our introductory three-day workshop.
 9 **Q. So to be clear, let me step back for**
 10 **a second. And from our conversation of this**
 11 **morning, I understand there is a 90-minute**
 12 **preview --**
 13 A. Correct.
 14 **Q. -- correct?**
 15 **And from there, there is a**
 16 **fulfillment program; correct?**
 17 A. There is a three-day workshop.
 18 **Q. And is that the same as the profit**
 19 **from real estate?**
 20 A. I believe so. Again, we called it
 21 different things. As kind of the market
 22 conditions changed, moved into foreclosures, we
 23 had a foreclosure-focused name. But I believe
 24 earlier on that's what we called it.
 25 **Q. Does the term -- name the front end**
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 2 **mean anything to you?**
 3 A. It does. That was kind of
 4 colloquial for the preview.
 5 **Q. So were there any other terms used**
 6 **for the preview, that you can recall?**
 7 A. Typically it was preview or front
 8 end. Those are the only ones I can recall.
 9 **Q. They were -- they were the same**
 10 **thing; correct?**
 11 A. Exact same thing, yes.
 12 **Q. And they were the same thing**
 13 **regardless of the location in which they took**
 14 **place; correct?**
 15 MR. SCHNEIDER: Well, objection.
 16 Are you saying those two names or
 17 are you saying that they're all the same
 18 programs? What do you mean when you say
 19 "they're the same thing."
 20 MS. JENSEN: I'm saying they're the
 21 same program; correct?
 22 MR. SCHNEIDER: These two names, the
 23 90-minute versus the front end, or all
 24 90-minute programs the same?
 25 MS. JENSEN: The front end and the
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2 preview.
3 MR. SCHNEIDER: Were those two names
4 interchangeable?
5 THE WITNESS: They words all
6 interchangeable.
7 BY MS. JENSEN:
8 Q. Yes. And they referred to the same
9 program; correct?
10 A. They referred to the 90-minute free
11 introductory program.
12 Q. Correct. Okay.
13 And you weren't familiar with the
14 term "profit from real estate orientation," but
15 did you also hear it called orientation program
16 or anything else?
17 A. It sounds clumsy. It may have been
18 something early on that we used to describe that.
19 I don't recall it, though. But I wouldn't be
20 surprised.
21 MR. SCHNEIDER: I want to caution
22 you not to guess or speculate. Just answer
23 what you know.
24 THE WITNESS: I don't know.
25

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2 BY MS. JENSEN:
3 Q. And was there a PowerPoint for the
4 front end or the preview?
5 A. There were many over time. Again,
6 that was a -- it was a very dynamic kind of
7 event. It changed quite a bit, specifically in
8 relation to market conditions. It changed in
9 relation to feedback we got from the market. And
10 it changed just in cooperation working with
11 instructors on what we kind of collectively felt
12 was most effective at the time.
13 Q. And at any given time, though, they
14 were all taught with a PowerPoint; correct?
15 A. They were all taught with a
16 PowerPoint. The PowerPoint wasn't necessarily
17 always the same. Certainly early on, there was
18 far more variability than there was towards the
19 end in the actual PowerPoint presentation. We
20 made attempts to standardize that, not as
21 successful as we probably would have liked.
22 Q. I'm sorry, when you say "not as
23 successful as we probably would have liked," what
24 do you mean by that?
25 A. Well, in an ideal world, you'd have

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2 one presentation that everybody would use. And
3 from my standpoint, you want to be able to
4 deliver something consistently. The reality is
5 that that's impossible. Every instructor has
6 their own style. Every marketplace has its own
7 nuances. And you need to make it local to make
8 it resonate and relevant to people. The same --
9 Phoenix is a very different real
10 estate market than South Bend, Indiana. And it
11 would be silly to give the same presentation in
12 both markets because it wouldn't make sense. So
13 whereas from a management standpoint, I would
14 love to be able to say a widget is a widget is a
15 widget, the reality was that that just wasn't
16 possible and it wasn't the right thing.
17 Q. Were all the PowerPoints -- let me
18 back up.
19 A PowerPoint was always used;
20 correct?
21 A. Yes, 100 percent of the time.
22 Q. And was that PowerPoint always
23 approved in advance?
24 A. I'd like to say yes, but the reality
25 is not always.

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2 Q. And were there consequences for not
3 using the preapproved PowerPoint?
4 A. Yes and no. We -- when we started
5 out, like I said, from a -- theoretically you
6 wanted to be consistent. And I was probably too
7 insistent on that and learned over time that it
8 was okay to have some variability. And so as
9 long as -- as long as it was variability for the
10 right reasons and there was a strong -- there was
11 a logical rationale for why changes were made, I
12 learned to be fine with that.
13 Q. And so when you say "variability,"
14 you're talking about specific issues related to
15 that local real estate market?
16 A. So -- exactly. So a good example
17 would be, we had an instructor, on their own,
18 they would fly in early and drive around and take
19 pictures of real properties for sale in that
20 geographic market. And we didn't tell them to do
21 that. It was their idea, their initiative.
22 And initially you'd say, that's
23 crazy, why are you changing the presentation?
24 And then you take a step back and you say, that's
25 brilliant. You're not only showing real deals

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2 THE WITNESS: If you're asking
3 what -- if there's a document that shows
4 which instructors used specifically which
5 presentation at a specific preview event,
6 no, no.
7 BY MS. JENSEN:
8 **Q. Was there e-mail correspondence**
9 **concerning the schedule of events with the**
10 **instructor who was going to present?**
11 A. Yes, there was.
12 **Q. And who -- who was on that e-mail**
13 **correspondence?**
14 A. So we would send out, I believe on
15 weekly basis, kind of a master schedule looking
16 out maybe three or four weeks for every event
17 just so people could plan travel and such. If
18 you're asking who's on the distribution of that?
19 **Q. Uh-huh.**
20 A. Everybody who would have been
21 affected. So anybody that was on a field team,
22 every speaker that was -- whether they're working
23 or not that period of time, the staff at the
24 office who had to make sure materials flowed from
25 one place to another, certainly the marketing

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2 would be like. And ultimately we found you can
3 weed out people fairly quickly that either don't
4 know what they're talking about, just don't have
5 any depth of content, they're not credible, or
6 people that just weren't gifted speakers. I
7 mean, they couldn't -- nobody was going to listen
8 to them.
9 But after that, there's no real way
10 to simulate. We can put them in a room and they
11 can talk to us all day long, but then we put them
12 on stage.
13 **Q. And by "we," do you mean yourself?**
14 A. No.
15 **Q. Or somebody else -- who auditioned**
16 **them?**
17 A. Oh, no. So I would -- it would
18 typically be David and myself. And we would fly
19 them into a market where we -- where we were
20 having an event, secure a spare room and
21 literally try to replicate the environment that
22 they would face in a preview.
23 **Q. Was their ability to sell the Trump**
24 **University programs an important component of**
25 **their -- of their qualifications?**

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1 SEXTON - CONFIDENTIAL
2 folks who had to support those events, all the
3 instructors. You know, really just about
4 everybody.
5 **Q. And who kept the master schedule?**
6 A. April Neumann.
7 **Q. Do you recall, sitting here, the**
8 **names of the presenters for the free program?**
9 A. I can certainly recall some of them.
10 **Q. Okay. For those that you can name,**
11 **why don't you go ahead and list them.**
12 A. Steve Goff. Gerald Martin. Steven
13 Ligman. James Harris. I believe Gene Gorino.
14 There's the bulk of them.
15 **Q. How were these speakers selected to**
16 **provide these free presentations?**
17 A. So they were -- again, they were
18 referred to us. We would interview with them.
19 We got fairly sophisticated over time where we
20 would have them give them the presentation, give
21 them whatever time they felt they needed to
22 prepare, fly them in and they would audition for
23 us live.
24 But initially we didn't do that.
25 Initially it was more give us a sense of what it

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2 A. Certainly a component. I think our
3 litmus test began with do they know what they're
4 talking about, do they have the content knowledge
5 to be credible; second, can they communicate
6 effectively, you know; and third, can they sell;
7 you know, and I guess fourth -- the fourth
8 probably is not in the right order, but certainly
9 there was an intangible there, are these people
10 that we feel good about doing business with. And
11 can they embody our values.
12 And believe me, there are lots of
13 speakers that met the other three criteria and
14 didn't meet that fourth one that we didn't -- and
15 we didn't obviously move forward with them.
16 **Q. And in terms of the presentation,**
17 **the content was provided to them; correct?**
18 A. Yes.
19 **Q. Okay.**
20 A. Yes. I'm sorry, the physical
21 presentation was provided to them.
22 **Q. Right. Right.**
23 A. Yes.
24 **Q. Where were the free programs**
25 **advertised?**

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<p>1 SEXTON - CONFIDENTIAL 2 MR. SCHNEIDER: Just for 3 clarification, are you talking about the 4 PowerPoint slides? 5 THE WITNESS: The PowerPoint slides. 6 MR. SCHNEIDER: Not the actual 7 presentation. 8 THE WITNESS: I guess, when I say 9 "presentation," there's no script -- when I 10 say "presentation," I mean the PowerPoint, 11 not the physical slides. 12 BY MS. JENSEN: 13 Q. Right. 14 A. Where were they marketed? We tested 15 and used many channels. Print media. Online. 16 Both e-mail and display advertisements. I 17 believe we tested paid search. We tested radio. 18 We did direct mail. And I believe we even tested 19 other forms of social media. 20 Q. Okay. Taking them in turn, print 21 media. Where did you advertise in print media? 22 A. It would -- it would -- it would 23 depend a lot on the market. Some markets not at 24 all because it wasn't effective. Some markets it 25 really depended on our past experience. We would Page 229</p>	<p>1 SEXTON - CONFIDENTIAL 2 test -- certainly test it. Some markets there 3 may be an alternative weekly. Some maybe the 4 LA Times. Sometimes we'd go to LA and do the 5 secondary paper chain out there. I'm forgetting 6 what it's called. 7 Washington, D.C. -- we would never 8 do the Post. It wasn't effective. We would do 9 the Times and the Examiner. 10 New York, we tested the Post. We 11 tested the Free Metro. We tested -- you know, 12 the Westchester Journal -- we constantly tested 13 and tried to figure out which one worked. 14 Q. Were there any other print media 15 that you can remember that Trump University 16 advertised itself in? 17 A. Dozens and dozens of papers across 18 the country. 19 Q. Were they all mainstream newspapers 20 or were there any other -- any other types of 21 print ads that Trump University advertised itself 22 through? 23 A. I guess I wouldn't qualify -- 24 majority were what I would call mainstream 25 newspaper. The only exception -- I would call Page 230</p>
<p>1 SEXTON - CONFIDENTIAL 2 the Free Metro paper we have here that they hand 3 out in the subways, I wouldn't call that a 4 mainstream newspaper, but we tried that as well. 5 But in other markets, it was either the primary 6 or the secondary paper. 7 Q. Okay. E-mail you mentioned -- I'm 8 sorry, let me back up. 9 Online, you said that there was 10 online advertising. What were the channels for 11 online advertising? 12 A. I know we tested online display ads. 13 I don't believe it was effective. It wasn't a 14 standard part of our mix, but we tested it. 15 Q. Display ads being? 16 A. Banners or skyscraper ads that you 17 typically see on a web page. Everything 18 obviously was geo targeted to the local 19 marketplace. 20 Q. Were there particular -- particular 21 websites or were there Google searches or any -- 22 what types of, I guess, medium or vehicles did 23 you use? 24 A. On the dismay, we tried to tar- -- 25 we had a profile of our target demographic. We Page 231</p>	<p>1 SEXTON - CONFIDENTIAL 2 wanted people that were -- in our audience was 3 75 percent male. Typical age -- our target age 4 was 40 to 48, something like that, maybe 40 to 5 55, something like that. We had an income 6 threshold. We wanted them to be college 7 educated. 8 So effectively, you go to a media 9 buyer that -- with your profile, here's what I 10 want and here are the dates I want to run it and 11 here's the city I want to run it in, and I don't 12 want it to be on any objectionable sites at all. 13 And they come back and they say, okay, here's 14 what it will cost you and, you know, do you want 15 to place the insertion order. 16 So that's typically how it works. 17 You don't have -- for this kind of thing, it's 18 not like you're going to be on the front page of 19 Yahoo! 20 Q. And who was in charge of the media 21 channels? 22 A. Michael Bloom. 23 Q. For e-mail, where did you all -- 24 where did you all get the list for e-mail 25 advertisements? Page 232</p>

<p>1 SEXTON - CONFIDENTIAL 2 A. So we would work with specific media 3 companies, again to give them our -- to give them 4 our profile of who we're looking for. And they 5 had a proprietary e-mail list, and they would 6 send out our e-mail to their house list, their 7 database of members. 8 Q. Which companies did you work with 9 for the e-mail leads? 10 A. Probably our biggest relationship. 11 , most successful one, was a company called Beyond.com, 12 which -- it's a big operator of kind of secondary 13 employment-oriented website. I think they've got 14 3,000 websites around the country 15 Q. And were there -- was there e-mail 16 correspondence with them about your target 17 market? 18 A. Oh, yes. I would imagine, yes. 19 Q. Would that e-mail come from you or 20 Michael Bloom or somebody else? 21 A. It would have come from Michael. 22 Q. And paid search? 23 A. I know we tried it. It was not part 24 of our mix, so I'm going to assume it didn't 25 work.</p> <p style="text-align: right;">Page 233</p>	<p>1 SEXTON - CONFIDENTIAL 2 Q. Okay. I don't even know what that 3 term means. 4 A. "Paid search"? 5 Q. Yes. 6 A. It's simply a Google ad word where 7 if somebody typed in "real estate investing 8 New York," it would appear. 9 Q. Okay. Google. Got it. Got it. 10 Okay. I do know that term. 11 Radio, did you do -- place radio ads 12 on -- on specific radio stations? 13 A. Again, we experimented with that. 14 It did not work at all. And we didn't test it 15 again. 16 Q. Okay. Direct mail, where did you 17 get addresses for the direct mail? 18 A. We worked with -- in direct mail, 19 you typically work with a list broker. Again, 20 you give them the profile, here's the kind of 21 people we want. And they've got 10,000 different 22 lists that -- magazines and newspaper. Everybody 23 rents their names and addresses of their 24 subscribers. 25 And we would test in any market, I</p> <p style="text-align: right;">Page 234</p>
<p>1 SEXTON - CONFIDENTIAL 2 don't know, five, ten different lists. And you 3 can track back -- very specifically back to that 4 list, what your successful rate was. And the 5 ones that performed, the next time you're there, 6 you do more of. 7 Q. Are there any companies that you can 8 think of that you worked with on the -- the list 9 brokers? 10 A. Oh, it was a fairly well-known list 11 broker that lots of people work with. 12 Q. So, again, there would be e-mails 13 between Michael Bloom and -- 14 A. Oh, sure, yes. 15 Q. -- that company describing the 16 target market, et cetera? 17 A. Yes, there would be. 18 Q. Moving to the fulfillment, is 19 fulfillment the same -- the same thing as the 20 profit from real estate workshop? 21 A. Yes, it is. But, again, we changed 22 that name over time. It was called the fast 23 track to foreclosure investing workshop. I 24 forget the last name we called it. 25 Q. The back end --</p> <p style="text-align: right;">Page 235</p>	<p>1 SEXTON - CONFIDENTIAL 2 A. That's just a slang. That's -- the 3 front and back, those are kind of slang terms. 4 But we tried to brand that particular workshop 5 with a name, like fast track for foreclosure 6 investing or profit from real estate. 7 Q. Were there any other names by which 8 that -- that workshop was called? 9 A. Yes. 10 Q. What are those other names? 11 A. Those were two. I think it was only 12 called -- I think we only called it three other 13 things -- three things. Blueprint, real estate 14 blueprint. Anyway, I forget. I'm sure it's in 15 this material somewhere. 16 Q. But they were all the 1495 three-day 17 training? 18 A. We experimented with different price 19 points. So you should know we did some price 20 testing, but it was always the three-day 21 workshop, kind of our introductory -- 22 introduction to real estate investing workshop, 23 regardless of what the brand was we put on top of 24 it. 25 Q. Who created that program?</p> <p style="text-align: right;">Page 236</p>

UNITED STATES DISTRICT COURT

FOR THE SOUTHERN DISTRICT OF CALIFORNIA

TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM
and PATRICIA MURPHY, on Behalf of Themselves
and all others Similarly Situated,

Plaintiffs,

CASE NO.: 10 CV 0940 EIG (WVG)

-against-

TRUMP UNIVERSITY, LLC (AKA TRUMP
ENTREPRENEUR INITIATIVE) a New York
Limited Liability Company, DONALD J. TRUMP,
and DOES 1 through 50, inclusive,

Defendants.

VIDEOTAPED DEPOSITION of MICHAEL SEXTON

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CSR/RMR/CRR
Job No. 10003487

<p style="text-align: center;">** CONFIDENTIAL ** CONFIDENTIAL **</p> <p>UNITED STATES DISTRICT COURT FOR THE SOUTHERN DISTRICT OF CALIFORNIA CASE NO.: 10 CV 0940 EIG (WVG)</p> <p style="text-align: center;">-----x</p> <p>TARLA MAKAEFF, BRANDON KELLER, ED OBERKROM and PATRICIA MURPHY, on Behalf of Themselves and all others Similarly Situated,</p> <p style="text-align: center;">Plaintiffs, -against-</p> <p>TRUMP UNIVERSITY, LLC (AKA TRUMP ENTREPRENEUR INITIATIVE) a New York Limited Liability Company, DONALD J. TRUMP, and DOES 1 through 50, inclusive,</p> <p style="text-align: center;">Defendants.</p> <p style="text-align: center;">-----x</p> <p style="text-align: center;">August 23, 2012 9:14 a.m.</p> <p>CONTINUED VIDEOTAPED DEPOSITION OF MICHAEL SEXTON, 30(b)(6) Witness in the above-captioned matter, taken by Plaintiffs, held at 725 Fifth Avenue, New York, New York, before Eileen Mulvenna, CSR/RMR/CRR, Certified Shorthand Reporter, Registered Merit Reporter, Certified Realttime Reporter and Notary Public of the State of New York.</p> <p style="text-align: right;">Page 279</p>	<p>1 ** CONFIDENTIAL ** CONFIDENTIAL **</p> <p>2 A P P E A R A N C E S:</p> <p>3</p> <p>4</p> <p>5 ZELDES & HAEGGQUIST, LLP</p> <p>6 Attorneys for Plaintiffs</p> <p>7 625 Broadway</p> <p>8 Suite 906</p> <p>9 San Diego, California 92101</p> <p>10 BY: AMBER L. ECK, ESQ.</p> <p>11 ambere@zhlaw.com</p> <p>12 AARON M. OLSEN, ESQ.</p> <p>13 aaron@zhlaw.com</p> <p>14</p> <p>15</p> <p>16 YUNKER & SCHNEIDER</p> <p>17 Attorneys for Defendants</p> <p>18 655 West Broadway</p> <p>19 Suite 1400</p> <p>20 San Diego, California 92101</p> <p>21 BY: DAVID K. SCHNEIDER, ESQ.</p> <p>22 dks@yslslaw.com</p> <p>23</p> <p>24</p> <p>25 ALSO PRESENT:</p> <p> Richard Ramos, Videographer</p> <p style="text-align: right;">Page 280</p>
<p>1 SEXTON - CONFIDENTIAL</p> <p>2 THE VIDEOGRAPHER: Good morning.</p> <p>3 This is the continuation of the</p> <p>4 videotaped deposition of Michael Sexton in</p> <p>5 the matter of Tarla Makaeff, et al., versus</p> <p>6 Trump University LLC, et al., on 8/23/2012</p> <p>7 at approximately 9:14 a.m.</p> <p>8 My name is Richard Ramos, the video</p> <p>9 specialist. The court reporter is Eileen</p> <p>10 Mulvenna.</p> <p>11 Will the court reporter please swear</p> <p>12 in the witness, please.</p> <p>13 MICHAEL SEXTON,</p> <p>14 having been duly resworn by Eileen Mulvenna,</p> <p>15 a Notary Public of the State of New York,</p> <p>16 was examined and testified further as</p> <p>17 follows:</p> <p>18 EXAMINATION (Cont'd)</p> <p>19 BY MS. ECK:</p> <p>20 Q. Good morning, Mr. Sexton.</p> <p>21 A. Good morning.</p> <p>22 Q. My name is Amber Eck. I'm one of</p> <p>23 the attorneys for the plaintiffs in this matter.</p> <p>24 We're continuing your 30(b)(6) deposition from</p> <p>25 yesterday.</p> <p style="text-align: right;">Page 281</p>	<p>1 SEXTON - CONFIDENTIAL</p> <p>2 You mentioned yesterday that Trump</p> <p>3 University entered into a licensing agreement</p> <p>4 with BSG; is that correct?</p> <p>5 A. That's correct.</p> <p>6 Q. I'd like you to turn to page</p> <p>7 TU129757 in the binders.</p> <p>8 MR. SCHNEIDER: 129757?</p> <p>9 MS. ECK: Right.</p> <p>10 I'd like to mark this as Exhibit</p> <p>11 No. 7. Actually, you know what, that was</p> <p>12 his employment agreement we marked</p> <p>13 yesterday. Let's mark -- it's TU 1581</p> <p>14 through TU 1602. We'll mark that as</p> <p>15 Exhibit 7.</p> <p>16 (Plaintiffs' Exhibit 7, Bates Nos.</p> <p>17 TU001581 through 1602, Licensing Agreement</p> <p>18 between Trump University and Business</p> <p>19 Strategies Group, marked for</p> <p>20 identification.)</p> <p>21 BY MS. ECK:</p> <p>22 Q. Do you recognize this document?</p> <p>23 (Witness peruses the exhibit.)</p> <p>24 A. Yes, I do.</p> <p>25 Q. What is it?</p> <p style="text-align: right;">Page 282</p>

1 (Pages 279 to 282)

1 SEXTON - CONFIDENTIAL
2 just show me where you are? Are you on
3 page 22?
4 MS. ECK: Yes.
5 MR. SCHNEIDER: Under -- on the
6 left --
7 MS. ECK: One hour twenty minutes
8 into event.
9 MR. SCHNEIDER: Thank you.
10 THE WITNESS: Yes.
11 BY MS. ECK:
12 **Q. Do you know what ad the reference**
13 **print ad refers to?**
14 A. If -- if there was a print
15 advertisement in that market, the print
16 advertisements typically would feature the
17 premium or the giveaway that they would have at
18 that event, if there was one. So that's what
19 the -- that refers to.
20 **Q. So when it says "Display free**
21 **premium," the premium was the gift that you would**
22 **receive for attending the seminar?**
23 A. Correct.
24 **Q. And what kind of gifts did Trump**
25 **University give away?**

1 SEXTON - CONFIDENTIAL
2 A. They changed over time. We tested
3 many different ones. We would -- we certainly
4 used a number of CDs that we gave away that had
5 an audio course on them and workbooks and that
6 sort of thing. We experimented with giving -- I
7 think at one point we gave out access codes on a
8 printed card that people could go home and access
9 password-protected e-learning courses online.
10 Those are the ones I recall.
11 **Q. If you could turn to page 33 of the**
12 **handbook, which is TU52966. Under "Evening**
13 **prior," it indicates "Student profiles**
14 **distributed." What were those student profiles?**
15 **What did they look like or what did they contain?**
16 **(Witness peruses the exhibit.)**
17 A. So I'm just reading this, but at
18 this point, the student profiles would be blank
19 profile sheets that contained the data fields
20 that we discussed yesterday; namely, a snapshot
21 of the -- of the individual's financial goals,
22 their, I believe, current assets and liabilities,
23 I believe their time frame for achieving their
24 stated goals. I'm sure I'm missing some other
25 data fields on that.

1 SEXTON - CONFIDENTIAL
2 **Q. But at this point, they don't**
3 **contain substantive information from the**
4 **students?**
5 A. Well, again, I'm reading this as the
6 evening prior to the workshop, nobody's shown up
7 yet, so we wouldn't have any opportunity to talk
8 to students and distribute those.
9 MR. SCHNEIDER: Amber, this is
10 saying the evening prior -- what they're
11 going to do the next day. They're talking
12 about when they're going to do things.
13 They're saying the event team meets, they
14 walk the space and they discuss the plan of
15 action, registration, team introductions,
16 format and when the student profiles would
17 be distributed.
18 So in the meeting, for example, I'm
19 telling you, hey, tomorrow when we have our
20 presentation, after we do the whole
21 presentation or 15 minutes into it, that's
22 when we're going to distribute the student
23 profiles and ask them to give information.
24 So this is a pre -- a preprogram
25 discussion as to timing, as to when things

1 SEXTON - CONFIDENTIAL
2 are going to be distributed.
3 MS. ECK: I guess since it says
4 "Evening prior to fulfillment," they've
5 already attended the free 90-minute
6 seminar, so Trump University may already
7 have certain information on them that might
8 be contained in a profile.
9 MR. SCHNEIDER: Maybe you should ask
10 that. I don't think they get any profile
11 information in the 90-minute program.
12 THE WITNESS: No information is
13 collected prior to the -- I should say no
14 information on the student profile is
15 collected. Obviously we have their name,
16 address.
17 BY MS. ECK:
18 **Q. During the fulfillment seminar, the**
19 **three-day \$1500 seminar, are completed profiles**
20 **provided to the instructors?**
21 A. So student profiles are distributed
22 to attendees. And the students, at their
23 discretion, can complete them and meet with any
24 team member to review it. Typically those
25 meetings happened -- I shouldn't say typically --

<p>1 SEXTON - CONFIDENTIAL 2 I believe exclusively they happened after hours 3 or during breaks from the workshop itself. 4 Q. When you say "any" team members, who 5 were the team members that would be at this 6 fulfillment seminar? 7 A. So typically the instructor. And 8 depending on -- we had certain ratios of 9 attendees to team members. So -- I don't recall 10 what the exact ratio is, but depending on the 11 size of the audience, it would be anywhere from, 12 I imagine, one to three coordinators who would be 13 part of that team. 14 Q. So there's instructors, and then who 15 were the other team members? 16 A. We're listing them here as sales 17 coordinators and then program coordinators. 18 Q. What type of people were these? 19 Were these instructors, mentors, or what did you 20 call them? Was this really their title, sales 21 coordinator and program coordinator? 22 A. Those were their titles. 23 Q. So these weren't people that provide 24 mentorship or do -- instruct on courses? 25 A. No, these were not instructors.</p> <p style="text-align: right;">Page 315</p>	<p>1 SEXTON - CONFIDENTIAL 2 These were -- 3 Q. They were salespeople? 4 A. Well, they were individuals that had 5 some level of real estate experience, but they 6 were there to help manage the overall workshop. 7 And they had some sales experience as well. 8 Q. On page 36 of the playbook, which is 9 52969, it again talks about profile sheets and 10 says, "Team works together to identify potential 11 buyers with student profile sheets." 12 And this is in the evening of day 13 one. So now do they have information on the 14 profile sheets? 15 A. Yes, for the individual attendees 16 that elected to provide information, they would 17 have that at that time. 18 Q. And how did the individuals provide 19 information? What form did they fill out or in 20 what form was it? 21 A. It was a paper-based form. There's 22 only one copy. It was returned to the 23 individuals after the review. 24 Q. What was it called? 25 A. Student profile sheet.</p> <p style="text-align: right;">Page 316</p>
<p>1 SEXTON - CONFIDENTIAL 2 Q. What information was contained on 3 the student profile sheet? 4 A. Again, as we've discussed, it was 5 information pertaining to the student's goals, I 6 believe both financial and otherwise; the time 7 frame they desired to achieve those goals in; 8 what -- a snapshot at a high level of what their 9 resources were, both assets and liabilities. And 10 again, I'm forgetting on there -- I'm forgetting 11 other fields, but there were others, I imagine. 12 Q. Did it ask them to list their credit 13 cards and the amount of credit limits? 14 A. I don't recall that specifically. 15 Q. Did it ask them to list their banks 16 and their bank account balances? 17 A. I don't believe we ever asked for 18 specific banks. That wasn't the intent. But 19 certainly assets, yes. 20 Q. If you could turn to page 40 of the 21 handbook, which is TU52973. At the top, it 22 discusses survey distribution and says, 23 "Distributed surveys to all attendees and 24 collects, once completed, in exchange for 25 certificates."</p> <p style="text-align: right;">Page 317</p>	<p>1 SEXTON - CONFIDENTIAL 2 Did that mean that the students 3 needed to turn in their evaluation form in order 4 to receive a certificate? 5 A. I don't recall. I don't recall that 6 being a policy. 7 Q. And the forms that asked the 8 students to rate the instructors and the programs 9 on the scale from one to five, are those referred 10 to as surveys? 11 A. Yes, those are. 12 Q. If you could turn to page 71 of the 13 handbook, which is TU53004. It states, about 14 halfway down, that "TU presentations must be 15 approved in advance and you may not change or 16 modify presentations/slides without prior 17 approval." 18 Was that Trump University's' policy? 19 A. That was our policy. 20 Q. It states a few lines down, "You may 21 not share a personal story or testimonial unless 22 and until appropriate documentation and support 23 has been provided to TU and the story/testimonial 24 has been approved in advance." 25 Was that Trump University's policy</p> <p style="text-align: right;">Page 318</p>

10 (Pages 315 to 318)

1 **SEXTON - CONFIDENTIAL**
2 **during just some portion?**
3 A. Just during some portions of that
4 period, we experimented with a pricing plan that
5 gave a discount. If you purchased education and
6 training at the event, you would get a discount.
7 **Q. Do you know what portions of that**
8 **time period --**
9 A. I do not.
10 **Q. The next bullet point states that**
11 **corporate should be notified if there is an**
12 **express or implied earnings claim given or a**
13 **guarantee. Were you aware of instructors or**
14 **mentors providing an expressed or implied**
15 **earnings claim stating that the students would**
16 **make a certain amount of money or that they were**
17 **guaranteed something?**
18 A. No.
19 **Q. Were you aware of instructors**
20 **telling students that they were either guaranteed**
21 **or likely to make back the entire amount they**
22 **spent in their first deal or two?**
23 A. No.
24 **Q. If you knew that instructors were**
25 **saying that, would that be grounds for**

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1 **SEXTON - CONFIDENTIAL**
2 A. Not that I'm aware of.
3 **Q. If you could please turn to Bates**
4 **No. TU96011 through 96034.**
5 A. I'm sorry, what is it?
6 **Q. 96011 through 96034.**
7 **(Witness peruses the exhibit.)**
8 **Q. Do you recognize this document?**
9 A. No.
10 **Q. Do you know whether it was a portion**
11 **of a playbook or an earlier version of a**
12 **playbook?**
13 A. I don't believe it was.
14 **Q. Do you know what it is?**
15 A. I suspect what it is.
16 **Q. What do you suspect?**
17 A. I suspect it's some sales tool that
18 somebody brought to us at some point, but this
19 was not part of our training.
20 **Q. Do you know whether Trump University**
21 **used this document?**
22 A. I do not believe we ever used this
23 document.
24 **Q. If you can please turn to TU9603 --**
25 **MR. SCHNEIDER: Is this to be**

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1 **SEXTON - CONFIDENTIAL**
2 **termination?**
3 A. I don't know. You'd have to be back
4 in the situation and understand explicitly what
5 they said. I can't make a judgment now, looking
6 backwards.
7 **Q. The next section states that all**
8 **Trump University events will be recorded. When**
9 **did that policy go into effect?**
10 A. I couldn't tell you the exact date,
11 but I believe from the first time we had a
12 seminar or a workshop or a preview or any sort of
13 live event.
14 **Q. What was the purpose for that?**
15 A. It was for purposes of quality and
16 compliance.
17 **Q. Is there a list that Trump**
18 **University kept of all of the tapes or all of the**
19 **live events?**
20 A. Of all of the live events --
21 **Q. So, in other words, if there were**
22 **tapes of all of these different events and**
23 **they're all compiled, is there some kind of table**
24 **of contents or list of what all these tapes are,**
25 **all the events are?**

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1 **SEXTON - CONFIDENTIAL**
2 marked?
3 MS. ECK: It's not. Thank you.
4 THE WITNESS: TU96 --
5 BY MS. ECK:
6 **Q. 038 through 96053.**
7 **(Witness peruses document.)**
8 **Q. Do you recognize this document?**
9 A. I mean, I don't recognize this
10 specific document.
11 **Q. Do you know whether this script was**
12 **used by Trump University?**
13 A. I'm positive it was not, no.
14 **Q. Why are you positive it was not used**
15 **by Trump University?**
16 A. Because everything that was
17 officially used by us had a certain level of
18 quality and a look and a feel and it was
19 grammatically correct. And this is -- sales guys
20 brought us junk all the time that they used in
21 former -- this was an inside sales -- this
22 happened all the times.
23 Guys that worked at wherever,
24 selling whatever, would say, hey, I'm going to
25 search and replace "XYZ Company" for "Trump" and

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<p>1 SEXTON - CONFIDENTIAL 2 present this to us like it was the holy grail and 3 this was going to be a fantastic sales tool. And 4 we never used them because they were all crap. 5 Q. Who is Steve Miller? 6 A. Steve Miller was a mentor and 7 instructor. May have even done some coaching for 8 us, but definitely a mentor and an instructor. 9 In addition to that, we also used him to vet 10 other mentors and instructors. 11 Q. What time period did he work for 12 Trump University? 13 A. I would guess fairly early in our 14 live event side. So I would guess late 2007, 15 early 2008 through early 2010. 16 Q. Do you know where he's working now? 17 A. I don't. I have no idea. 18 Q. What did he do before he came to 19 Trump University? 20 A. He was, I assume he still is, a real 21 estate investor. That was his primary -- as I 22 understand it, that was his primary job. 23 Q. If you could please turn to TU19457 24 [sic] through 129460. 25 MR. SCHNEIDER: 19457 to 129 --</p> <p style="text-align: right;">Page 359</p>	<p>1 SEXTON - CONFIDENTIAL 2 MS. ECK: 129457 through 129460. 3 MR. SCHNEIDER: Thank you. 4 THE WITNESS: I think it's in that 5 one (indicating). 6 MR. SCHNEIDER: (Handing.) 7 (Witness peruses the exhibit.) 8 MS. ECK: Let's mark this exhibit as 9 Exhibit 10. 10 (Plaintiffs' Exhibit 10, Bates Nos. 11 TU 129455 through 60, 10/1/08 Memorandum to 12 The Mentor Team from Brad Schneider, marked 13 for identification.) 14 BY MS. ECK: 15 Q. At this point, in May of 2010, was 16 Steve Miller the person who was interviewing and 17 approving mentors? 18 A. Yes, he would have been, I believe. 19 Q. How long was he interviewing and 20 approving mentors? 21 A. How long had he been by this point? 22 Q. Yes. 23 A. I believe we put that in place in 24 2009. 25 Q. Do you know what month in 2009?</p> <p style="text-align: right;">Page 360</p>
<p>1 SEXTON - CONFIDENTIAL 2 A. No. 3 Q. Who was interviewing and approving 4 mentors before 2009? 5 A. David Highbloom and myself. 6 Q. The document also refers to 7 "Howard." Who is Howard? 8 A. I believe that would be Howard 9 Haller. 10 Q. Who is he? 11 A. He's a mentor. 12 Q. Was he applying for a mentorship or 13 was he a person who interviewed mentors with 14 Steve Miller? 15 A. I'm sorry, where is he referenced? 16 Q. He's referenced in the second 17 paragraph on the first page. 18 A. No, this was -- what was the 19 question? I'm sorry. 20 Q. Was he -- was he interviewing people 21 with Steve Miller, or what was his role? 22 A. He was not interviewing people with 23 Steve Miller. He was a mentor, but had 24 significant experience and a very strong process 25 orientation. So what Gillian Birnie was</p> <p style="text-align: right;">Page 361</p>	<p>1 SEXTON - CONFIDENTIAL 2 attempting to do was to work with Howard and Troy 3 to set up a -- a more process-driven mentorship. 4 Q. What do you mean by "process-driven 5 mentorship"? 6 A. To create a more structured model 7 for a mentorship than what it had been in the 8 past. 9 Q. Why did Trump University feel they 10 wanted to set up a more structured model? 11 A. I'm not sure we're convinced it was 12 the right idea. I mean, you have to strike the 13 right balance between hiring good people that are 14 good at their jobs and empowering them to do what 15 you hired them to do. And, you know, look, the 16 very nature of mentorship, no two are alike. 17 And on one hand, it would be great 18 to structure it; but the other hand, you're doing 19 a disservice to the student if you -- if one 20 guy's in Santa Fe and is looking for commercial 21 properties, by its very nature, that's going to 22 be a dramatically different mentorship than 23 somebody who's looking for residential 24 foreclosures in Detroit, right. 25 You know, what we were trying to do</p> <p style="text-align: right;">Page 362</p>

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2 was kind of an idea of freedom within framework.

3 So can we provide a framework for what a

4 mentorship is, but balance that against the --

5 indeed for the mentor to ultimately prescribe

6 what they felt was the right experience based on

7 the students' explicit stated goals. And that

8 would be the freedom.

9 So, you know, can you balance --

10 structure a framework, but allow the mentor to

11 ultimately be the architect of what that

12 mentorship experience is, again driven by the

13 customer, the student, and let them -- let them

14 have freedom within the framework we set out for

15 them.

16 And this never came to fruition,

17 which should be noted.

18 **Q. This idea to require a certain**

19 **structure in the mentorships?**

20 A. Yes, the specific effort to create

21 those frameworks.

22 **Q. There's also a reference at the top**

23 **of page 129458 of a new pay structure for the**

24 **mentors. Did that take place?**

25 A. I don't know. I don't know what pay
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1 SEXTON - CONFIDENTIAL

2 **payment plan went into effect?**

3 A. I know it wasn't binary. We didn't

4 go from here's your money to -- there were

5 intermediates steps where we -- I believe at one

6 point -- so I'm kind of giving you both ends of

7 that. At one point in the middle, we -- there

8 was nothing up front. You got a portion based on

9 successful completion and then a portion was held

10 for some period of days, 30, 60 days, something

11 like that.

12 So that -- again, like many things,

13 it was pretty dynamic, and we were constantly

14 trying to tweak everything to -- to make the

15 delivery of our services better.

16 **Q. When you talk about successful**

17 **completion, are you talking about that they would**

18 **get paid at the end of the three-day in-field**

19 **mentorship?**

20 A. No. It would be based on -- well,

21 at some point, that was one of the -- a portion

22 was triggered by the in-field, and then a portion

23 was triggered by the completion of -- you know,

24 whatever it was, 60 days later.

25 Again, I don't remember the --
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1 SEXTON - CONFIDENTIAL

2 structure they're referencing. Obviously we did

3 change. We continued to tweak the compensation

4 program for mentors.

5 **Q. We discussed this a little bit**

6 **yesterday, but how did that change over time?**

7 **How were the mentors initially compensated and**

8 **how did that change?**

9 A. Initially they were -- I believe

10 initially it was very straightforward. We paid

11 them based on the successful completion -- a

12 fixed rate based on the successful completion of

13 a mentorship as measured by positive customer

14 feedback. I know we proactively reached out to

15 the student, the mentee, as well to review their

16 experience.

17 Later on we -- I think we staggered

18 payments. A portion -- I believe a portion was

19 paid up front and then a portion was -- I believe

20 another portion was paid upon successful

21 completion. And then I believe there was portion

22 a portion held -- held back for some period of

23 time to -- just to ensure that everything was --

24 was still good.

25 **Q. Do you know when that staggered**
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1 SEXTON - CONFIDENTIAL

2 recall the specific time frame, but we did tie --

3 we wanted everybody to understand their job

4 wasn't done after three days in the field.

5 Because there's a temptation obviously, as people

6 move on to the next mentorship, not to give

7 sufficient time to previous mentors -- mentees,

8 which is why we went to that compensation

9 structure, to make sure everybody understood the

10 mentorship really wasn't over until the mentee

11 said it was and they were happy.

12 **Q. Where was the pay structure --**

13 **compensation structure set out? Was it in a**

14 **general employee handbook, company guidelines, or**

15 **was it only in the individual agreements with the**

16 **mentors?**

17 A. It would have -- it would have

18 been -- again, it was fairly dynamic and changed

19 when we wanted it to change if we thought that it

20 was an improvement. So the binding -- the

21 binding document would have been the contract

22 with the -- the mentor had to agree to it,

23 obviously. And some didn't and that was fine.

24 We didn't work with them. But they had to sign

25 off physically on -- on their acceptance of those
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1 **SEXTON - CONFIDENTIAL**
2 seminars in a location where another entity had
3 already had a course in that market?
4 A. I mean, it's -- it's all based on
5 time, right. We're going to come back to
6 New York, but if somebody was just in -- if Rich
7 Dad was just in New York, the last place I want
8 to be is in New York a week after Rich Dad came
9 through.
10 Because you're competing in many
11 ways for similar -- a similar audience, although
12 I know that we benchmarked our audience against
13 other companies and ours were -- you know, had a
14 higher education level, higher income level, it
15 was a more sophisticated group.
16 So I hope I answered your question.
17 The last thing we want to do is be in a market
18 anywhere near where a competitor was, but we're
19 going to come back to that same market.
20 **Q. What was your relationship like with**
21 **the other staff in the office or the folks at**
22 **40 Wall Street?**
23 MR. SCHNEIDER: Objection.
24 "Relationship."
25

1 **SEXTON - CONFIDENTIAL**
2 relationship. You know, I certainly didn't shy
3 away from disciplining them. And it wasn't
4 always welcome and . . .
5 **Q. Did you have to discipline anybody**
6 **other than James Harris?**
7 A. So I use "discipline" broadly, but
8 when you give negative feedback to people about
9 what they've done and are proud of and spend a
10 lot of energy doing, it's not always taken
11 particularly well. And that -- you know, that
12 was the nature of the relationship.
13 **Q. Who did you give negative feedback**
14 **to?**
15 A. I gave constructive criticism to
16 just about every speaker. There was never --
17 there was no perfect presentation. And there was
18 always something that could be improved upon.
19 And between David and myself, we gave them -- we
20 gave them feedback.
21 **Q. What was your relationship like with**
22 **Donald Trump?**
23 A. I think it was positive.
24 **Q. Did you enjoy working with him?**
25 A. I learned a lot from Donald Trump.

1 **SEXTON - CONFIDENTIAL**
2 BY MS. ECK:
3 **Q. Did you get along with them?**
4 A. Yes.
5 **Q. Was your office located at 40 Wall**
6 **Street also?**
7 A. Yes, it was.
8 **Q. What floor were you on?**
9 A. Thirty-second floor, I believe.
10 **Q. And were the other employees also on**
11 **the 32nd floor?**
12 A. Yes, they were.
13 **Q. Did you ever have employees on**
14 **different floors, or were you generally on the**
15 **same floor?**
16 A. Our initial office was on a
17 different floor, but when we moved, everybody
18 moved together.
19 **Q. Did you get along with the**
20 **instructors and mentors?**
21 A. Yes, by and large.
22 **Q. Are there some that you didn't get**
23 **along with?**
24 A. When you're the person that has to
25 discipline them, it's a -- it can be a complex

1 **SEXTON - CONFIDENTIAL**
2 **Q. Did he like working with you?**
3 A. I couldn't answer that.
4 **Q. Have you spoken to him since you**
5 **left Trump University?**
6 A. I have not.
7 **Q. Have you communicated with him in**
8 **any way regarding this lawsuit?**
9 A. Since I left Trump University?
10 **Q. That's a good question.**
11 I guess have you communicated --
12 **first more generally, have you communicated with**
13 **him at all regarding this lawsuit?**
14 A. Yes.
15 **Q. Okay. When was that?**
16 A. While I was still at Trump
17 University.
18 **Q. What did you discuss?**
19 MR. SCHNEIDER: Was there counsel
20 present?
21 THE WITNESS: Yes.
22 MR. SCHNEIDER: That would all be
23 privileged.
24 BY MS. ECK:
25 **Q. Did you have any discussions with**

1 **SEXTON - CONFIDENTIAL**
2 **Donald Trump outside the presence of counsel?**
3 A. About this lawsuit?
4 **Q. Yes.**
5 A. No.
6 **Q. Have you had any conversations with**
7 **Donald Trump since the filing of this lawsuit**
8 **without counsel present in regard to anything?**
9 A. In regard to anything.
10 What was the date of the lawsuit
11 again?
12 **Q. I think it was end of April 2010.**
13 A. I don't recall.
14 **Q. When you said before that counsel**
15 **was present in those conferences with Donald**
16 **Trump, which counsel was that? Which attorneys?**
17 A. It would have been George Sorial
18 and/or Michael Cohen.
19 **Q. Was Donald Trump angry about the**
20 **lawsuit?**
21 MR. SCHNEIDER: He's not going to
22 talk about anything that occurred in the
23 meeting when there was counsel there. So
24 what they discussed, what people's
25 demeanors were, the documents they

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1 **SEXTON - CONFIDENTIAL**
2 BY MS. ECK:
3 **Q. Do you know who he represents?**
4 A. I don't.
5 **Q. Do you know who Michael Cohen**
6 **represents?**
7 A. I don't.
8 **Q. What's your experience in real**
9 **estate?**
10 A. Beyond buying my primary residence,
11 none.
12 **Q. Have you purchased or sold any other**
13 **real estate other than your primary residence?**
14 A. I have not.
15 **Q. Have you made any money investing in**
16 **real estate?**
17 A. I have not.
18 **Q. Did Trump University conduct any**
19 **surveys to determine the importance to students**
20 **of Donald Trump's involvement in Trump**
21 **University?**
22 A. No.
23 **Q. Did Trump University conduct surveys**
24 **of students other than the evaluation forms that**
25 **were filled out at the end of seminars and**

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1 **SEXTON - CONFIDENTIAL**
2 reviewed, that's all privileged.
3 BY MS. ECK:
4 **Q. Outside -- in any communications**
5 **outside the presence of counsel, did Donald Trump**
6 **reprimand you or have anything negative to say to**
7 **you?**
8 MR. SCHNEIDER: Assumes facts not in
9 evidence. He just testified he can't
10 recall any meetings or discussions with
11 Donald Trump since --
12 MS. ECK: I'm entitled to flush that
13 out.
14 (Discussion off the record.)
15 BY MS. ECK:
16 **Q. Do you recall any?**
17 A. Again, I don't recall any specific
18 meetings without counsel present between the
19 lawsuit being filed and my last day.
20 **Q. And who does George Sorial**
21 **represent? Is he counsel for Donald Trump or for**
22 **Trump Organization or for Trump University?**
23 MR. SCHNEIDER: Objection.
24 Foundation.
25

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1 **SEXTON - CONFIDENTIAL**
2 **mentorships?**
3 MR. SCHNEIDER: Hang on just a
4 second. I just want to read the question.
5 (Pause from the record.)
6 MS. ECK: I think the question
7 didn't come out -- or at least didn't get
8 transcribed as I meant it.
9 BY MS. ECK:
10 **Q. Did Trump University conduct surveys**
11 **of students other than the evaluation surveys**
12 **that were issued after seminars and after**
13 **mentorships?**
14 A. Yes.
15 **Q. What surveys were those?**
16 A. We conducted surveys to understand
17 what areas of study people were interested in.
18 **Q. Anything else?**
19 A. We conducted surveys on what -- the
20 modality of education individuals were interested
21 in --
22 **Q. What do you mean --**
23 A. -- such as e-learning, classroom,
24 coaching.
25 **Q. Did you conduct surveys regarding**

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1 **SEXTON - CONFIDENTIAL**
2 **what representation students found important, so,**
3 **in other words, whether they felt it was**
4 **important to work with an expert in real estate**
5 **or whether they felt it was important to work**
6 **with someone who was going to work with them for**
7 **one year? Did you explore certain statements**
8 **that Trump University was making?**
9 MR. SCHNEIDER: Objection. Assumes
10 facts not in evidence.
11 You can answer the question.
12 THE WITNESS: Not that I recall.
13 **BY MS. ECK:**
14 **Q. And how often did Trump University**
15 **do these other surveys, surveys other than the**
16 **ones after courses in mentorships?**
17 A. We did quite a bit initially, early
18 on, in 2005, probably into 2006, but not
19 regularly after that.
20 **Q. Were these surveys issued to**
21 **students who had taken courses, or were they**
22 **issued more generally to people in Trump**
23 **University's database?**
24 A. The latter.
25 **Q. How were the results of those**

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1 **SEXTON - CONFIDENTIAL**
2 **print ads that Trump University distributed?**
3 A. Yes, he did.
4 **Q. Did Donald Trump review all of his**
5 **blogs that were published on the Trump University**
6 **website?**
7 A. Yes, I believe he did.
8 **Q. Did Donald Trump review Trump --**
9 **Trump University financials?**
10 A. I don't know.
11 **Q. Did you review Trump University**
12 **financials with Donald Trump?**
13 A. At times.
14 **Q. How frequently?**
15 A. Infrequently.
16 **Q. How many times per year?**
17 A. I couldn't answer that.
18 **Q. Less than four?**
19 A. Yes.
20 **Q. Less than two?**
21 A. I don't know.
22 **Q. When you reviewed financials with**
23 **Donald Trump, what financial documents would you**
24 **review?**
25 A. Just a summary document prepared by

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1 **SEXTON - CONFIDENTIAL**
2 **surveys compiled?**
3 A. I don't recall specifically, but I
4 believe we used a third-party software, like
5 SurveyMonkey or the like.
6 **Q. Where were the results of the**
7 **surveys kept?**
8 A. By our marketing group.
9 **Q. Would that be Michael Bloom?**
10 A. No, back then it would have been
11 Josef Katz.
12 **Q. Did Trump University alter seminars**
13 **or courses based on the results of these surveys?**
14 A. The surveys helped define the
15 education and training products that we
16 ultimately developed. Your question about
17 altering the seminars and training that we had
18 launched, those -- the information that helped us
19 fine-tune or evolve those really did come from
20 the -- primarily the attendee surveys where
21 attendees had open-ended questions and were
22 allowed to -- or were encouraged to tell us how
23 we could improve and what else we could do
24 differently that they might be interested in.
25 **Q. Did Donald Trump review all the**

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1 **SEXTON - CONFIDENTIAL**
2 **the controller.**
3 **Q. Who was the controller?**
4 A. For Trump University?
5 **Q. Yes.**
6 A. Steven Matejek.
7 **Q. Did you discuss advertisements with**
8 **Donald Trump?**
9 A. Yes, I did.
10 **Q. How frequently?**
11 A. Any time we had a new ad, we would
12 discuss it.
13 **Q. How often were there new ads**
14 **created?**
15 A. Print ads, fairly frequently. We
16 would typically create a batch at one time and
17 then have three or four approved -- present them
18 to Mr. Trump, get approval on three or four
19 different versions that we would then be able to
20 go out and test over a period of time.
21 **Q. Why did he want to be involved in**
22 **reviewing and approving the advertisements?**
23 MR. SCHNEIDER: Objection.
24 Foundation.
25 THE WITNESS: Mr. Trump

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1 SEXTON - CONFIDENTIAL
2 understandably is protective of his brand
3 and very protective of his image and how
4 he's portrayed. And he wanted to see how
5 his brand and image were portrayed in Trump
6 University marketing materials. And he had
7 very good and substantive input as well.
8 BY MS. ECK:
9 **Q. Did -- for what other purposes would**
10 **you meet with -- or discuss things with Donald**
11 **Trump?**
12 A. Other than --
13 **Q. Other than advertising, the**
14 **financials.**
15 A. -- advertising and marketing.
16 State of the business.
17 **Q. How often would you meet on that?**
18 A. Periodically.
19 **Q. A few times a year?**
20 A. Maybe once a quarter.
21 **Q. Did you discuss students' or buyers'**
22 **complaints with Trump University with him?**
23 A. We did not, no.
24 **Q. Did you discuss with Donald Trump**
25 **students' dissatisfaction with Trump University?**

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1 SEXTON - CONFIDENTIAL
2 AFTERNOON SESSION
3 THE VIDEOGRAPHER: The time is 1:46.
4 This begins Tape No. 8 of the videotaped
5 deposition of Michael Sexton.
6 MICHAEL SEXTON,
7 having been previously sworn, resumed the
8 stand and testified further as follows:
9 EXAMINATION (Cont'd.)
10 BY MS. ECK:
11 **Q. Are you aware of any lawsuits, other**
12 **than this present one, that have been filed**
13 **against Trump University?**
14 A. No.
15 MS. ECK: I'd like to mark as
16 Exhibit No. 11 a document, TU25203.
17 (Plaintiffs' Exhibit 11, Bates No.
18 TU 25203, List of Lawsuits, marked for
19 identification.)
20 MR. SCHNEIDER: Can you say the
21 number again? I'm sorry.
22 MS. ECK: 25203.
23 MR. SCHNEIDER: Thank you.
24 (Witness peruses the exhibit.)
25

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1 SEXTON - CONFIDENTIAL
2 A. I did not, no.
3 **Q. Why not?**
4 A. Because if 97 percent were
5 satisfied, I felt the story line was 97 percent
6 are satisfied, not 3 percent are dissatisfied.
7 **Q. Were there any other purposes that**
8 **you would talk with Donald Trump about other than**
9 **the ones you already mentioned?**
10 A. About new products.
11 **Q. Anything else?**
12 A. At times about other activities he
13 was engaged in that were adjacent to our industry
14 or maybe part of our industry.
15 **Q. Anything else?**
16 A. Not that I can recall.
17 MS. ECK: We're almost done with
18 this tape. Let's go ahead and take a
19 break.
20 THE VIDEOGRAPHER: The time is 12:31
21 and we're off the record.
22 (Luncheon recess from the record.)
23
24
25

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1 SEXTON - CONFIDENTIAL
2 BY MS. ECK:
3 **Q. Do you recognize this document?**
4 A. I don't, no.
5 **Q. Do you know who created it?**
6 A. I don't.
7 **Q. Are you familiar with any of these**
8 **lawsuits listed on this document?**
9 A. I guess the first one had to do with
10 the Utah -- the Draper, Utah office space.
11 **Q. Who was located in the Utah space?**
12 A. Customers -- for a period, customer
13 service, inside sales. That was it.
14 **Q. How many people were located in**
15 **Utah?**
16 A. It varied, but at its peak, maybe a
17 dozen.
18 **Q. Did these people all service**
19 **seminars in Utah?**
20 A. No, no, no. They would -- inside
21 sales had nothing told with the seminars really.
22 They were a separate entity. Customer service
23 out there would support events anywhere by making
24 reminder calls, that sort of thing.
25 **Q. Why did you establish an office in**

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1 SEXTON - CONFIDENTIAL
2 a three full days, for a 90-minute preview.
3 And we gave her, I would guess,
4 three or four, probably more, four to six,
5 opportunities. And it just didn't work out I
6 think from both of our standpoints.
7 **Q. If you could look at document 102422**
8 **through 102426.**
9 A. 102422?
10 **Q. Yes.**
11 **(Witness peruses document.)**
12 A. I'm sorry, just to amend my previous
13 comment, we did have a female instructor.
14 **Q. What was her name?**
15 A. Denise Devoe, D-E-V-O-E.
16 **Q. During what time period was she an**
17 **instructor?**
18 A. 2007.
19 **Q. How many courses did she teach?**
20 A. Maybe a dozen, maybe more.
21 MR. SCHNEIDER: Are you marking
22 this?
23 MS. ECK: Not yet.
24 THE WITNESS: Would you care for
25 this back?
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1 SEXTON - CONFIDENTIAL
2 **different campaigns to promote the university?**
3 MR. SCHNEIDER: Objection as to the
4 term "campaigns."
5 BY MS. ECK:
6 **Q. Were there different themes of**
7 **advertising? So, for example, an apprenticeship**
8 **advertisement or campaign or a Trump the master**
9 **campaign?**
10 A. So we really didn't do any what I
11 would call brand advertising. So when you say to
12 promote the company, everything we did was direct
13 response. It was -- the vast, vast majority was
14 designed with one goal in mind, which was to get
15 people to become aware of our free previews and
16 to attend.
17 Within that context, yes, we had
18 dozens and dozens of different -- I guess you'd
19 call them campaigns, but it was really -- there
20 were thematic differences. There was certainly
21 content differences that were meaningful
22 differences in copy, body copy, meaningful
23 differences in display and layout and design.
24 And then, of course, there were
25 differences based on the media that we used,
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1 SEXTON - CONFIDENTIAL
2 BY MS. ECK:
3 **Q. Yes, sure.**
4 A. (Handing.)
5 **Q. This appears to be an e-mail from**
6 **Michael Bloom to you regarding print ads with**
7 **DJT's signature and title. Are you familiar with**
8 **this document?**
9 A. I believe so, yes.
10 **Q. And it states that -- "Your updated**
11 **versions incorporating your good idea to include**
12 **DJT's title as chairman, Trump University."**
13 **Was that your idea to include Donald**
14 **Trump's title as chairman of Trump University?**
15 A. I assume so, reading the -- reading
16 the e-mail.
17 **Q. Was he the chairman of Trump**
18 **University?**
19 A. Yes, he was.
20 **Q. Had advertisements featured his**
21 **position as chairman of Trump University before**
22 **this date?**
23 A. I don't recall. I don't recall
24 specifically.
25 **Q. Did Trump University have various**
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1 SEXTON - CONFIDENTIAL
2 whether it was direct mail versus print versus
3 e-mail and so on. Then there was even geographic
4 differentiations based on the market we were
5 specifically targeting.
6 **Q. Was one of these themes Donald Trump**
7 **saying, I want you to be my apprentice?**
8 A. I believe we used that theme, yes.
9 **Q. Was that called like an**
10 **apprenticeship theme, or did it have a title?**
11 A. We didn't really title it that way.
12 **Q. Was that apprenticeship theme**
13 **successful or popular with potential students?**
14 A. We were pretty consistently A, B
15 test design. So test two different designs and
16 measure which one performed better. I think it
17 was highly dependent upon seasonality. So if The
18 Apprentice was running, I think our thinking was
19 let's -- there's a millions of dollars in
20 advertisement for The Apprentice TV show. If
21 we're in The Apprentice TV show season, it will
22 be top of mind for people. Let's take advantage
23 of that momentum and use that in some of our
24 marketing materials. When it wasn't The
25 Apprentice season, I recall it didn't perform as
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1 SEXTON - CONFIDENTIAL
2 well.
3 **Q. Was learn from the master or Trump**
4 **the master another advertising theme?**
5 A. For instance, I don't know whether
6 we used any or all of these in real ads. The
7 idea that Donald Trump was an expert in real
8 estate certainly was a consistent theme.
9 **Q. Was learn from the master a**
10 **consistent theme?**
11 A. I would say that would be -- if we
12 thought about -- that would be part of this
13 overarching messaging of Donald Trump's an expert
14 in real estate. If you're going to learn about
15 real estate, why wouldn't you learn from
16 somebody's who actually been out there and done
17 it before, as opposed to, you know, Robert Adder
18 [ph] or some of these other guys that haven't.
19 **Q. Was learn from the master Donald**
20 **Trump a successful or popular advertising theme?**
21 A. I couldn't tell that. I don't know.
22 **Q. Was it tested?**
23 A. Again, I don't know whether -- this
24 looks like a mock-up to a PDF. I don't know
25 whether this -- I don't know whether this ran

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1 SEXTON - CONFIDENTIAL
2 A. I don't know.
3 **Q. Was using his -- Donald Trump's**
4 **signature a successful element of an**
5 **advertisement for Trump University?**
6 A. I don't know if the signature added
7 anything to the ad.
8 **Q. Can you think of other themes or**
9 **elements that Trump University used that were**
10 **successful in motivating students to attend the**
11 **courses?**
12 A. I mean, we used dozens and dozens of
13 different headlines, body copy, layouts. I
14 can't -- we measured all of this, so there's --
15 you know, there's an answer. I don't have it for
16 you, which one was the, quote-unquote, winning
17 theme.
18 And even if it was, there's a --
19 what works today doesn't necessarily work
20 tomorrow. What works in New York doesn't
21 necessarily work in LA. It's a fairly -- it's a
22 very dynamic, messy process that's, by its very
23 nature, multi-variant when you've got 30
24 different variables on any ad that you're
25 tinkering with over time to -- to optimize. And

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1 SEXTON - CONFIDENTIAL
2 in -- I don't know whether this particular ad was
3 approved and ran in a market.
4 **Q. Did other advertisements using that**
5 **same phrase, "learn from the master," actually**
6 **run?**
7 A. I couldn't tell you.
8 **Q. Was Donald Trump's signature a theme**
9 **from a Donald Trump signature campaign or theme**
10 **where there would be his signature and name of**
11 **chairman of the board?**
12 A. No, it was what we think of as an
13 element in the design and layout of an ad like
14 this, much like the logo is an element, a free
15 giveaway is an element, the picture is an
16 element.
17 We felt it supported -- he's got a
18 fairly distinctive signature. We felt it
19 supported the -- the overall messaging.
20 **Q. Who came up with the idea to use his**
21 **signature in the advertising?**
22 A. I don't know.
23 **Q. Was it you?**
24 A. I don't know.
25 **Q. Was it Michael Bloom?**

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1 SEXTON - CONFIDENTIAL
2 I don't have that data handy.
3 **Q. The last two attachments are "Learn**
4 **to invest like a billionaire." Do you recall**
5 **whether you ever used this theme or an**
6 **advertisement similar to this?**
7 A. I don't recall, but I know we kind
8 of backed off the whole notion of learn to invest
9 like a billionaire.
10 **Q. Why was that?**
11 A. It wasn't accessible to people.
12 People didn't necessarily walk around wanting to
13 be a billionaire. They'd be very happy to be a
14 millionaire. So it was almost -- I think our
15 feeling was it was almost overwhelming, daunting,
16 you know, that's not going to happen.
17 **Q. Did you have a theme you are**
18 **encouraging people to invest like a millionaire**
19 **or to become a millionaire?**
20 A. Not specifically, no.
21 **Q. Did you have campaigns or themes or**
22 **elements using the word "millionaire"?**
23 A. Not that I can recall.
24 **Q. Were the two primary people involved**
25 **in Trump University advertising and marketing,**

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1 **SEXTON - CONFIDENTIAL**
2 **other than you, Michael Bloom and Josef Katz?**
3 A. That's correct.
4 **Q. And Josef Katz was there first and**
5 **then Bloom came when he left; is that right? Or**
6 **were they there at the same time?**
7 A. They overlapped briefly.
8 **Q. Why did Josef Katz leave?**
9 [REDACTED]
10 **Q. When did Michael Bloom leave? Was**
11 **it after you left or before?**
12 A. Just before. I would say a month or
13 two prior.
14 **Q. Was he terminated?**
15 [REDACTED]
16 MR. SCHNEIDER: Off the record just
17 one moment.
18 THE VIDEOGRAPHER: The time is 3:50.
19 We're off the record.
20 (Pause from the record.)
21 THE VIDEOGRAPHER: The time is 3:53.
22 We're back on the record.
23 BY MS. ECK:
24 **Q. Who was David Early?**
25

1 **SEXTON - CONFIDENTIAL**
2 **courses for Trump University?**
3 A. No, I don't believe so.
4 **Q. Did he -- who's Phillip Ungricht,**
5 **U-N-G-R-I-C-H-T? Is he with EWI?**
6 A. The name's vaguely familiar. Do you
7 have anything else on him?
8 **Q. Who was Kos -- Kos Rovoni [ph]?**
9 A. Character.
10 Kos was and is an Internet marketing
11 instructor. He's based out of Los Angeles. He's
12 got his own course on how to -- how to market
13 business on the Internet using a combination of,
14 as I recall, social media, like LinkedIn, Meet Up
15 and that sort of thing Facebook and paid search,
16 so Google AdWords.
17 And we worked with him. We wanted
18 an Internet marketing product. We thought it
19 would complement our -- we thought it would
20 complement our offerings for entrepreneurs that
21 wanted to not just launch a business, but then
22 marketed their business. And we did partner with
23 him. We liked -- we liked the focus of his
24 content, but it just didn't work out.
25 **Q. Did he create a video with Donald**

1 **SEXTON - CONFIDENTIAL**
2 A. He was -- he used to work at
3 Dynatech for a good, long time, about 13 years, I
4 believe, in a variety of roles. And so when he
5 left there, he started his own consulting firm.
6 And we worked with him pretty extensively in a
7 number of different areas.
8 **Q. In what -- what did he do with Trump**
9 **University or for Trump University?**
10 A. He did -- well, a lot of things. He
11 helped with speaker and instructors, coaching
12 them. He helped us at times get feedback on
13 presentations. He helped at times with putting
14 together things like the video testimonials. He
15 helped with print buying. He helped with design
16 of some print ads, I believe. I believe.
17 **Q. And what time period did he work**
18 **with Trump University?**
19 A. I'd say 2000 -- on and off in
20 different ways from 2007 through, I'd say, 2009.
21 **Q. Was his company Entrende?**
22 A. Entrende, yes.
23 **Q. How do you spell that?**
24 A. E-N-T-R-E-N-D-E.
25 **Q. Did he create any content for**

1 **SEXTON - CONFIDENTIAL**
2 **Trump?**
3 A. No, not that I'm aware of.
4 **Q. Was he involved in any of the real**
5 **estate courses or no?**
6 A. No. Purely -- purely Internet
7 marketing.
8 **Q. If you could please look at document**
9 **TU102432 through 435.**
10 (Witness peruses the exhibit.)
11 **Q. This is an e-mail from Josef Katz to**
12 **various people, including you, regarding**
13 **California ad for Trump. It says, "See attached**
14 **for a few small tweaks from legal."**
15 **Do you recognize this document?**
16 A. I don't recall this specific
17 document, no.
18 **Q. Do you have any reason to believe**
19 **you would not have received this document?**
20 A. No.
21 **Q. Was it common to have advertisements**
22 **reviewed by the legal department?**
23 A. Yes.
24 **Q. Did they review every advertisement?**
25 A. I believe any ad, any newspaper ad

DEx. 26

Lodged Under Seal