

March 28, 2017

Jami Wintz McKeon Chair, Morgan Lewis 1701 Market St. Philadelphia, PA 19103-2921

Dear Ms. McKeon:

I write as a Morgan Lewis client (through the Wallace Global Fund, which I co-chair) and as a fellow Villanova Law grad, three years before you.

This is to inform you that we have decided to terminate our relationship with Morgan Lewis, out of profound disagreement with the firm's representation of President Donald Trump. We believe that the legal advice given to him by your partner Sheri Dillon, in the January 11 press conference and background "white paper," is not just simplistic and ill-founded, but that it empowers and even encourages impeachable offenses and undetectable financial conflicts of interest by America's highest official, and thus is an unprecedented invitation to corruption and an assault on our democracy.

We feel it is important to convey our decision not just to our attorneys, DC-based Celia Roady and Kimberly Eney, who have done good work for us over the years, but to the firm's leadership, to invite you to think about larger principles than simple zealous representation of a client.

Ms. Dillon has legitimized a complete non-solution to Trump's manifold conflicts of interest, both foreign and domestic – putting most of his assets into a "trust" to be managed by his sons, while he maintains full ownership. There will be zero separation of interest between him and his sons; indeed, they have promised that "we're going to make him very proud." She adds a few window-dressing safeguards, like an "Ethics Advisor," a ban on "new" foreign deals, and the ridiculous pretense that if the sons' written reports to their father are sparse, then he will be "completely sequestered" from business details, and will know nothing more than ordinary Americans can learn "through the media." Never mind that son Eric just recently promised to keep him up-to-date on "profitability ... and stuff like that," and that the Dillon plan made no pretense of limiting the sons' *oral* communications with him.

She absolutely denied the existence of any Emoluments Clause problems. Her analysis extended no farther than the example of booking a room at the DC Trump hotel for a night at "fair market value." This, she concluded, "the Constitution does not forbid." But out of an excess of generosity, her plan is that Trump will "go beyond what the Constitution requires" and donate to

the U.S. Treasury all "profits" from foreign officials' "patronage of his hotels and similar businesses." But wait: what is the significance of "profit" in the context of Trump's income from his hotels and similar properties? Doesn't his income generally come in the form of *fees* for licensing his name, or management fees, which would be counted as *expenses*, not profits? (Hard to tell without seeing his tax returns.) Surrendering all "profits" is not the same thing as surrendering all *income* from foreign officials.

And what about the many other valuable ways that foreign nations could seek to "curry favor" or "ingratiate themselves" with Trump (in the language of the Brookings Institution report on the Emoluments Clause by Eisen, Painter and Tribe)? If the government of a country where Trump has property decides – for the blatant purpose of currying favor with the U.S. President – to expedite approval of a building permit, or to lighten up on regulatory enforcement, or to withhold investigation or prosecution of suspected wrongdoing, or to give favorable tax or interest-rate treatment, there could be huge financial benefit to the Trump organization. These financial benefits bear no relation to Ms. Dillon's "profit" idea, but they could dwarf mere hotel-room profits, and are clearly emoluments. Why not address this? Is it because she thinks there's no conceivable problem, or no conceivable solution? Her simplistic hotel-room analysis completely ducks these complex questions, and shows serious disrespect for the enormity of the constitutional issues, and indeed for the American people whom the Emoluments Clause was written to protect.

Ms. Dillon did not address how the American people, their congressional representatives, or even the trust's "Ethics Advisor" might be alerted to the possibility of a conflict of interest, when the best documentation of the sources of Trump's income – his tax returns – remains willfully concealed. The universal practice of every other President for the past 40 years, in both releasing his tax returns and putting all his assets into conflict-free investments or blind trusts, is apparently irrelevant and unworthy of passing comment.

The result is an *illusion* of protection against the President using his office for personal gain. Trump's entire life has been devoted to personal gain, not a moment to public service. The Trump organization has current operations in at least 20 foreign countries, and President Trump retains undiminished ownership interest. Compared to leaders like Jimmy Carter and Lyndon Johnson – Presidents with extensive prior records of public service who owned businesses which they put into blind trust upon attaining the Presidency – the likelihood of abuse is far greater.

Already, the ethical carnage is mounting.

• Just days after President Trump assured the President of China that he supports the "one China" policy – an apparent reversal of President-elect Trump's earlier overtures to Taiwan – Chinese authorities granted Trump an extraordinary 38 trademarks, a valuable license to commercialize his name-brand not just for hotels and golf clubs, but also massage parlors, bars, bodyguard and escort services.

- Trump's DC hotel aggressively started courting business from the diplomatic community, hiring a "Director of Diplomatic Sales" away from the competitor Four Seasons Hotel, and securing major event bookings from foreign governments such as Azerbaijan, Bahrain and Kuwait (whose annual "National Day" celebration, costing up to \$60,000, was abruptly switched from the Four Seasons after the election). Suites at the Trump hotel cost up to \$140,000 per week.
- His two bans on immigration from Muslim-majority nations, ostensibly motivated by terrorism concerns, targeted only countries where Trump has no business, and exempted others with equal or greater terrorism pedigree where he does have business interests, including Saudi Arabia ("They buy apartments from me, they spend \$40 million, \$50 million, I like them very much"), Egypt, U.A.E., Indonesia, Turkey and Azerbaijan.
- Perhaps most troubling is Russia's unfathomable hold over President Trump: without seeing documentation like his tax returns, we can't know his full financial interests there, but his son Donald Jr. has bragged that Russians "make up a pretty disproportionate cross-section of a lot of our assets ... we see a lot of money pouring in from Russia."
- The government-owned Industrial & Commercial Bank of China is the single largest tenant in Trump Tower, and the lease will come up for renewal during his presidency. Another Trump-affiliated office building in Manhattan is in debt to that same bank and others for almost a billion dollars.
- Domestic conflicts are accumulating. Business at Trump's Mar-a-Lago Club is booming: initiation fees have doubled, from \$100,000 to \$200,000, since the election, and the publicity of near-weekly visits by the President, and heads of state like the Japanese Prime Minister, is a marketing bonanza.
- Trump and his staff are using their official positions to promote family businesses, such as Sean Spicer explicitly encouraging the public to go to Trump's "absolutely stunning hotel" in DC, and promotion of Ivanka Trump's clothing line by advisor Kellyanne Conway ("Go buy it!") and by Trump himself (Nordstroms was "terrible!" and "unfair" for dropping it). Immediately afterwards, Ivanka's sales figures increased 219 percent.
- The most recent information we have about Trump's taxes is two pages from his 2005 federal returns, showing that the vast majority of the income tax he paid was in the form of Alternative Minimum Tax. As President, he proposes to completely eliminate the AMT which would have reduced his tax bill that year by \$31 million, lowering his effective tax rate to around three percent, which ordinary working Americans can only dream of.

It is painfully obvious that Trump is using his office for personal gain. And Morgan Lewis is enabling and legitimizing this. The idea of a "trust" run by Trump's sons is a fig leaf. It has been found to be "meaningless" by the Director of the Office of Government Ethics, and "absurd" and "wholly deficient," and a path to impeachment, by the Brookings report.

Our foundation is guided by values of open and accountable democratic governance. The sham "trust" arrangement which Morgan Lewis has blessed – enabling unchecked self-dealing,

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flouting of the Constitution, and concealment of the truth from the public that President Trump has sworn to serve – is fundamentally inconsistent with these values and, we fear, destructive to the fabric of our democracy.

Americans deserve a President of undivided loyalty. Your firm has denied them that. We cannot be complicit in that.

Sincerely,

H. Scott Wallace

Co-Chair

Cc: Celia Roady

Kimberly Eney