

Did Trump University Tell Its Students to Break the Law?



Summary: Real estate experts said that some of Trump University's teachings are illegal in certain states.

There are thousands of Trump University alumni who said they were scammed by Donald Trump's former teaching venture, which encouraged them to spend tens of thousands to be like the now-Republican presidential nominee. But CNBC delved into the curriculum further and found that the students may have been given shady advice also.

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"A detailed review by CNBC and legal experts of the Trump University curriculum shows written advice to students, who paid upward of \$36,000 to attend, could have placed students in violation of several state and national real estate and investment laws," CNBC said.

Trump University was shut down in 2010 after its legitimacy was questioned. The falsely named "university" sold real estate classes and mentorship programs, and advertisements seemed to promise hopeful students that if they followed the Trump method that they could get rich quick. According to the lawsuits filed against Trump University, students were pressured to extend their credit lines in order to pay for the program.

Trump University drew the attention of the likes of New York Attorney General Eric Schneiderman who filed a lawsuit after two other class actions were already in motion. Donald Trump as well as Trump University were named defendants.

- Related: [Trump Forced to Be Witness in Trump University Civil Case](#).

CNBC said that they interviewed more than a dozen real estate experts across the country to give their opinions on the Trump University lessons, which were presented in glossy binders and workbooks. The experts said that the curriculum often told people to go above the law in certain states. Jill Martin, a lawyer for the Trump Organization, said the teachings were intended to be broad, with "national level" advice and not state-specific advice.

One piece of Trump University advice was to look for motivated sellers, which include people going through a divorce, having tenant problems, having health issues, etc. Florida real estate attorney Sherry DeWitt said that strategy could backfire.

"That's a red flag, because if you take advantage of somebody in a distressed situation and ... the deal goes bad, that person can say that they were coerced or they were distressed or weren't fully informed of the circumstances," DeWitt said.

Another questionable tactic taught in the Trump University curriculum was to market property that you don't own in a move called "wholesaling," which an expert said was not illegal but could backfire for the Trump University student if the deal soured.

"If you sign a deal to sell property to another and then you are unable to sell to that person, then you are opening yourself up to potential liability," Oregon lawyer Thomas Sullivan said.

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Martin added that Trump University was mainly live seminars that directed students to consult with local real estate professionals. CNBC stated that Martin would not address specific violations that they were inquiring about.

Martin also said that Trump University students were given disclaimers upon enrollment and gave a copy to CNBC, but former students said that they were given a different document than what Martin provided. AG Schneiderman said that he had the disclaimer given to the students, not the one Martin provided.

A spokesman for Schneiderman's office said that both disclaimers were invalid because a "court rejected their argument about the disclaimers protecting from liability."

Trump University has defended itself against the lawsuits, which they said have no merit.

"Trump University was a professionally run company which provided students with a valuable and substantive education and the tools to succeed in business and real estate," Trump Organization told CNBC.

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One former Trump University student who is currently working in real estate said that he had a good experience and chose not to

participate in the class action lawsuit.

"The information was valid, and it was up to you to decide what to do with this information," Nicholas Perieux said to CNBC. "I can't speak for anyone else, but I know I had a good experience, and I'm doing well in real estate now."

Do you think Trump University is a scam? Let us know in the comments below.

Source: CNBC

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