



# Trump's history of lawsuits could damage bid for White House

## Conservatives wary of tycoon's record of litigation

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As billionaire Donald Trump flirts with a run for the White House, his lengthy history of filing lawsuits — often to protect his image or gain a financial edge — is making conservatives wary of excessive litigation wince.



The real estate tycoon has been a party — as defendant or plaintiff) in about 100 federal lawsuits — according to a review of a legal database. Moreover, five of Trump's major companies have been embroiled in over 200 civil suits in federal courts, according to court records.

### A few examples

Trump has filed lawsuits against Palm Beach County, Fla., where he owns a palatial home and private club, called Mar-a-Lago, seeking to block a new runway at a local airport because it could increase the noise levels near his property.

He has sued his former New York law firm, Morrison Cohen, for citing him as an ex-client on its web site and treating him like a “cash cow.”

Trump sued former New York Times journalist Tim O'Brien and his publisher seeking \$5 billion in damages because he was depicted in the journalist's book as worth much less than what Trump claimed was correct.

Trump lost his lawsuit against O'Brien, failed to block Morrison Cohen from using his name as a former client, and so far has been stymied by court rulings in a multi-year battle to halt Palm Beach County's runway expansion.

For decades, Trump has used the courts to punish and pressure adversaries. No cause is too trivial — from a small Georgia company producing business cards called “Trump Cards” to a Mrs. Universe beauty pageant he claimed infringed on his Miss Universe trademark.

Trump's heavy use of litigation against critics or those he's trying to gain a financial edge against could create image and political headaches for him if he chooses to run for the GOP nomination.

“If he's taken seriously as a candidate it's going to be appropriate to look at his record of litigation,” conservative legal scholar Walter Olson of the Cato Institute told iWatch News . He said a big question will be “how consistent is [Trump's record] with the Republican idea that litigation should be a last resort and not a weapon for tactical advantage.”

Suing your own law firm is a “sign of something very dysfunctional,” observed Columbia University law professor John Coffee in an interview.

### **Not excessive?**

Some legal analysts said Trump's heavy use of the courts is fairly commonplace in the real estate business in New York. “I'd say that real estate owners and builders in New York use the courts as a way of buying time when they need it,” New York University law professor Stephen Gillers said. “The courts are an extension of their business plans.”

Curbing excessive litigation — or tort reform — is an issue that business interests and Republicans have pressed for in recent years. Democrats have generally been more sympathetic to trial lawyers, many of whom have been generous financial donors.

Trump spokesman Michael Cohen said Trump has been involved in thousands of business deals and “I'd say the percentage of lawsuits was minimal.”

“There's a true distinction between a career politician and a successful businessman like Donald Trump. That distinction is that the politician has never been involved in business that at times requires litigation,” Cohen said.

Trump not only sues others with considerable frequency. In recent years, he has been hit with a few class action lawsuits, including one filed last year against his eponymous online business school, Trump University, alleging fraud and other misconduct.

In a long running litigation fight going back to the mid-1990s, Trump has filed several suits against Palm Beach County, where his 18-acre Mar-a-Lago is located. Trump

bought the historic property in the mid-1980s and later converted much of it to a private club which now has over 400 members. He still has a personal residence there too.

Trump's three suits against the county include two about the local airport runway, arguing that an expansion violates his privacy and creates too much noise and emissions, which hurt his property values.

Trump has tried to curb planes flying over Mar-a-Lago. In a suit filed last July in a Florida circuit court, Trump cited the noise harassment from the planes and accused Palm Beach County airport director Bruce Pelly of "intentional battery."

Pointing to several actions taken by Pelly to expand the runway, the complaint calls Pelly's actions "deliberate and malicious." The complaint noted that Trump sued Pelly personally in the mid-1990s and alleges that in retaliation Pelly is "attacking Mar-a-Lago from the air."

Last December, a local circuit court judge ruled in favor of the county, which had argued that the Federal Aviation Administration controls flight paths, but gave Trump the option of refiling his suit, which he did in much the same language as before, but with some tweaks.

Amy Petrick, an attorney for Palm Beach County, told iWatch News that last year in responding to Trump's suit the county "pointed out that battery is something done to a person and not to a building." Petrick said that in his new complaint, Trump alleges that "Pelly battered him personally by the airplanes that fly over Mar-a-Lago."

The county has moved to dismiss the new complaint but no action has been taken yet by the court.

## **Trump v. Morrison Cohen**

On a separate legal battlefield, Trump was embroiled in multiple complaints against the law firm of Morrison Cohen, which represented him for several years.

One suit that Trump filed in 2007 charged Morrison Cohen with legal malpractice.

In that suit, Trump accused the firm of treating him as a "cash cow" because of fees it sought from him after it won a case where Trump claimed he'd been overcharged by a contractor for work on a golf course.

A Westchester County Supreme Court judge awarded Trump about \$2 million in damages for breach of an earth moving contract, but only about \$40,000 on another claim he made involving infrastructure charges. And the same judge awarded Trump about \$1.3 million in attorney's fees.

Trump, who had paid the firm \$1 million for its work, alleged that his lawyers should have advised him not to file his infrastructure claims because they would not be cost effective. Trump reportedly said he had a “Ph.D. in legal fees” as a result of his extensive litigation experience.

The firm countersued Trump, seeking an extra \$470,000 in unpaid legal bills. Ultimately in 2009, Trump settled with the firm for an undisclosed sum.

Then in 2008, Trump sued Morrison Cohen in a New York federal court for invasion of privacy because it used his name on its website after he was no longer a client. This claim too was settled in 2009, without the terms being disclosed, but the law firm was permitted to continue citing Trump as an ex-client.

### **Claiming a tainted image**

Trump’s ego also was badly bruised by estimates of how much he was worth in a book published in 2005 by then- New York Times reporter Tim O’Brien and Time Warner Book Group. “TrumpNation: the Art of Being the Donald” cited three unnamed sources who pegged his worth at between \$150 million and \$250 million. By contrast, Trump claimed he was worth between \$4 billion and \$6 billion, which prompted his \$5 billion defamation suit.

In 2009, New Jersey Superior Court Judge Michele Fox rejected the argument of Trump’s lawyers that he had been the victim of “actual malice” because of what O’Brien wrote.

Trump’s image has been a factor in a lengthy legal battle he’s been waging against Rancho Palos Verdes, a small community on a lovely California peninsula where he developed a golf course in 2002. The town, which has an annual budget of \$20 million, was sued in late 2008 by Trump for \$100 million in damages for allegedly violating his civil rights and defrauding him.

The suit, filed in Los Angeles Superior Court, charges that the town has been delaying plans for adding 20 luxury homes on the grounds of his Trump National Golf Course, while requiring stringent environmental and safety studies since the area is known to have landslides. Trump’s lawsuit charged that the town has forced him to spend “millions of dollars on unnecessary, repetitive, unreasonable and unlawful geologic surveys.”

Trump also was irked because local officials have balked at renaming a highway Trump National Drive.

In January, Los Angeles Court judge Ann I. Jones ruled against part of Trump’s claims by denying him permission to build another 20 homes on the golf course’s grounds, noting that plans for those homes were never submitted to the city. The judge ruled that since the “plaintiffs never applied for permits, they had no clear, present and beneficial rights to the performance of that duty.” The city has approved plans for 36 other homes.

Trump also has been on the other side in numerous court cases: the billionaire has been the target of several class action suits that allege, among other things, deceptive business practices and fraud.

Last year Trump University, an online business school, was hit with a class action suit charging that students are not given the real estate education that the institution advertises. Tarla Makaeff, a California marketer who filed it, said she spent nearly \$60,000 to “Learn from the Master,” in the words of a Trump University flyer. The lawsuit charged that the main lesson centers around how to max out on credit cards.

Makaeff charged that the course is basically an “infomercial. . . . The primary lesson Trump University teaches its students is how to spend more money buying more Trump seminars.” The suit, which is pending in federal court in California, seeks damages for violations of consumer protection laws.

The school promptly countersued, and said it has tapes of Makaeff describing the program as “awesome.”

Trump University has also come under scrutiny from the New York Education Department. Last year it demanded that the online school cease referring to itself as a university because it was a violation of the state’s education law. Trump changed the name of his institution to the Trump Entrepreneur Initiative.

The bankruptcy courts have also seen plenty of Trump action. His casino companies have filed for bankruptcy four times, a practice that Trump has boasted publicly is a smart business tactic.

“I do play with the bankruptcy laws — they’re very good for me” as a tool for trimming debt, he recently told Newsweek.

Some legal experts argue that Trump’s extensive use of bankruptcy courts seems at odds with the GOP’s efforts to curb consumer bankruptcies.

“He brags about bankruptcy being a good deal,” Stephen Burbank, a law professor at the University of Pennsylvania told iWatch News. “He looks like a serial debt avoider. The GOP has been behind making consumer bankruptcy more difficult. Those people should have a problem with the notion of using bankruptcy as another tool in the quest for business advantage.”

The criticism doesn’t seem to daunt Trump. Speaking at a tea party rally on April 16 in Boca Raton, Fla., Trump boasted of his business smarts and financial acumen. “We need people that win. We don’t need people that lose all the time,” he told a cheering throng.

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