

ARTHUR ANDERSEN & Co.

101 EISENHOWER PARKWAY
ROSELAND, NEW JERSEY 07068
(201) 403-6100

April 10, 1989

Mr. Donald J. Trump
The Trump Organization
725 Fifth Avenue
New York, New York 10022

*5/21/89
35
own 2nd yr personal
joint acct*

*Have 200 documents
of audit work
for 20 personal
look at file
7 copies
audit*

Dear Mr. Trump:

At your request, we have performed a review of the statement of financial condition of Donald J. Trump as of November 30, 1988, in accordance with standards established by the American Institute of Certified Public Accountants.

A review of personal financial statements consists principally of inquiries of the individual whose financial statements are presented and analytical procedures applied to financial data. It is substantially less in scope than an audit in accordance with generally accepted auditing standards, the objective of which is the expression of an opinion regarding the financial statements taken as a whole. Accordingly, we do not express such an opinion.

Included in the statement of financial condition referred to above was \$700,125,000 consisting of cash and cash equivalents, marketable securities (listed on the New York Stock Exchange) and the remaining cash proceeds from bond issuance and capital contributions. These amounts are held in real and operating properties and used for working capital, construction of facilities, debt service and other business purposes. In some instances, bond indentures or loan agreements require that cash balances be retained and used only for permitted purposes.

As these amounts are generally used by your real and operating entities, increases or decreases in balances may have occurred subsequent to November 30, 1988.

Very truly yours,
ARTHUR ANDERSEN & CO.

By *Richard L. Robbins*
Richard L. Robbins

*I only got involved thru Castle
only 30 mins. in the morning
I handle it all, but
when some started, was surprised
- not so off*

MLC

*personal - no inquiry
basis of valuations*

*WE do not have
in his major props.
annual audit*

Forbes

Forbes Building
60 Fifth Avenue
New York, N.Y. 10011
212 620-2200

Editorial Offices

May 2, 1989

Mr. Donald J. Trump
The Trump Organization
725 Fifth Avenue
New York, NY 10022

Dear Mr. Trump:

This is to acknowledge receipt of your letter of 25 April, 1989. We will honor your request to keep the contents confidential.

I cannot help feeling puzzled by the contents. First, your assertion that I have been quoted as saying you are "highly leveraged." I do not recall saying that (though I have said that you have some leverage, as do nearly all real estate developers), nor do I recall seeing any such quote attributed to me. The clip you enclosed (see copy) neither quotes me nor says anything about your leverage. Second, if the purpose was to dispel inaccurate notions about your leverage, why does the letter refer only to cash balances (some expressly required balances due to undescribed debt agreements) and equivalents and not to amounts of debt? Third, it escapes me why one would maintain cash and equivalents of this magnitude, or fourth why an assertion that a CPA had seen unaudited figures on one or more pieces of paper that add up to such an amount would carry any weight with a third party absent further data.

Sincerely,

Harold Seneker
Senior Editor

HS/cs

cc: Malcolm S. Forbes
M.S. Forbes, Jr.

ARTHUR ANDERSEN & Co.

101 EISENHOWER PARKWAY
ROSELAND, NEW JERSEY 07068
(201) 403-6100

April 19, 1989

Mr. Harold Seneker
Editor
Forbes Magazine
60 Fifth Avenue
New York, New York 10011

Dear Mr. Seneker:

Mr. Donald J. Trump has requested that I forward to you the enclosed letter which describes cash assets included in his statement of financial condition as of November 30, 1988, the date of our latest report. He has also requested that I mention the sale of the St. Moritz Hotel for approximately \$180,000,000 (all cash) which closed on January 30, 1989.

Sincerely,



Richard L. Robbins

MLC

Enclosure