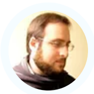
POLITICS

Inside Trump's Bond War

How Donald Trump has taken advantage of the courts, the media, and his ties to fellow unscrupulous billionaires to emerge victorious in his ongoing appellate bond crisis—at least for now.



SETH ABRAMSON

APR 05, 2024 • PAID

The first two sections of this report are free. To read the remainder of the report and get access to 275+ fully sourced Proof reports, click the button below for a week-long free trial of Proof.

Part I: The Latest

Yesterday, Trump's **$175 million** bond was preliminarily rejected by the **New York court system** due to defects in its filing noted by ***Proof*** in its two most recent reports on the **Trump Bond Crisis** (see the **Bibliography** in Part II, below).

Trump thereafter refiled his bond proposal, this time with a financial statement for his new lender, **Knight Specialty Insurance Company** of **San Diego** and **Las Vegas** (hereafter "**Knight**"), as well as a corrected listing for that company's "**attorney-in-fact**."

The refiling didn't fully address the issues first raised by *Proof* on Tuesday: namely, (1) whether Knight was properly authorized to do business in New York state; (2) whether Knight is in fact adequately capitalized to handle a bond of this size; and (3) sufficient additional information about the Trump-Knight transaction (which is hereafter called the "**Knight Bond**") to reassure both the court and the **New York Attorney General's Office** (the "**NYAG**") that Knight is an appropriate vehicle for a financial transaction of this size and scope. It should be noted—and this *is* shocking—that Knight has less cash on hand than the amount of the bond.

Then, just a few hours ago, the tale of the Knight Bond took a dramatic turn:

SUPREME COURT OF THE STATE OF NEW YORK
COUNTY OF NEW YORK

PEOPLE OF THE STATE OF NEW YORK, by LETITIA JAMES, Attorney General of the State of New York, Plaintiff, -against- DONALD J. TRUMP, *et al.*, Defendants.	Index No. 452564/2022 **NOTICE OF EXCEPTION TO SURETY PURSUANT TO CPLR § 2506(a)**

PLEASE TAKE NOTICE that, pursuant to CPLR § 2506(a), Plaintiff the People of the State of New York, by Letitia James, Attorney General of the State of New York, hereby takes exception to the sufficiency of the surety to the undertaking given by Defendants and denoted as Bond No. SA300588 (“Bond”), issued by Knight Specialty Insurance Company (“KSIC”) (a non-admitted carrier) without a certificate of qualification pursuant to Insurance Law § 1111, upon appeal to the Appellate Division, First Department, filed on April 4, 2024. *See* NYSCEF No. 1707.

PLEASE TAKE FURTHER NOTICE that, pursuant to CPLR § 2507, Defendants or KSIC shall file a motion to justify the surety within ten (10) days of the service of this notice, failing which the Bond shall be without effect, except that the surety shall remain liable on the Bond until a new undertaking is given and allowed.

With the filing above, the NYAG asks Trump or Knight to file a motion with the court justifying the Knight Bond in view of the objections noted above, with the NYAG free to thereafter ask for a *show cause hearing* if its requested motion—which must be filed within ten days—is found insufficient by the NYAG. Normally, the "**justification**" of a surety requires it to reveal significant additional details about the bond deal it just struck, including exactly how it was paid for and collateralized. For reasons explored at length below, it's evident that Knight won't want to provide this information, nor will Trump, which makes the next step in the **Trump Bond Crisis** very hard to predict.

While these new developments pause the final determination of the sufficiency of the Knight Bond for at least a week and a half, the filing above also notes that if Trump or Knight fail to file a response within ten days, the NYAG will immediately begin seizing Trump properties pursuant to the $454 million judgment against the former president—and with that judgment already entered in two New York counties where Trump has assets (not just properties, but also bank accounts and valuable consumer goods), it's entirely possible that Trump's real estate empire will begin its collapse by **Tax Day**.

This is the first of Mr. Trump's New York *supersedeas* (appellate) bonds to be contested by a government entity. The now-pending challenge has the effect, in the view of this publication, of elevating the month-old Trump Bond Crisis to the **Trump Bond War**.

The next battle in which will, we now know, be held before Judge **Arthur Engoron** on April 22, 2024:

Part II: Trump's Bond War

Donald Trump's dodgy practices as a historically incompetent businessman who must rely on loans acquired through fraud to survive—thereafter fighting with his lenders over making even fractional repayment of what he owes—are always found out in the end.

It just takes time.

That was a lesson from February's huge civil judgment against Trump in **New York**, which Trump knew was coming as of September 2023—when the judge in the case, **Arthur Engoron**, ruled that Trump had in fact been committing **Fraud** for years and years and that the matter in dispute in the case henceforth would merely be *damages*.

But there's a second lesson to be taken from this case: that a course of fraud Trump and his sons and his company (the **Trump Organization**) engaged in throughout the 2000s and 2010s remains unpunished as of April 2024. Yes, Trump has been found liable for various frauds, but no, no penalty has yet been paid by him (though it has been ordered).

As a Trump biographer, I know the thinking of the former POTUS in instances like this: that nothing has happened to him *at all* until any consequences in play have been visited upon him, and as *consequences* are an eventuality he's almost never in his life experienced, he does not and cannot visualize them to the degree we might expect.

And in truth, we may yet be months away from consequences in the New York fraud case, even if it *does* ultimately see Trump pay over half a billion dollars in damages.

Or, he could pay nothing at all.

Until it happens, we simply don't know. All we know is that the gap in time between Trump's decades of civil and criminal offenses small and large and any consequences for those offenses has habitually been far too long to deter him from any further misconduct. And we know that that misconduct centers—almost without exception—on his contracts and his loans and his payments, many of which occur in the midst of a seemingly endless swirl of illicit (and often illegal) activity.

Consider what we just learned via breaking news in ***The Guardian***: that in 2022, the very company whose IPO Trump appeared to want to rely on to save himself in his current bond crisis—**Truth Social**—was rescued from financial collapse via a loan from the nephew of one of **Russian** president **Vladimir Putin**'s closest oligarch allies.

This transaction—which appears, in retrospect, to be yet another greasy tendril of the **Trump-Russia Scandal**, given that the Russian lender at issue has business associates now under federal investigation for money laundering and that two Insider Trading convictions have also just been achieved in the case—certainly presents as yet another instance of the **Kremlin**, via intermediaries, purchasing Donald Trump by supplying him with the only thing he cares about besides himself and his daughter **Ivanka**: cash.

Yet *Proof* asks its readers to note the date above: 2022. These events are already years in the past, and we're just learning of them now, and we don't yet know if there will be any meaningful consequences for them on Trump's end. So far—for Trump's part at least—the only "consequence" he has experienced is a $3 billion windfall followed by a loss of $1 billion in a single day; the first he has Kremlin allies to thank for, while the latter is attributable to the fact that the whole Truth Social IPO has been a scam from the start. Why? Because the platform is collapsing, and Trump knows it (which is why he has desperately been trying to sell it to various parties, including far-right edgelord and sometime **Tesla** CEO **Elon Musk**).

As **MSNBC** legal analyst **Harry Litman** has observed, "**Truth Social said Monday** [**on April 1, 2024**] **that its losses are so severe that company accountants warned they 'raise substantial doubt about its ability to continue as a going concern', i.e.** [it] **may not survive long, since its underlying value is basically ethereal.**"

So the pattern in evidence here is the same one we've always seen with Mr. Trump, one which we'll see reappear as we delve much deeper into the Trump Bond Crisis and the Trump Bond War:

1. A clandestine, corrupt, and/or fraudulent transaction (usually a contract or loan or other sizable money transfer) enables Trump to stay afloat financially or achieve a seemingly inexplicable windfall;
2. years pass before that transaction is fully reported on by major media as having been in some way illicit;
3. additional years pass before the illicit transaction enters any formal record as being dubious (either through a civil or criminal proceeding in which Donald Trump is the defendant);
4. Trump is found liable for illicit conduct, but any penalty for that conduct is perpetually delayed as a result of the glacial pace of appellate proceedings—America being a country in which your liberty can and often *is* taken *instantly* in criminal proceedings, but your *money* can only be taken from you following years and years and years of legal wrangling and complex civil litigation, thus ensuring quick consequences for poor defendants and few if any for rich ones like Trump.

So what is the Trump Bond Crisis-cum-Trump Bond War if not just another example of a pattern that's repeated itself over and over with the former president and 2024 **Republican Party** presidential nominee? Specifically, in the current bond crisis we find:

1. Trump receiving two staggeringly large loans—the **Chubb Bond** and the Knight Bond—that both appear on their face to be corrupt and possibly illegal;
2. major media taking few if any steps to investigate these loans, though one does suppose it will deign to do so many years from now (when the transaction can no longer affect Trump in any meaningful way) at that point finding that some illicit conduct has in fact occurred;
3. a lack of legal consequences for Trump, at least for now—in part as a byproduct of the lack of journalistic inquiry into the clandestine misconduct in question—with the result that Trump is empowered and perhaps even emboldened to continue making money and advancing his political career while remaining free of incarceration and (as a sundae-topping soupçon) able to become President of the United States again, therefore someone in a position to end many of the major investigations and federal court proceedings he now faces; and
4. that the moment of not just *liability* but *clear and certain and severe punishment* for Trump never actually arrives, because America takes decades to even *consider* punishing this man and he will, of natural causes almost certainly, be deceased by the time these grindingly slow institutional deliberations have been completed.

It has been the project of *Proof* these last six weeks to try to break the cycle described above by fully investigating Trump loans *as they happen* to the best of any third party's capacity: in other words, as much as is possible and practicable without a subpoena.

This work, which major media habitually refuses to do with Trump—preferring to report on his financial transactions as merely ho-hum workaday occurrences and save its hardcore investigative journalism for years down the line, when it has no chance of *impacting* anything that matters—is summarized in the exhaustive Bibliography below.

Bibliography: Every *Proof* Report on the Ongoing Trump Bond Scandal

(in chronological order, with each Proof report's visual "color code," title, and permalink)

The Trump Bond Crisis: The March 11, 2024 Bond

- **#01 | 🟥 | "Source of the Money for $91 Million Bond in Trump's Defamation and Rape Case Appears to Have Major Kremlin Ties"** (link)
- **#02 | 🟦 | "The New Questions Federal Investigators Must Ask on An Emergency Basis About Trump's Eleventh-Hour Bond Proposal—Whose Apparent Kremlin Connections Increase By the Hour"** (link)
- **#03 | 🟩 | "Experts Said for Weeks That Trump Might Get Bonded By Kremlin Allies. Now It's Happening—Causing a National Security Crisis—So Why Is Media So Silent About the Greenberg Family?"** (link)
- **#04 | 🟨 | "Trump, Zuckerberg, Musk, Greenberg, Yass, TikTok—Dozens of Far-Flung Narratives Are Suddenly Coming Together As Trump Seeks a New Surety Bond to Avoid Ruin"** (link)
- **#05 | 🟧 | "Everything You Need to Know About Donald Trump's Impending Financial Ruin As a Hard $454 Million Bond Deadline Arrives Monday"** (link)

- **#06 | ⬜ | "It Sure Looks Like the Chinese Communist Party Is Trying to Bail Out Donald Trump in Advance of His Monday Bond Deadline"** (link)

The Trump Bond War: The April 1, 2024 Bond

- **#07 | 🟪 | "New Evidence Suggests That Donald Trump's $175 Million Bond May Be Every Bit As Dodgy As Almost Every U.S. National Security Expert Feared"** (link)
- **#08 | 🟫 | "The Story of How Donald Trump Secured His Eleventh-Hour $175 Million Bond Is Already Changing Dramatically—Probably Because None of It Appears to Be True"** (link)
- **#09 | ⬛ | "Inside Trump's Bond War"** (see below)

Despite all the foregoing, the Trump Bond Crisis, even as it's taken on certain warlike dimensions, has, for now, arrived at what many people have long felt was its necessary conclusion: the continued ascendence, across all spheres of activity and in opposition to any norms of decency, of a man the United States simply has no idea whatsoever how to deal with in a way that doesn't lead to its own demise. *Proof* can't pretend that a ten-day delay in the acceptance of a dodgy, highly irregular bond is anything more than a temporary reprieve for our justice system—which will be implicitly indicted yet again if it fails to stop an appellate bond with as many infirmities as the one described below.

While there have now been hundreds of major-media news stories published about the Chubb Bond and Knight Bond, almost none constitute investigate journalism.

They carry the sense of low stakes and even lower journalistic expectations we find in local news reports about, say, a small Midwestern town installing its first traffic circle.

This, despite that it was quite clear, from the first hours of March 2024—as the clock ticked down on Trump's *first* deadline to make a staggeringly large appellate bond in one his civil cases in New York—that the former president was going to go to war if he had to rather than in any way be deterred by the potential for consequences for his years of unrepentant skullduggery.

That is, Donald Trump was under no circumstances going to pay a cent to anyone just because he raped a journalist in broad daylight in a department store. He was not going to pay his rape victim for repeatedly defaming her, never mind that he did so with such frequency and in such contemptuous and unprecedentedly vile fashion that it soon became clear to judges and jurors alike that nothing but the man's death from natural causes would stop him from brutally re-victimizing a woman he'd attacked in public like a ravening monster. Trump was not going to honor the American justice system, seek peace with his opponents in a time of profitable civil-war-mongering and politically advantageous incitements of violence, nor take even a moment to speak the truth to a country that needs it now more than ever.

Trump was determined to win his slowly unfolding Bond War, and he was going to do it with the willing complicity, he believed, of three American institutions: the courts, the media, and the billionaire class to which he ostensibly (but not in any meaningful, which is to say mathematical, way) belongs. He had confidence in his victory because he had confidence in the—respectively—impotence, fecklessness, and shameless of his default wartime allies. Courts could be overcome with a tsunami of frivolous filings and endless confounding threats, he felt (to include threats he might incite via what is known as *stochastic terrorism*); media could be easily distracted by anything newer than yesterday's news; and fabulously wealthy money- and power-brokers could be managed simply by acknowledging what makes them tick and feeding that lavishly.

In other words, Donald Trump knows America better than it knows itself, because he has been feeding off the violence and spiritual bleakness and unquenchable anger at the heart of it since he was a schoolboy in a New York military school attempting to murder a classmate via defenestration. It's a bitter pill, imagining how things might have been different if Trump had murdered just that one child in 1959 rather than causing the deaths of untold hundreds of thousands across the world in this century.

(To be sure, Trump intended murder on the day he tried to throw a boy out a second-story window head-first; it was only the quick thinking of bystanders that kept Trump from becoming the literal "killer" he has always wanted to at least figuratively be.)

The author of *Proof* and this report used to be a trial attorney, albeit a public defender rather than a prosecutor; he's a longtime working journalist, though an independent practitioner of the profession rather than a member in good standing of the corporate clubhouses whose blinkered media practices have all but ended American journalism; and he has never been much for wealth—at the age of 39 he was still earning $15,000 a year as a Teaching Assistant at the **University of Wisconsin-Madison**. All of which is to say that, though he has longstanding ties to both the law and journalism, the most this author and *Proof* can do with respect to the Trump Bond War is to exhaustively source and in timely fashion publish investigative reports on the subject and make them (along with 275+ other fully sourced *Proof* reports) readily available to anybody who wants to read them for six dollars (or free, for those on a one-week trial of *Proof*).

The reports above are the reports in question. And they could yet matter if the long roster of domestic and international journalists who have awareness of and/or present access to them read them and choose to *do something* with the intelligence they offer.

So far, they have not been enough. How could they be? Corporate media doesn't like to re-report what others have uncovered, as it degrades a media institution's brand—a notion I taught as a journalism professor at **University of New Hampshire**—so the moment an independent journalist reveals the depths of a current scandal it makes it slightly *less* likely that that scandal will be widely reported upon in major media. For an independent journalist who wishes to do their job ethically but also see change in the world, the only alternative—and I once received an offer of just this sort from a leading U.S. political news outlet—is to become an unpaid and uncredited researcher for a series of corporate-media journalists with about the same degree of experience (sometimes a little more, sometimes a little less) in getting to the bottom of things.

So, yes: it *could* be argued that Donald Trump has just about *won* the Bond War, that it's already over but for the predictable gnashing of teeth by irate Trump critics. But in point of fact it's not *quite* over yet.

A last chance for an alternate result—something other than an unmitigated Trump victory—has arrived in the form of the NYAG's aforementioned filing contesting the Knight Bond. This development alone could cause at least a few major-media outlets to do what *Proof* has been doing for over a month now and push past the obligatory single article on the Knight Bond to something more robust and revelatory. The only alternative is for major-media reports on the Trump Bond Crisis (and now Trump Bond War) to all read as though their authors find the same degree of intensity in this event as in a report on the largest radishes being entered into this spring's state fairs.

So Trump has, it seems for now, successfully secured—and passed through most of our legal system—*two* bonds delivered to him on the most favorable terms imaginable, all while leveling threats against those who oppose him that would've landed a poorer or less white man in secure pretrial detention perhaps nine to eighteen months ago.

And independent journalists are left with nothing to do but chronicle a smoking, now-empty battlefield even as new battles and conflagrations appear at the horizon line.

With this arrangement of events and institutions in mind, this report will tell the story—in conjunction with the eight completed reports above, which are commended to readers now—of how Trump's Bond War was won, at least for now, and how it was won, if indeed it's been won, by the blackest black hat that the United States has seen on its shores in decades and possibly in centuries.

Part III: How the Bond War Was—Or So Many Fear—Won

ABOVE: Don Hankey.

The reputation **Don Hankey** has in business is for taking advantage of poor people with usurious lending practices. One of his *specialties* is illegally repossessing cars from U.S. military veterans, according to **The Daily Beast**. He also received the worst philanthropy score **Forbes** doles out for its **Billionaires List** (a "1" on a 5-point scale).

To be clear, *most* and maybe *nearly all* of the billionaire Hankey's lending practices, the overwhelming majority of which appear to focus on the most vulnerable Americans, are *legal*—but they're also exploitative, and they're especially grotesque coming from a man with a net worth of **$7.4 billion**.

With Donald Trump, a confirmed rapist and career criminal, Hankey took the *opposite* tack from his usual one: he gave Mr. Trump everything he could possibly have wanted on a silver platter and asked virtually no questions about any of it. Yet honestly this is no surprise; Hankey is a Trump voter, a Trump donor, and an avid fan of Trump who has already seen multiple federal investigations of his business operations summarily dropped during the presidency of—you guessed it—Donald Trump.

{Note: Forbes has identified 133 billionaires who donated to Donald Trump's 2020 re-election campaign. The Hankeys were listed among this select group.}

So there's no evidence of a charitable nature in Don Hankey. He became a billionaire by understanding who could be fleeced and who needed to be greased, by grokking which deals were short-term cash grabs and which long-term investments in future allies, and by correctly forecasting (more or less) what the U.S. legal system will and will not allow a rapacious billionaire businessman to get away without major penalty.

While he has done his best to reframe himself as a more or less a doddering 80-year-old grandpa now that his suspicious lending practices with respect to the **Trump Family** have been exposed, Hankey is only seeing his new act being bought by… well, everyone in major media, actually. But not *Proof*, which of course is the point for our present purposes.

And those purposes are these: **to identify the ten things Don Hankey did for Donald Trump that he would never do for anyone else, his repeated—clearly untrue—claims that Trump got no special treatment from him and his companies notwithstanding**.

Many of these perks metaphorically slid across the counter to Trump in subtle fashion were just revealed in a new *Washington Post* report that expands our knowledge of how Trump won the Bond War. That report leaves untouched, however, any of the critical investigative journalism or news analysis needed to unpack why what Hankey did for Trump was highly irregular and what it appears to mean for what's really going on behind the scenes of the Trump Bond War.

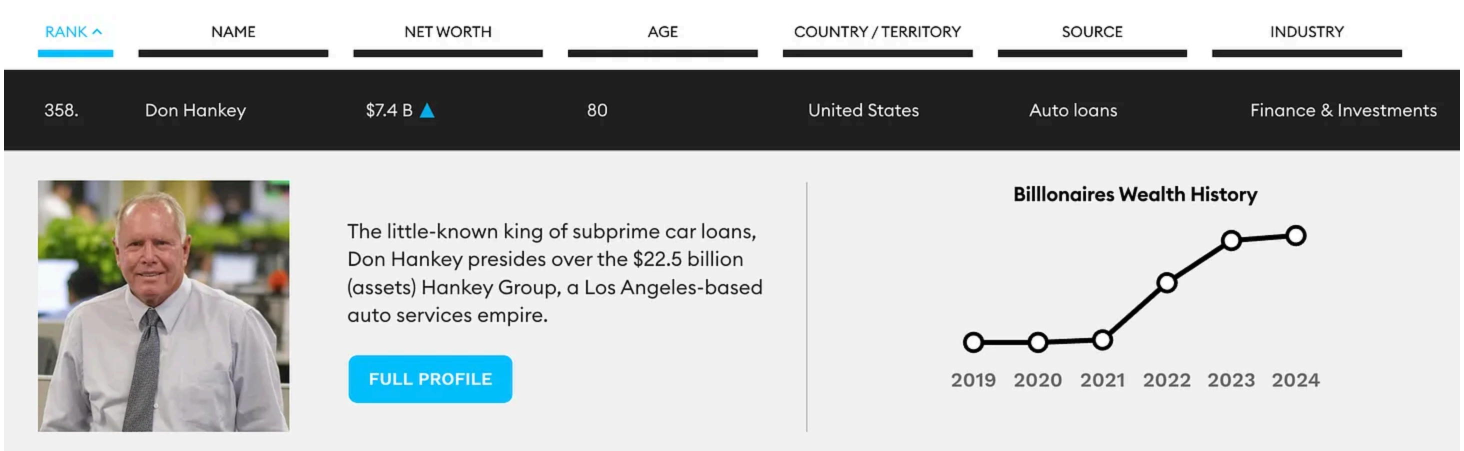
Stage I

(**1**) **Don Hankey approached Donald Trump, rather than the other way around.**

If you've followed the Trump Bond Crisis from its origins, you know that no lenders have approached Trump because no lenders in the United States or worldwide wish to lend to him anymore. Trump's desperation even reached the point that he was forced to put in writing, in a public filing, that he had approached at least *thirty* lenders and been turned down flat by every single one. According to **Eric Trump**, many of the lenders had "**laughed**" at the idea of becoming involved with Trump—which is hardly surprising, given that he's facing personal bankruptcy, business bankruptcy, and 88 felonies in four federal and state jurisdictions, not to mention that the total amount of his two most recent civil judgments in **New York** is well over half a billion dollars.

So the simple fact that Hankey cold-called Trump to offer his help is extraordinary.

Hankey isn't hard-up for business; he's one of the richest men in America (#358). But you'll also notice, below, that his wealth has *skyrocketed* since he began lending to one man in particular—Donald Trump—as soon as Trump left the **White House**. So how exactly does a businessman who chose *the aftermath of January 6* to begin entwining his business operations with Trump properties find more success in doing so than he did in *decades* of non-involvement with Trump? Why is being Trump's "**lender of last resort**" so lucrative, if the money certainly isn't coming from Trump? *Rolling Stone* has given us one possibility—in reporting that one of Hankey's companies has of late seen a big influx of business with money launderers, foreign criminals and foreign officials, at least according to whistleblower **Charles Matthew Erhart**, an **Axos Bank** auditor (Hankey is by far the biggest investor in Axos).



So it's not just that Hankey approached Trump; it's not just that Hankey has loaned to Trump before through Axos Bank; it's not just that Hankey has also rescued projects for Trump son-in-law **Jared Kushner**, whose frequent open or illicit entwinings with all manner of dubious foreign characters is by now the stuff of legend; it's not just that Hankey has taken on these **Trump Family** contracts at a time *no one else* would lend to Trump and the publicity surrounding Jared was truly dire; it's not just that somehow making this nonsensical business decision coincided with Don Hankey becoming far richer than he was previously; it's that it sure sounds like both Hankey and Trump aren't being honest, in the first instance, about whether Mr. Trump knew Mr. Hankey was going to be his go-to savior in advance or whether the latter contacted the former like a bolt out of the blue, as he now claims. Consider this statement from Hankey: "**I heard that he needed a loan or a bond, and this is what we do. So, we reached out.**"

And who did he hear from? Per this **NBC News** report, Hankey now says it was "**an acquaintance of mine**" with "**ties to Trump**" who he was in contact with at the time he suddenly decided to do what no other lender on Earth would do: make an offer to save the former president. And who was this acquaintance? Don Hankey won't say.

Was this acquaintance a foreign national? Don Hankey won't say.

Why did Hankey initially say that he reached out to Trump simply after hearing about his situation on the news, when it now seems as though perhaps it was *Trump* who reached out to him through an intermediary *neither* will name? Don Hankey won't say.

What made a loan from Hankey something Trump accepted at the eleventh hour, when he hadn't sought it among *his first 30 attempts* to find a lender? Don Hankey won't say.

So (a) Trump tried dozens of lenders and *not* Hankey, though he well knew of Hankey because Hankey *is a current lender of his*; then (b) despite saying that he had the money to pay his bond in "**cash**", he was in fact lying about that, which forced him to turn to a current lender who for *some unstated reason* he didn't want to be seen working with; then (c) Trump's trepidation about getting money from any group connected to Hankey—who, remember, had federal investigations of his firms dropped during the Trump administration and still faces a whistleblower allegation claiming his **Axos Financial** does business with foreign money launders and possibly hostile foreign governments—prompted him or someone on his team to insist that the appearance be left with American voters and American media that Hankey had reached out to Trump rather than *an unnamed person* with ties to Trump reaching out to *Hankey* on Trump's behalf.

(2) Hankey agreed to take any sort of combination of collateral that Donald Trump wanted, whether all cash or a combination of cash and bonds.

When Trump reached out to Hankey—as it now appears likely was the case—via a suspiciously unnamed intermediary, both he and Hankey would have been clear on the fact that the multibillionaire Hankey was in the driver's seat: he had a desperate customer and could dictate to that customer the terms he wanted.

But for reasons that remain unclear—was he under duress? Afraid? Seeking benefits unstated? Being pressured by foreign nationals? Secretly corresponding with PACs?—Hankey acted in exactly the *opposite* fashion from what we would have expected from him.

He acted like a beggar.

Though the dozens of lenders Trump had previously contacted had clearly told Trump that *no combination of any form of collateral was enough to get them to do business with him*, Hankey—the rapacious subprime baron known for repossessing vets' cars—told Trump's team that Trump could more or less put up any type of collateral he wanted: cash, bonds, a combination of cash and bonds, or perhaps even (given that Hankey now won't reveal the terms of the deal) the sort of illiquid assets other banks had apparently rejected, like real estate and locked-up stock positions and other assets of the kind that would normally not be accepted in a case like this with a bond this size.

But it wasn't just *flexibility* Hankey offered Trump, but dynamism *within* that flexibility.

Trump first told Hankey he would pay via cash and "**investment-grade bonds**" and he was told by Hankey that that was fine. Then he suddenly changed his mind and said that there would be no bonds, just cash, and he was told by Hankey that that was fine, too. But given that Trump and his sons have said that they lacked sufficient cash or bond collateral to buy a bond when the bond amount was its initial $454 million and that *they would have to rely on real estate, instead*—and given that it was at *this* time that Hankey first told Trump's team it would work with him—we know that Hankey *must* have told Trump that real estate *would* be an acceptable form of collateral, making him the only lender in the world known to have said so.

All of which raises the question: did Hankey really *retract* his willingness to accept real estate as collateral once Trump's bond was reduced? It seems beyond unlikely, given the deference Hankey has shown to Trump, and his mysterious unwillingness to release any details of the bond's terms and provisions.

In which case there's now every reason to think Trump has been permitted to use real estate as collateral in a case in which his penchant to lie to lenders about the value of real estate is at issue, and in the context of at least thirty lenders confirming to Trump that it *wouldn't be acceptable business practice* to use real estate collateral for a bond this size.

(Lest this be unclear, it's hugely beneficial to Trump to use illiquid collateral like real estate rather than liquid collateral, because assets that are part of a bond deal can't be transferred or otherwise exploited during the period the bond-buyer's appeal is active; with cash collateral, Trump is binding up monies that could be spent elsewhere, but with real estate collateral he's locking in properties he wasn't planning to liquidate, anyway.)

Hankey has been extremely inconsistent in describing to media what Trump's form of collateral is, at one point saying it was a combination of cash and bonds and at *another* insisting it was all cash—the latter being Trump's preferred public-relations line—but the truth is that no one really knows, and, as noted, there's every reason to believe that Hankey isn't being forthcoming on the collateral question.

(3) **Hankey appears to have done virtually no due diligence during the course of this bond deal, as the deal was wrapped up almost instantaneously and is clearly lacking essential components.**

Hankey was confronted with a desperate scofflaw with a history of lying to lenders, lying about his net worth, lying about the value of his assets, contravening judges' orders in ways that could lead to forfeitures of money to various courts, and throwing up all sorts of red flags that would keep a lender from touching a potential borrower with a fifty-foot pole—from hiding financial disclosures to filing such disclosures late or in incomplete fashion, from aggressively using shell companies to move and hide assets to refusing to reveal even basic financial documents like tax returns without a subpoena—and none of it caused him even a moment's pause about lending to Trump.

The deficits as a borrower Trump wears like an albatross around his neck *dramatically* increase his desperation in searching for lenders in moments of emergency—to the extent there *are* any such potential Trump lenders left, besides (apparently) **Chubb Limited** and **Knight Specialty**

Insurance Company—yet it's in *this* context that Don Hankey did no due diligence, it appears, in closing on a $175 million deal with Trump.

Hankey reviewed Trump's complex "**investment-grade bond**" portfolio offering instantaneously. He still apparently has never seen a financial disclosure form from Trump, inasmuch as we now know that he filed the bond paperwork in New York without any relating to either him or Trump—an error so significant and, not for nothing, so obvious that it caused the paperwork to be "**rejected**" by the court. In interviews linked to above and in the Purple Report and Brown Report in the *Proof* Bibliography *supra*, Hankey indicates that the closing of the transaction was "**easy**" and happened almost instantaneously, which is unthinkable for a bond this size.

To justify all this, Hankey preposterously calls the bond value—$175 million—a "**relatively low**" one, which is (there's no other way to say it) just *spectacularly* false.

The baseline due diligence we might have expected from Hankey would constitute him asking at least two questions that he clearly did not: (1) Why will no one else in the world lend to this borrower? and (2) Why should I lend more money to a man who already owes me hundreds of millions of dollars from two discrete past transactions?

Hankey might also have looked at social media posts like the one below and asked a third question: is this borrower actually *mentally stable*? Can I count on repayment from a person who speaks this way in public?

Donald J. Trump Posts From His Truth Soc @TrumpDailyPost · Apr 2 ···

UNDER CROOKED JOE BIDEN WE HAVE BECOME A THIRD WORLD NATION. OUR BORDERS ARE GONE, OUR LEGAL SYSTEM IS WEAPONIZED, OUR ELECTIONS ARE CORRUPT. IT DOESN'T GET ANY WORSE THAN THAT!!! MAGA2024

Donald Trump Social 08:10 AM EST 04/02/24

Donald J. Trump Posts From His Truth Soc @TrumpDailyPost · Apr 2 ···

THE LEGAL SYSTEM IN OUR COUNTRY HAS BEEN CORRUPTED & POLITICIZED AT A LEVEL NEVER SEEN BEFORE. MAKE AMERICA GREAT AGAIN!

Donald Trump Social 07:34 AM EST 04/02/24

(To be clear, from a "due diligence" standpoint the issue with the posts above is not their spicy partisan dimensions but their *dripping contempt for U.S. legal processes*—exactly the sort of contempt that would signal to a prospective lender that the person they're about to lend to doesn't intend to comply with any current civil judgments, which is precisely the intention that would leave the lender on the hook for them.)

*{**Note**: Reviewing social media posts is now common for employers and lenders looking at making massive salary or loan outlays, and—lest anyone be confused about this—Trump did in fact often post messages*

on Truth Social with comparatively normal capitalization, so he knew and intended for the two recent posts above to be taken as him "shouting." This makes these posts seem even more unhinged than just their bare words would already make them.}

(4) **Incredibly, it's still not clear that Trump gave Hankey *any* money.**

That's right, according to **Axios**, Hankey says the bond deal lets Trump "**keep his money**"—meaning that he doesn't have to put any of it in an escrow account he can't earn interest on or must transfer over to Hankey in any way—and the subprime lender adds that he charged Trump only a "**modest fee**" for the bond itself, which given that Hankey won't reveal what that fee was and is a Trump donor sounds like a sweetheart deal of *exactly* the sort Hankey is infamous for not giving poor borrowers or even vets.

All of which raises the question: did Hankey ask for *any money at all* from Trump?

Consider: while it's illegal for a bank or federally chartered corporation to donate directly to a political campaign, **Super PAC**s *can* accept unlimited corporate funds.

Indeed, one wrinkle whe a politician's lender is a known supporter of and donor to that politician is that there's always a chance any profit the lender might receive from the transaction will just go back to the politician (if indirectly) via a Super PAC. It would certainly be no surprise if that happened here, especially as Hankey's "modest fee" could be small enough that it would be the sort of donation one of the 400 richest Americans might make to a pro-Trump Super PAC anyway, particularly if we consider that Hankey runs a family of corporations that may all make large donations this cycle.

There's a reason **Bloomberg** called Hankey a "**billionaire fan**" of Trump's rather than a conventional lender.

And there's a reason, surely, that Hankey cagily said of his bond deal with Trump, "**We gave him a good rate**" (remembering here that this is a man infamous for his allegedly *usurious* rates).

And there's a reason that Hankey faltered a bit in trying to convince reporters that his deal with Trump was about *business*—i.e., financial profit from the deal itself—rather than either his personal feelings for Trump or any future in-kind benefit he hoped to receive from a second-term President Trump (in addition to the one he already got by having investigations into his operations by the **SEC** and the **Treasury Department** dropped suddenly during the Trump administration). Asked about why he made the bond deal with Trump, Hankey replied, "**We're happy to be able to accommodate the ex-president in this situation. I'd say it's *more of* a business decision, but I happen to be a supporter also**" (emphasis supplied).

Perhaps this goes without saying, but no businessman making a hard-nosed business decision on the basis of a business judgment only describes that business transaction as "**more of**" a business decision rather than, simply, "a business decision," let alone does so in the context of speaking of being a Trump "**supporter**" who was "**happy**" to "**accommodate**" a man he already supports so ardently. None of that sounds much like business-as-usual at all.

(*Proof* is put in mind of a famous **SNL** sketch in which **Aidy Bryant**, playing far-right **Arizona** prosecutor **Rachel Mitchell**, says to the **Republican Party** senators that she's assisting during the **Brett Kavanaugh** confirmation hearings, "**although everyone** [**is**] **constantly refer**[**ring**] **to me as** '**female prosecutor,' you can really just call me straight-up 'prosecutor.'**" Just so, Hankey could have called his business decision to save Trump a "business decision," but instead termed it "***more of*** **a business decision.**")

(5) **Hankey appears to have done everything to expedite the process for Trump after Trump waited six months to initiate it, the sort of Cadillac service no other client of Hankey's operations—targeted at desperately poor persons—would've ever received.**

After reducing Donald Trump's bond from $454 million to $175 million without any explanation for its reasoning, the New York appeals court Trump had turned to to beg for assistance posting an amount he'd previously sworn (under oath) he could easily make without any assistance gave give him *ten days* to posted the reduced bond. Given that the court issued its decision on the same day Trump was supposed to have a $454 million bond ready for the trial court in New York, it's not clear why he should have needed ten days to secure an amount *more than 60% less* than the bond he was already supposed to have prepared.

Despite this, after more than seven days of the ten-day time-period granted to Trump had passed, Trump *still* hadn't made any payment to the trial court.

Keep in mind that, as noted above, Trump first learned that he would need hundreds of millions of dollars in appellate bonds in September 2023—over *six months* before a trial-court deadline he wouldn't have made had he not been rescued at the eleventh hour by an appeals court. To compare Trump's conduct in the matter of a $175 million appellate bond to a high school student who writes a two-page research paper *as his teacher is walking up the classroom aisle to collect it* would be a gross understatement of how negligent Trump was in securing a bond in his two latest civil cases in New York.

So it was a tremendous advantage to him that Hankey moved with blinding speed.

Did Hankey spend more than a few hours—at most—reviewing Trump's bond portfolio? No. Did his negotiation of the deal take over 24 hours? No, Hankey says. Did Hankey insist on seeing Trump's financial paperwork? Apparently not. Did he insist on the deal being first run past Judge **Barbara Jones**, the court-appointed monitor who's supposed to sign off on *any* Trump Organization transactions? No.

Did Hankey bring his legal team into the picture? Apparently not, given that he delegated the signing of the bond paperwork to subordinate **Amit Shah** lieu of—as *any other businessman in America would*—getting one of his firm's lawyers to sign, a decision so irregular that it's actually one of the reasons the trial court ultimately rejected the initial filing of the bond.

In fact, at *every* turn Hankey operated at maximum speed to accommodate the most delinquent and reckless civil litigant this attorney can imagine, and even despite this—or perhaps, in retrospect, *because* of this—the eventual trial-court bond filing was done in an incorrect manner in three different ways. Readers should remember, here, that we're speaking of a billionaire former president and a billionaire lender who's one of the richest men in America. So why can't they file a bond without *multiple* errors?

What this suggests is a combination of reckless speed on Hankey's part in closing the deal with Trump *and* reckless sloth and carelessness on both Hankey's *and* Trump's parts in arranging how the deal would be presented to the court—meaning that Trump benefitted by virtue of Hankey being willing to play ball with him *both* when he needed things done quickly *and* when he wanted things done *so* quickly it would cause needless delays in a case Trump clearly wants to slow-walk as much as possible.

Hankey appears not so much as a legitimate business operator lending a client money but "**more of**" a Trump lackey, to borrow his own unfortunate phrasing.

Consider that, as reported by *The Independent*, the earliest that Trump's appeal in New York can be heard is in September—just a matter of weeks before the November presidential election. But if Trump can concoct additional delays at the trial court level, for instance with a protracted fight about whether his insurer is a valid one, it could push his appeal to the back end of the appeals court's fall docket, which in turn could push the final ruling in the case until *just* after voting ends in early November.

Why does this matter? Because if Trump loses his appeal, he owes the entirety of the $454 million judgment as soon as the case is returned to the trial court—which could be just a matter of days after the appeal is lost, if it is—and if Trump doesn't *have* $454 million at that time, which he almost certainly won't because he didn't just a few days ago and his finances are hardly going to get *less* tangled in the coming months, the New York Attorney General's Office could begin seizing properties from Trump almost immediately. In fact, it could start doing so within a matter of hours, given that New York Attorney General **Letitia James** has already "entered the judgment" against Trump in two New York counties where he has properties, enabling her to begin the process of seizing them almost instantaneously upon Trump's failure to pay the $454 million judgment in full.

It's not too much to say that the difference between Trump's real estate empire slowly crumbling in public as voters are at the polls and his holdings remaining wholly intact through Election Day is going to be the closest of close calls. Artificial delays in his bond issues getting resolved could well have a domino effect at the appeals level that makes a difference to how Trump's political persona is perceived on the biggest day of his life—a day on which the two paths before him will be (i) a path back to the White House, and (ii) a path to prolonged federal incarceration and an obscure, ignominious natural death in a prison cell some years hence.

(6) Hankey did not require a face-to-face meeting with Trump—which could have caused awkward questions about their lending history and made Trump seem weak.

If you were going to cover a man's $175 million debt—not $175, but $175 *million*—you would ask for a face-to-face, yes? A phone call, the least? Of course you would. In fact, you might require weeks or months of such meetings before you outlaid such a sum.

{Note: Certainly, when Don Hankey lent just $13 million in 2015—well under 10% of the money he lent to Trump—to ***Joel Silver****, the* ***"the storied and controversial producer of The Matrix and Lethal Weapon series"****, the two men, as* ***Hollywood Reporter*** *notes,* ***"met."*** *So if meeting with rich, controversial clients is how Hankey operates, why was it different here?}*

By the same token, if the man you've installed to run one of the largest institutions you fund, **Axos Financial**, were going to lend twice that already staggering sum to a single man—an amount well over **$300 million**—you would tell that online bank's CEO, **Greg Garrabrants**, to make sure he met with his prospective borrower, right?

Such meetings would serve countless critical functions: everything from simply being a part of basic due diligence to being essential to common courtesy in business, from having a chance to size up your prospective customer—who, after all, you'll be financially entangled with for many years—to having a chance to ask some incisive questions of the person *who's asking hundreds of millions of dollars from you* and seeing if you find their answers not just honest but comprehensive, persuasive, and accurate.

Yet Don Hankey says he's never met Donald Trump. He says he's never even spoken to him by phone. He's given him money, voted for him, watched as both his wife and his children vote for him and give him money—see the most recent two *Proof* reports in the Bibliography above for more on this—and, given that he's a GOP megadonor with a net worth at least two to three times that of Trump and therefore in a position to dramatically change his political fortunes with a single swipe of his check-signing hand *could have spent time with Trump socially for as long as he wanted* merely by lodging such a request with one of Trump's representatives. Yet he insists Trump is a stranger.

And Greg Garrabrants, who unlike Hankey began lending to Trump to the tune of *nine-figure sums* not just earlier this year but *years* ago, says he's never met Donald Trump. He says he's never even spoken to him by phone. And while not quite as rich as his *de facto* boss Mr. Hankey, Mr. Garrabrants earns in the neighborhood of $35 million a year, per *Rolling Stone*, which is surely enough to impress a man like Trump—who in truth doesn't appear to have much more than that amount in liquid assets at present—even were it not the case that Garrabrants has saved not one but *two* Trump properties from slipping out of the former president's grasp forever: **Trump National Doral**, his favorite golf club, and **Trump Tower** in New York, which so happened to be his *literal home* at the time Garrabrants single-handedly saved it.

Yet when Garrabrants went to tour Trump Tower at a time Trump was begging him to save his home at the cost of hundreds of millions of dollars to Axos Financial…

…Garrabrants says that, sadly, Trump wasn't willing to greet him, even though his presidency was over and there was nothing keeping him from doing so. Instead, Mr. Garrabrants met with Eric Trump. Just so, Mr. Hankey claims that the only Trump Donald Trump was apparently willing to allow him to meet to speak to was (again) Eric, arguably the Trump Family patriarch's most underwhelming child.

Could this have been because Hankey and Garrabrants had two statuses at once?

First, they're Donald Trump's "lenders of last resort", according to *Rolling Stone*, but also, and significantly more problematically, the lending institution to which both are linked—Axos Financial—has been under multiple federal investigations for alleged money laundering and clandestine dealings with foreign criminals and foreign leaders.

And when America learned for the first time a couple months ago that Trump would have to come up with half a billion dollars no one anywhere seemed to believe he had—for all that he'd insisted under penalty of **Perjury** that he did—what was the first thing everyone supposed? Why, something along these lines, I'd guess: "Trump will pay his civil bonds through money laundering and clandestine dealings with foreign criminals and foreign leaders."

That's about the size of it, right? And now Trump is getting saved by a man who one could argue —if federal whistleblower Matthew Erhart is to be believed—is *exactly who we expected him to be*. So much so, in fact, that Erhart won his lawsuit against Axos for wrongfully terminating him after he revealed what Hankey's lending institution and Garrabrants in particular were up to. So Trump might have feared that major media would be all over any transaction he did with Hankey and Garrabrants, so much so that even being seen in public with them would be an impossibility because, not to put too fine a point on it, he and they were *probably* up to *exactly* what most supposed.

It's in this context that Hankey deviated from common business practices and his due diligence obligations and didn't require *even a single phone call* with Mr. Trump before saving him from financial ruin. And it's in this context that America learned that the Truth Social IPO was made possible by money launderers and individuals connected to the Kremlin. Trump may even have been aware that this latter news was going to drop amidst his Bond War; Hankey, who has his own issues with being adjacent to news about foreign money launderers, might therefore have been doing Trump a favor by not giving journalists an opportunity to photograph the two men huddled together.

(It should be noted that Trump agent **Devin Nunes**, the head of Truth Social, is now suing *The Guardian* for reporting on possible ties between Truth Social and money laundering. The attorney for this December 2023 lawsuit, **Steven Biss**, is the same attorney currently suing the author of *Proof* for **$25 million** for reporting accurately on the activities of the **First Amendment Praetorian** group in the lead-up to January 6 and on that day—a lawsuit brought against me as soon as I revealed that I had been in contact with the **House January 6 Committee**. In other words, it seems Trumpworld is returning to its usual tactic when something accurate is reported that it believes could harm Trump, so the *usefulness* to Trump of not having to be publicly associated, in videos or stills, with a family of lending institutions that have faced allegations of involvement with money launderers in the past should be assessed with this in mind.)

(7) **Hankey went still further than all this for Trump by being a *public relations agent* advocating for the Knight Bond in the press.**

Proof need not rehash everything already said on this in the **Purple Report** and the **Brown Report**, as both are linked to in the Bibliography above. But a full accounting of every preposterous thing Hankey has said about his highly irregular deal with Trump to the press—a veritable avalanche of nonsense that positions him not as Trump's lender but his PR flack—reveals that the Cadillac-style, bespoke lending services Hankey provided to Trump couldn't be more fawning and unusual if in fact every phone interview Hankey had given since he filed paperwork on the Knight Bond was conducted while he was tied up in a walk-in closet with an **FSB** assassin holding a pistol to his cheek. Trump (or for that matter Putin and the Kremlin) couldn't ask for a better mouthpiece for Trump bond *apologia* than Hankey. Has any lender ever had to spend so much time on damage control services for a man he's generously lending to?

Hankey has, at various times in just the last 48 hours, called his $175 million bond deal with a man no bank worldwide would lend to an "**easy**" call, a "**quick**" process, a "**risk-free**" bet involving a "**relatively low**" sum of money, and indeed a transaction so ho-hum for Knight Specialty Insurance Company—a company *people in the New York surety industry hadn't even heard of before Monday*—that he would offer the same deal and the same terms in exactly the same way to any man or woman off the street. Yes, he said that. Though whether he said it with a straight face is unknown, as it does seem that all his interviews thus far have been by phone.

{Note: ***Dave Kingman****, quoted by Proof in the Brown Report for the now-confirmed fact that Hankey is not properly licensed to do business in New York, now notes that Knight is showing only $26 million in holdings on a payable-on-demand $175 million bond, which as a surety expert in New York he deems instantly disqualifying. He adds that "****Apparently [Hankey] knows that [he has] a problem, [so he] also includes the financial statement of Knight Insurance. Not only is [that statement] still laughable, but Knight Insurance is not a surety on the [Trump] bond. It doesn't have any obligation to pay if a demand is made. So Knight Specialty Insurance Company [still] has a problem. This bond cannot be approved. Under the CPLR, the surety will remain obligated under the bond until a replacement bond is filed. Trump is unlikely to get a replacement bond. Knight Specialty Insurance Company will be liable and Trump [still]***

won't get a stay [of the judgment]. And Knight Insurance similarly is not authorized to write bonds in New York State. This is approaching a fraud on the court."}

Remember, as you read the above, that Hankey is a man whose life's work has been bilking poor people via subprime car loans, with an apparent specialization in bilking extra hard those men and women who have served in the U.S. military. For Hankey to present himself as an altruistic, politically ambivalent **Santa Claus** of the high-end surety circuit is not just preposterous given his actual business model but also deeply offensive. Yet it's also, apparently, *effective*. Thus far, media has done no investigative journalism on how the Knight Bond came about beyond just asking Hankey about it. Even Trump has been safe from questioning, thanks to Hankey's self-deployment as a human shield for his political hero.

(8) Hankey appears willing to destroy his reputation to keep the details of his deal with Trump secret, which isn't the sort of throwing of one's body on a live grenade we would expect to see from a billionaire lender unless one of two discrete things is happening to Hankey: (i) there is external duress, (ii) there are external inducements.

To be clear, we can't know what *actually* led up to Hankey lending to Trump because major media —which has the resources to do so—hasn't expended those resources to try to find out. It's simply paraded Hankey through its paper and digital pages so he can spread nonsense about the transaction no one could possibly credit and that arguably neither Trump nor Hankey actually expect anyone to.

All we know is that Hankey charged Trump only a "modest" fee, when the usual fee for a bond is 10% of its total face value—so, in this instance, a non-refundable $17.5 million payment from Trump to Hankey. And candidly we would expect a far higher rate in this instance because

Trump has no other options; Hankey is a capitalist who says this was mostly a business decision; and when you're a rapacious businessman and you have a helpless mark (say, a poor person or U.S. military veteran who needs a car), you bilk them. So we might expect Trump to have owed Hankey more like $30 million or $35 million for what Hankey did for him. This at least would have offered us *some* explanation for why Hankey would risk his privacy and reputation in this way.

Instead, Hankey asked only for a modest fee and refused to confirm for media that that fee was even paid or, if it was paid, was paid by Trump rather than a third party.

This, despite the fact that if GOP and Trump mega-donor Hankey loaned money to Trump under *anything but the going market rate* it could be construed as an illegal campaign donation. That's right: the reason we don't know if this loan is a crime is because the principals haven't released enough information about it for us to know, not because we can be certain the men involved in the deal are above such conduct.

But all that will change on April 22, when Hankey must either withdraw the bond or reveal everything.

With this in mind, we must remember, as we consider whether Hankey would give Trump terms that constitute an illegal campaign donation, that not only does Trump have a long and well-documented history of seeking and receiving both illegal cash and in-kind campaign donations but that *besides* being a Trump donor (along with his wife and his children) in his personal capacity, Hankey is the same man whose prior largesse where Trump is concerned made the latter's 2024 presidential campaign a possibility, per the *Washington Post*. So does Hankey have *motive* to go below market rate in setting the terms for a financial transaction that will have the effect of saving Trump's political persona from public ruination? Yes, he does.

(9) **Hankey took the stress out of Trump's appeal of his bond by letting him know in advance—but not revealing this fact publicly—that he would bond Trump for *either* $557 million** (**not a typo**) ***or*** **$175 million, depending on what the court ordered.**

While *Proof* could flippantly contend that destressing Trump in a time of crisis is only a small boon to the man, in fact major-media reporting from **Maggie Haberman** of the ***New York Times*** in appearances on **CNN** has revealed that (as Trump biographers like she and I are only too aware), (a) the notion of being incarcerated is well outside Trump's ability to contemplate (though unlike Haberman, I would submit that this is because Trump plans to flee the **United States** permanently if he ever faces a realistic possibility of being taken into custody), therefore (b) in the universe of possibilities Trump inhabits, being forced to declare personal bankruptcy is the equivalent of a fate worse than death—and thus something that would drive him to distraction. And given that what he's being distracted from, in this instance, is a slew of criminal trials that could (again) either cage him or send him scurrying out of the country forever, all this *matters* to him. So anyone who reduces his stress matters to him a very great deal, at least transiently.

And had Trump not had his bond reduced, there's widespread agreement that he was likely looking, yes, at having to declare personal bankruptcy amidst of a presidential campaign in which his "successful businessman" persona is his nominal calling card.

Keep in mind that Trump's bond was reduced from $454 million to $175 million on the very day Trump had to secure and post the $454 million bond. And he'd clearly failed to do so as of that date, not because he knew salvation from the courts was coming—candidly, few in the U.S. legal community expected his bond amount to be reduced—but because he flatly didn't have the wealth he'd claimed he had and couldn't make the bond he needed to make. So he was set, on March 25, 2024, to endure a humiliation that would be at once public and political as much as it was personal and a matter of his private finances.

Yet Trump had a secret the whole time. Or—better said—he and Hankey had a secret.

As the *Washington Post* report linked to above reveals, Hankey had already told Trump, by March 25, that he'd work with him on a $454 million bond or even (as events might eventually have elevated the size of the financial ask in play) on a $557 million bond.

And Trump hid that from the courts.

And Hankey hid that from the media.

In doing so, Hankey left undisturbed the claims that Trump was making *in court* and *in the media* to the effect that he could not, no matter what he did, make a $454 million bond. In such lies Hankey was a sort of accomplice, even if we can't get in his head to determine if he fully appreciated how he was being used and was a *witting* conspirator in this affair from the start.

But Hankey keeping a secret, at least for a time, the fact that he would've been willing and able to help Trump with a $454 million bond *or even a $557 million bond* is notable for another considerably more important reason: it positions Hankey as having more money available to rescue Trump than *any bank on Earth* had been willing represent to Trump it had available for that purpose.

The above sentence is worth reading twice, because it's astonishing.

Dozens of banks had told Trump that a $454 million bond—let alone a $557 million bond—was an impossibility for them to be involved with, and these are the leading financial institutions in the world. Yet the king of subprime lending in California, one of whose institutions has in the past been investigated due to allegations of possible money laundering and clandestine illicit financial transactions with foreign criminals and foreign leaders, was able to represent to Trump that *he* could make a deal happen that the most powerful banks in the world could not. And he and Trump kept that fact secret between them as (a) Trump was telling the courts he had no recourse in trying to secure a $454 million bond, and (b) he was facing financial ruin if he couldn't do so, including seizures of many of his biggest real estate assets in the State of New York.

What this suggests is that Trump *knew* he needed to *avoid* taking a deal with Hankey if at all possible, and needed to keep the *fact* of an offer from Hankey secret, and was willing to *risk everything he had* to do these two things—only to find out that he had so little money to his name, in point of fact, that *even after his bond was reduced by over 60%* he *still* had to go to Hankey at the eleventh hour to seek his financial salvation.

(And then, as he was doing this, he also apparently felt the need to orchestrate the story of how his salvation.)

All of which raises the question: what was Trump so afraid of? Who—or what—did he think was behind the Hankey offer, such that Hankey, already a current lender of his, wasn't even one of the thirty banks he went to for help when his real estate empire was on the line and his political and financial clock was about to strike midnight?

This is the scariest question in the whole of Trumps Bond War, in the view of *Proof*.

We know that **Jeff Yass**, who is heavily in bed with Chinese interests, was a major player in the Chubb Bond; we know that **Evan Greenberg**, who is heavily in bed with Chinese interests, and whose family is in bed with Russian interests, was a major player in the Chubb Bond; we know that Elon Musk, a former Trump adviser who is heavily in bed with Chinese interests and wants to open Telsa plants in Russia, was approached by Trump both to buy Truth Social from him (which would have in effect been a gift, as Trump by then knew Truth Social was collapsing) and was approached by Trump in Florida to discuss his dire financial straits. Yet something about Hankey—perhaps not the man himself, but whoever it was that Trump believed was *behind* him —so spooked Trump that he was willing to risk everything to avoid dealing with him, even as Hankey, for his part, was making financial promises behind the scenes to Trump that even the best-capitalized banks on Earth couldn't come close to making.

Anything *Proof* might say about what could have scared Trump so badly would be conjecture, though as a former federal criminal investigator I'll say that the first "theories of the case" such an investigator would pursue in this instance would be the possibility of involvement in this situation by one of two groups: (1) foreign organized crime, or (2) a foreign nation—like **Iran**—that Trump can under no circumstances ever be seen to be dealing with.

Except, of course, that Trump *has* dealt with *both* before.

Putting aside that Trump, with his pending state **RICO** charges in **Georgia**, is now alleged to have been participating in an organized-crime enterprise in 2020 and 2021, the man's ties to organized crime are actually legendary. And did you know Trump has knowingly done business with associates of the **Iran**'s **Revolutionary Guards**? He has.

And of course there are *allegations* against Axos Financial, one of Trump's current lenders and a bank whose biggest funder is Trump's new lender, Don Hankey, that it's been involved not just with foreign criminals but the only level of criminality in the world that sits above that: foreign *leaders* who are criminals, a comparatively tiny cadre of infamous tyrants that includes known Trump allies **Vladimir Putin**, **Jair Bolsonaro**, **Mohammed bin Salman**, and **Benjamin Netanyahu**. Of these four men, Trump is *friendly* with all four—especially the third and fourth—and has at various points colluded secretly with all of them (see the **Proof Trilogy**, here, for more).

So when *Proof* bemoans the lack of any serious investigative journalism outside of this publication directing its resources to the Knight Bond, it has these facts in mind. But it also keeps in mind that, per this report by the *New York Times*, this is "**the first time one of** [**Hankey's**] **companies had done such a** [**civil appellate bond**] **deal**." So for all that Hankey has said he would do a deal of this sort with *anyone*, the truth is that he has done a deal of this sort with precisely *no one*—which again raises the somewhat scary question of who or what caused Hankey to get involved here if this is not at all the sort of endeavor he would normally be involved with. Whoever or whatever that is would need to have assets, according to **Neil Pederson** of **Pedersen & Sons**, in the range of $30 billion to $55 billion.

Not million—*billion*.

In other words, the entity in question would have to have five to eight times more wealth than the *total net worth* of Don Hankey. The Kremlin, the **Chinese Communist Party**, and the **Saudi Public Investment Fund** would all qualify of course, but so too would certain unsavory Russian, Chinese, Saudi, or **Emirati** oligarchs and royals who it could be profoundly problematic for Trump to be seen taking aid from in the middle of a presidential campaign, especially after he sought foreign election interference and collusion in *both* the **2016** and **2020 U.S. presidential campaigns**—and received it.

(**10**) **Hankey has acted as an *advocate* for Donald Trump in his civil case in a way that is inexplicable.**

Hankey has told the *New York Times* that the civil judgment against Trump was "**a bit unfair**"—which is certainly not a business judgment you would expect to hear from a serious lender.

Nor does Hankey have clean hands in issuing such a judgments.

As the *Times* has noted, "**Like Mr. Trump, Mr. Hankey owns companies that have run afoul of regulators and have been accused of deceptive business practices.**" With this in mind, Hankey's claim that he "**agreed with Trump's defense in the New York civil case**", and that this sentiment "**partially prompt**[**ed**] **him to provide the bond**" not only positions him as participating in Trump's case for reasons *other* than the core business fundamentals of the transaction—contra his repeated claims to most of the media outlets he's spoken to thus far—but underscores that his view on engaging in fraudulent accounting, borrowing, and tax-filing practices is self-admittedly identical to that of a corrupt businessman who's just been fined half a billion dollars for his misconduct in these spheres. So this is an extraordinary statement for Don Hankey to make, and perhaps one that should cause federal regulators to apply more scrutiny to the business practices of the entire **Hankey Group** than they already have this decade.

But it's not merely Hankey's empathy for Trump that at once carries negligible moral heft and positions him as being an unscrupulous businessman who's simply trying to protect another unscrupulous businessman from facing accountability for his misconduct. Hankey *also* implies that he's either seen, condoned, or participated in such conduct himself for years, as we see in his description of how he perceives the conduct Trump is accused of (with the "**us**" in the brief statement below apparently referencing **Westlake Financial Services**, a large Hankey-owned lender, per **Axios**):

> *Quite often, when credit statements or financial statements are submitted to us, the values are exaggerated on some of the assets....I would say it probably happens on 75% of our [loan] applications.*

All this suggests that Hankey paid just enough attention to Trump's NYAG case to misunderstand the entirety of its basis, which misapprehension of what the case was about now entitles him—he feels—to step into the case with a sense of holding the moral high ground. In fact, Trump did much more than merely exaggerate property values, however. He repeatedly made material misrepresentations to his lenders that were intended to buttress his not just high but positively ludicrous valuations, *and* he then did the opposite come tax time, meaning that he continued to make material misrepresentations—this time to the federal government—by adjust his valuations *downward* (below market value) to a degree just as obscene as his previous elevations.

The result of this ongoing practice was Trump making his total number of material misrepresentations and the total swing in his property valuations truly staggering.

Moreover, far from only doing this once, or doing it only in a single year, or with only a single lender, Trump engaged in this practice habitually and for years and years, and employed it with a large number of institutions—turning what perhaps wouldn't have been charged or even detected had it been a one-off event into a massive courses of corporate fraud. Indeed, it was remarkable enough in its audacity that it remains a surprise that the Trump Organization wasn't given the "**corporate death penalty**" in its case before Judge Engoron and barred from doing business in New York forever.

Yet despite all this—and even as Hankey's message to poor lenders has been to "**take the bus**" if they don't want to pay *19% interest* on a personal loan for a car to get to work in—his message to a fellow businessman proven to have systematically acted illegally just to bilk American taxpayers and lenders out of money and information they were entitled to was to tell him that he hears him, he sees him, and he feels his pain.

Stage II

The above special treatment would be merely odious—an example of the undeserving rich getting fêted while the deserving poor get screwed—were it not also set against the backdrop of an institution Hankey funds (Axos) having bailed out Donald Trump *before* in two scenarios, like this one, in which all of the following factors were present:

1. **The business fundamentals present in the transaction didn't support Hankey's involvement, or the involvement of any lender**. When the Hankey-funded Axos saved Trump National Doral golf course in **Miami**, the course was bleeding cash and had been deemed an impossibly burdened investment by lenders around the world. When Axos saved Trump Tower for Trump, it did so immediately after the least scrupulous bank known to exist, **Deutsche Bank**, had dropped him entirely from its lending portfolio, as has his accountant, **Mazars**. And why did they do so? Not just due to years of misconduct by Trump as a borrower, but because *Trump had just recently incited an armed rebellion inside the United States that led to several deaths and his immediate impeachment*. And not just any impeachment, but (a) the first impeachment trial ever conducted after the president in question had left office, (b) the impeachment with the largest vote in favor of conviction in the history of the

United States, and (c) the most *bipartisan* impeachment in American history (indeed, the first time ever that *multiple* persons from the president's own party voted for his conviction). Lenders had every reason to believe Trump would be arrested for his actions on and before January 6, and indeed he ultimately was. There could be no argument, then, that at the time Mr. Hankey and his associates saved Trump's home and his favorite golf course the business fundamentals of those two scenarios favored their intervention.

2. **Hankey and his milieu consistently failed to do due diligence with respect to Donald Trump**. It's not merely that, as *Proof* has already reported, the Axos loans occurred in the context of (a) Greg Garrabrants not doing a walk-through of Doral at all and only one of Trump Tower, (b) no one at Axos meeting or even speaking with the borrower himself, and (c) there apparently being no consideration given to precisely *why* no other lender on Earth would have anything to do with the man Axos was planning to rescue from financial oblivion, but also that we now know that Hankey's level of due diligence when it comes to Donald Trump is *so* low that he appears not to have even confirmed he can do business in New York before involving himself in perhaps the highest-profile bond crisis in American history. As *Newsweek* reports, citing the analysis of multiple attorneys with familiarity with high-end sureties, including **MSNBC** contributor **Lisa Rubin**, "**The court has rejected the paperwork of the insurance company that posted the bond for Trump. 'The financial statement that is missing does not seem to be Trump's. Rather, the court appears to be demanding these documents from Knight Specialty Insurance Company to ensure that the company is sufficiently capitalized and authorized to post the bond,' Rubin wrote on Wednesday.**" This view was then echoed by **Tristan Snel**l, the attorney who successfully sued Trump in the class-action lawsuit related to his "**Trump University**" scam: "[**The**] **court demands that the bond underwriter, Knight Insurance [*sic*], provide more info about their own solvency and authorization to cover the bond. Is there something else shady in**

how Trump's bond is being handled?" It's clear Hankey has put so little thought into what he's doing right now that he not only failed to file necessary paperwork, failed to bring an attorney into the transaction on his end, but also may not even be able to show that Knight has the money or legal authority to do anything it's just told a New York court in writing it can do. Due diligence this is not—and it's especially stunning coming from a ring of lenders that has been fined tens of millions of dollars in the past for systemic misconduct.

3. **Hankey consistently gives Trump special treatment when the business "ethics" he's exhibited throughout his career would otherwise prompt him to take maximum advantage of the former president.** It's one thing to rescue a delinquent borrower and infamously bad businessman for no discernible business reason, but it's quite another thing to give incredible terms to that customer when you know in advance that you're his only lending option. Yet even this blithe assertion fails to capture the real concern here: that Hankey may be purchasing future domestic or foreign policy in the United States from Trump, possibly not even for his own sake but unnamed others', or more simply may believe that his otherwise inexplicable largesse is buying him undisclosed or undetermined future favors from an infamously venal politician who's known to have a penchant for illicit *quid pro quos*. It was said, in 2022, that Hankey's Axos had saved Trump's political career; now, in 2024, the same thing is being said of Hankey's Knight Specialty Insurance Company. Is there any limit to what Trump owes Hankey, now? And will Americans ever know the precise moment that debt—the real one, not the publicly known monetary one—is repaid, or what the "repayment" terms were and who its beneficiaries were? There's a reason that Hankey has been at his greatest pains to issue as the falsest component of his involvement with Trump's bond crisis the idea that he would do the same thing for anyone. His implication is that *nothing about what Trump can do for him off the books* motivated his actions, when in fact the notion that Trump can do favors for him (and/or any domestic or foreign backers he may

> have) is the *only* reason for *anyone* to lend to Trump right now. That Hankey is working harder to dispel this notion than he worked on his court filings themselves tells us that this notion is more dangerous to Hankey (and Trump) than any other precisely because it's the one most likely to be *true*.

Unfortunately, it can be difficult to get major media to revisit ancient history—e.g., events that occurred less than 24 months ago—in the midst of our 24-hour news cycle.

News consumers tend to believe that any reporting on events that happened more than 24 hours ago is somehow stale, when of course we must often turn to history to comprehend in a meaningful way what we're seeing before us in the moment. The history of the Trump-Hankey financial relationship is critical context to understand why recent developments in the Trump Bond War may be more odious than they seem.

And yet, even this history is incomplete if it encompasses *only* (i) the Knight Bond, and (ii) Axos Bank's rescue of both Trump Tower and Trump National Doral.

As *The New Republic* reported back in 2022—having no idea its reporting would be so freshly relevant in 2024—it was Don Hankey's Axos that ensured that Donald Trump, who had lost **$70 million** during his presidency in operating **Trump International Hotel** (a bad investment he overpaid for, which everyone knew and even told him at the time) would somehow walk away from the post-presidency sale of the property with more than **$100 million** in *net* profit—a swing of **$170 million** for the ex-POTUS.

So how did that come to pass?

Well, it turns out that Hankey largely funds Axos, and Axos largely funded New York bank **MSD Partners** in its funding of **CGI Merchant**—the entity that, mysteriously, *wildly* overpaid Trump for the distressed property. If this seems confusing (how could Axos be simultaneously lending to Trump *and* lending to the people overpaying for things from Trump, thus enriching Trump from two directions at once?), it is; it's also how America's billionaire class operates and remains atop the nation's financial heap.

So while Hankey was charging poor people 19% interest on their car loans, which is *double* the going rate, he was bending over backward to make sure that Donald Trump would stay afloat financially, working that task from multiple angles as though it were his full-time job. And for all we know, it is; after all, does a man get to be richer than Peter Thiel on subprime loans alone, repossessing over 250 cars a day and having his collectors harass debtors from spoofed phone numbers? Maybe, but it also wouldn't surprise this author or probably anyone else if Hankey had other income streams that are less public and less savory, as *Rolling Stone* has already certainly implied he might.

Keep in mind that as *The New Republic* reports, Don Hankey has given "**more than $100,000 to the Republican National Committee**" and "**started doing business with the Kushner Company only a few months after an SEC investigation of Axos Bank, initiated under President Barack Obama and continued under Trump, closed out in 2017 with no charges.**" Jared Kushner not only worked in the Trump administration, of course, but also used his position there to help his pals both at home and abroad. It wasn't on *Obama's* watch that Hankey skated on countless allegations of malfeasance; it was on the watch of his (Hankey's) borrowers, Trump and Kushner. All this does seem to indicate that the full history between Trump and Hankey, and for that matter between Hankey and Kushner, may be far more important than what's now apparent.

Just so, even if we just look at the history of Hankey in *isolation*, we gain vital data.

The New Republic revealed in 2022 something it appears *Proof* is now the first to re-report: it's not just that Axos had *one* whistleblower pointing to misconduct there (Charles Matthew Erhart); it's not just that Erhart's former boss, also an auditor at Axos, later vouched for Erhart's complaints after he too left the company; a *third* auditor, **Jennifer Brear Brinker**, also "**filed suit in March** [**2022**] **alleging Axos deliberately understaffed its compliance department to conceal violations.**"

In other words, the vehicle Hankey has used in the past to shovel money toward Trump from multiple directions allegedly works *systematically* to hide what it's doing and who it's doing it with as it enriches Trump more (apparently) than any other lending institution in the world. It's in this context that Proof notes this curious line from *The New Republic*: "[**Axos**] **has also *specialized* in loans to foreign nationals**" (emphasis added). And NBC News confirms what you might expect (or fear, as the case may be): "**Axos has also made loans to Russian nationals.**"

Does it seem odd that a relatively small digital bank, which bank isn't in the hundred largest in the United States, "**specializes**" in the most complex sort of lending there is—transnational financing? And that it does this while allegedly doing what it can to hide its activities from federal regulators?

And does all this while working harder than any bank in the world right now to enrich Donald Trump specifically?

And does all this while specifically benefitting from official actions Trump took as the President of the United States, given that, as *The New Republic* reports, "**the high-interest loans to small**

businesses on which Axos thrives were eased substantially by two Trump-era regulations from the Office of the Comptroller of the Currency"?

In such a circumstance—that is, one in which Hankey and Axos seem to be, from 2022 on, financing a return to power for the man who took an official action that benefitted them to a degree few others would have noticed at all—are there **Bribery** concerns?

Or, given that Hankey is also involved in very high-end real estate transactions that sometimes involve foreign nationals—indeed, he specializes in exactly the sort of spec homes only the global ultra-rich can afford—are there **Money Laundering** concerns?

Or perhaps investigators must look further afield? All three of Don Hankey's children—**Bret**, **Rufus**, and **Patricia**—have been called high-end real estate "**nepo babies**" by *The Real Deal*, a much-admired real estate publication which placed Jared Kushner on the same list. Is it worth asking if *other* members of the **Hankey Family** have crossed paths with the Trumps or Kushners or any of the foreign business associates of either?

How about the fact that Hankey has a major stake in "**The One**"—the most expensive modern construction in the United States, a **California** mega-mansion—and ***The Los Angeles Times*** has intimated that "**Russia's invasion of Ukraine**" stood to stall the sale of that property? Was Hankey struck by Trump's promise to end the **Russia-Ukraine War** immediately? Was Hankey hearing from any Russian associates that he may have had that the Kremlin was of the same opinion (i.e., that a Trump win in 2024 could end the war that apparently blocked certain Hankey profits from being quickly realized or even realized at all, and may yet still be blocking other major real estate transactions)?

Stage III

But even with all the above, we would only be looking at the story of an unscrupulous billionaire helping out another unscrupulous billionaire after a lifetime spent by both more or less screwing over the little guy. It's contemptible, but sadly, it's also America.

What puts the Knight Bond in a different category from any other—and what arguably propels it beyond merely being contemptible—is that all of the above occurred under the long shadow of Hankey's operations long being under federal investigation for just the sort of offenses national security experts have feared Mr. Trump will become involved with. While of course there have been no charges of money laundering, clandestine foreign influence operations, bribery, fraud, or false reporting to federal investigators brought against any of the companies in Hankey's sprawling network of lenders, (1) money laundering has been alleged (or at a minimum implied) by a federal whistleblower who successfully sued Hankey (Erhart); (2) civil allegations of deliberate misrepresentations to regulators have plagued Hankey's companies for years; (3) there would be no reason for Erhart, to note Axos doing business with "foreign criminals" if he didn't worry that fraud was a very real possibility, and would not have noted Axos's involvement with "**foreign leaders**" from "**major oil-producing nations**" were he not to some degree concerned about possible influence peddling inside the United States.

And even if all these fears were unfounded, wouldn't they *still* cause us to expect Don Hankey to *stay the hell out of Donald Trump's financial affairs*?

Why? Because we know Trump *has* been accused of fraud. And also in participating (indeed, even soliciting) foreign influence operations. And also in acts of bribery that may—*may*—have just escaped the black-letter language of federal Bribery statutes by a hair. And he's been associating with known money launders in his business affairs for many decades.

Any lender at Hankey's scale, particularly one who's involved in high-end real estate, and particularly one facing investigations for the same sort of activities that Trump and his son-in-law Jared Kushner have been associated with in the public imagination for years, should want nothing to do with those two men or their financial difficulties.

We can only imagine such involvement being worth it for Don Hankey if he were to somehow have come to believe that aiding Trump and Kushner would help him *out* of any of the difficulties he and/or his businesses are currently facing. And lest this seem like rank speculation, recall that—as noted above—Hankey has *already* seen federal investigations of his operations get unceremoniously dropped under Trump in a way that they never were under the administration of President **Barack Obama**.

In short, those looking for a *quid pro quo* in the Knight Bond may be missing the most promising "theory of the case": that the tit-for-that, if there was one at all, already happened. Trump's administration, whether with his knowledge or not, chose to save Hankey and his businesses and the least Hankey could do was dave Trump in return.

Stage IV

But there's one level of shame that overlays and perhaps overtops all of this. Not the hypocrisy of the rich; not the special dispensations offered to a career criminal; not even the whiff of corruption about a possible *quid pro quo*. What's perhaps worst of all in all this is that major media has chosen to cover little of it, after making an identical decision—amidst similarly dubious circumstances—with respect to the *first* bond Trump received in New York, the $91.63 million Chubb Bond.

Had media done more to investigate the Chubb bond, it would've created a precedent for this one, and maybe even cautioned Trump against going down the road he now appears to have trod. Instead, with both bonds there was a good deal of local-news-style, just-the-facts reporting, and a good deal of accidental misinformation, coupled with little contextualizing or historicizing or curation of sources or natural latitudinal and longitudinal expansions of the scope of the event.

And this has been the case almost as much with the second bond as the first, which suggests few lessons have been learned (an especially disturbing premise, now that we know the second bond was worthy of at least a *de minimus* legal challenge; given that, wasn't the Chubb Bond worth that too, in retrospect?)

Consider the first line of this **NBC News** report, which may be the worst this former journalism professor has read on a subject of such national gravity:

"Providing Donald Trump's $175 million appeal bond when other insurers wouldn't is business as usual for California financier Don Hankey."

It's one thing for a news report to get a fact wrong. It's quite another for its entire lede to be fraudulent. And it's yet another thing when this happens on a story that could well be one of the most important—not just to American politics, but to U.S. national security—of the twenty-first century thus far. The lede above is so bad we can fairly say it's even contradicted by all of NBC News' *own reporting*, not to mention far more comprehensive assessments of the Trump Bond War like the one you're reading now.

But for all this, the one thing major media *has* been able to do adequately in the midst of Trump's Bond War is report basic, easily discoverable facts that make no effort to link up with any others.

And there is, candidly, *some* utility in this, even if not so much as the authors of such reports may suppose. For instance, following its trainwreck of a lede above, that NBC News report on to observe that—his association with Axos Bank —Don Hankey may be as investigated, sued, and reviled a lender as America has:

> *[I]n recent years, several of [Hankey's] companies' operations attracted the attention of the* ***U.S. Justice Department****, the* ***Consumer Financial Protection Bureau*** *and the* ***California Department of Insurance****. Since 2015, regulators have taken action against Hankey's companies four times, public records show.*
>
> *....*
>
> *[His company] Westlake and its subsidiary* ***Wilshire Commercial Capital****, [a] DOJ complaint alleged, illegally repossessed at least 70 vehicles owned by military service members protected under the* ***Servicemembers Civil Relief Act****. The companies paid $761,000 to settle the allegations.*
>
> *Five years later, the Justice Department returned with another complaint against Westlake, alleging that it had failed to provide service members with interest rate benefits they were owed under the law. The company paid $225,000 to settle that matter.*
>
> *....*
>
> *Some Hankey customers are less than happy with his company's practices, according to consumer complaints filed against Westlake with the federal Consumer Financial Protection Bureau. Over the past year, records compiled by the agency show an almost daily stream of customer allegations against Westlake, ranging from improperly repossessed vehicles, charges on a loan the customer did not sign up for, and failing to provide accurate loan balance and payment histories to credit reporting agencies.*

> *Such inaccuracies can cripple consumers' ability to get other loans, lease residences or even secure jobs.*
>
> *Customers who fall behind on their auto loans also say Westlake employees call them repeatedly, the complaint records show.* ***"Even when I have a payment arrangement, they will still call up to 6 times a day 7 days a week"****, a borrower from Florida wrote last month.*
>
> *Hankey companies have also been subject to regulatory actions by the CFPB and by the California Department of Insurance. According to a 2015 consent decree filed by the CFPB against Westlake and its affiliate Wilshire, the CFPB found that Westlake and Wilshire pressured borrowers using illegal debt collection practices. Some 176,000 customers were affected, the consent order said.*
>
> *According to the CFPB, Westlake and Wilshire changed loan terms without telling borrowers, accruing additional interest on the loans. The companies also allegedly misled customers by manipulating caller IDs and posing as employees calling from flower shops or pizzerias to trick borrowers into disclosing their locations or their vehicles' for repossession purposes. In other cases, Westlake collection agents led borrowers to believe that their vehicles would be released if they paid a certain sum, usually less than the full amount owed. Once those payments were made, Westlake did not release the vehicles, the CFPB found.*
>
> *Westlake and Wilshire neither admitted nor denied the findings but paid $44 million to the customers and a $4.25 million penalty.*
>
> ***KnightBrook Insurance****, another Hankey company, was cited by the California Department of Insurance in 2015 for an array of violations in the way it handled customer claims. Over a one-year*

> *period, the department reviewed 127 automobile and collateral protection claims handled by KnightBrook and found 45 violations of the state insurance code.*
>
> *Those alleged violations included failure to include fees in the total loss settlements customers received, failure to* ***"conduct and diligently pursue a thorough, fair and objective investigation of a claim";*** *failure to pay salvage certificate fees; and failure to pay reasonable towing charges.*

In short, one could be forgiven for feeling like Don Hankey has made his fortune by ruining the lives of poor persons. And his support for a man who calls immigrants "**animals**" and promises to be "**a dictator on Day 1**" and is a confirmed rapist facing 88 state and federal felonies is consistent, in that view, with what appear to be his "values." Those values are also in evidence in his abysmal philanthropy score from Forbes despite having a new worth of $7.4 billion.

We can at least thank major media for getting some of these basics down.

And we can thank it for covering events *as they happen* with some comprehensiveness.

For instance, **CBS News** is now reporting, confirming the exclusive *Proof* reporting from two days ago, that Knight Specialty Insurance Company may not be able to operate in New York as it's now trying to operate. As the major-media network writes,

> *The [Knight] surety bond was missing vital information typically included in [New York surety] filings, experts say. These standard elements include documents related to power of attorney for the bond provider, Knight Specialty Insurance Company, a financial statement from the company and a certificate of solvency from the Department of Financial Services.*

> *__"There seem to be serious issues"__, said __Bruce H. Lederman__, an attorney who has filed many bonds in New York, including for a real estate developer challenging a judgment. Lederman said he was struck by __"glaring errors"__ in the bond.*
>
> ***"In all the years I've been doing this, you always have to have a certificate from the Department of Financial Services saying that you're licensed to issue a surety bond"**, he said, referring to the missing certificate of solvency under **Section 1111 of New York Insurance Law**.*
>
> *….*
>
> ***Adam Pollock**, a former assistant attorney general in New York, said, **"This bond is deficient for a number of reasons. Including that the company doesn't appear to be licensed in New York and doesn't appear to have enough capital to make this undertaking."***
>
> *The company also does not appear to meet a restriction under New York insurance law barring companies from putting more than 10% of their capital at risk.*

CBS News also reveals that Knight has changed its position on the financial statement it had to include in its filing. First it told media that such a statement was included in its filing—suggesting it had nothing to hide in any such statement—but then, when the court revealed that in fact Knight had *not* submitted any such statements, the lender began taking the position that it wouldn't share *any* financial statements with media. Moreover, CBS News raised the possibility that Trump's use of Knight was in fact a ploy to ensure the State of New York never got its money: "**Knight Specialty doesn't have Trump's cash collateral for the bond in its possession,** [**so at least one expert CBS News spoke to**] **question**[s] **whether the company 'could or would pay immediately' if Trump loses his appeal.**" Adding to this concern is that while

Knight told CBS News that Mr. Trump had promised not to touch the money he says he is holding aside for Knight—a promise there'd be no reason for Knight to believe, given Trump's reputation for deceit—Knight not even revealing to the media what type of account Trump is using could well suggest that it doesn't know and isn't willing to ask and isn't willing to expend resources to find out.

The vagaries of the Knight bond notwithstanding, the fact remains that if Donald Trump is re-elected in November; if, as he promises, he ends American democracy upon his election; many will ask, how did it come to this? Whose failure can we pin this on? And if America's past is any precedent, somehow the blame will fall hardest on vulnerable persons: leftist activists who agitated for a ceasefire in **Gaza** should have voted for **Joe Biden** in greater numbers, media will say; the young were apathetic and/or narcissistic, media will say; Black and Brown voters voted for third-party pols rather than President Biden because (their critics in media in this imagined scenario will say) they didn't appreciate the cost they particularly would bear if they did so; women weren't angry enough about losing their right to bodily autonomy, media will say, and that led to too many of them voting for Trump under the justification of *other* cultural concerns, for instance right-wing shams like the so-called "**Parents' Rights Movement**", pending anti-trans statutes, and easily stoked fears of rising crime at a time crime is in fact falling precipitously across the county in almost every category.

And who knows? Maybe there'll be some truth to some or all of the above; elections are complicated civic mechanisms.

But it will *also* be the case that three groups who have engineered American society in a way that almost always allows them to escape lasting blame—let alone consequences—will be partly at fault, too: the media, legal and political elites, and rich businessmen.

Hankey and Trump represent the worst of American capitalism, and this bond deal sees two bad actors congratulating and protecting one another on an economy well ruined for the rest of us. Media had a chance to cover this misconduct fully, *in situ*, in a way that created a just pressure for the courts (and state and federal officials who work in courts) to do their job—and perhaps even to compel normally unscrupulous businessmen to act better than they do when unwatched —and it largely failed to do so. Perhaps it's because it long learned that stories get more clicks when they cover the alleged threat of poor nonwhites on the southern border than rich whites cutting dodgy deals in backrooms.

Just so, political figures and their frequent protectors—state and federal prosecutors and certain agencies with which they're affiliated; or federal judges who deliberately take an academic view of white-collar crime and a frantic, highly emotionalized view of street crimes—could have done more to look at the Trump Bond Crisis themselves (for instance, the court in **Carroll II** that accepted the Chubb Bond) or ask that this be done by the **SEC**, the **Treasury Department**, **DOJ**, the **FBI**, or others. But it did not. If this were a normal case, none of these agencies would have any reason to be involved, and none of the entities referenced above would have any reasonable cause to take the extraordinary step of referring their cases to agencies up to and including (because there are real national security implications to all Trump's pending cases) the **CIA**, but if we've learned anything over the past decade it's that Trump is not normal, his cases aren't normal, his conduct in those cases isn't normal, the threats his conduct in his abnormal cases poses is extraordinary, and therefore only extraordinary actions by journalists, judges, prosecutors, regulators, and other swho work for our institutions are sufficient to meet the moment.

To be clear, *Proof* does not recommend especially harsh treatment for just one man—rather, *appropriately* urgent reactions to conspicuously dangerous circumstances. All that has been said here would equally apply were the defendant in these cases not a Republican but a Democrat (e.g., Joe Biden), not an executive-branch official but a legislative-branch one (e.g., **Mitch McConnell**), or even in the unimaginable situation of the matter at hand concerning the investigation of a judicial-branch employee who quite clearly should be subject to extraordinary investigations: Supreme Court Justice **Clarence Thomas**. To fail to acknowledge when a situation is extraordinary is to try to apply ordinary thinking to extraordinary occasions, which more often than not results in inaction, chaos, and, worst of all, an instinctive reliance on old biases—for the rich, against the poor; for whites, against nonwhites; for the powerful, against the powerless—as opposed to the temperate yet appropriately tailored justice all Americans deserve.

Part IV: The View Ahead

There was a moment when this scandal could have been handled by major media in a timely fashion: before the current stage unfolded in real time. For instance, MSNBC last week ran a segment on *The Last Word* entitled, "**Trump Says He's Good for the Reduced $175 Million Civil Fraud Bond—So Why Hasn't He Paid It?**" It was a good—and obvious—question for anyone in journalism to ask; and none of its prospective answers were helpful to Donald Trump. Had he lied under oath in 2022 about having $400 million free and clear to pay civil judgments? Or was he conning his bled-dry small donors—who gleefully had spread celebratory memes on Twitter after his bravado-filled claim that he would pay his second bond in "**cash**"—by now claiming to *not* have money in 2024 that he actually *did*? Was he waiting to be rescued by foreign criminals, foreign officials, would-be domestic bribes, or another unsavory exigency?

These were the questions major media needed to ask and needed to have answered— and *critically*, these questions would both deserve and *require* answers *even if Trump somehow made bond at the final hour*—but the time to ask them is actually before the ripening of a scandal. With Trump, a framework must be generated within which news consumers can properly understand the choices Trump faces and the possible declinations of normal, healthy, patriotic, ethical conduct we might expect from him.

The questions to be asked about why Trump didn't start getting a bond together back in Summer 2023; why he was so certain his bond would be reduced; why he attacked everyone involved in his civil and criminal cases while apparently doing nothing to prepare for them, and *still* got away with threatening conduct that should have made his already dire situation worse—all of these, and more questions of their ilk, are ones that go to the core of what media is, how courts function, and what we allow the rich to see themselves as entitled to. Also, whether the man who'll be the next President of the United States is merely a two-bit con man or the most dangerous con man in U.S. history. Had all this been investigated in a timely fashion, perhaps it would have been that much harder for a **Michigan** police association with 12,000 members to proudly endorse a confirmed rapist who incited violence against cops on January 6, 2021 and is now facing 88 state and federal felonies across four U.S. jurisdictions. Who knows.

What we know is that the full slate of critical questions went unasked. Then Trump made his first bond.

And the full slate of critical questions *remained* unasked as Trump made his second bond.

So there has been, throughout the Trump Bond Crisis—which has become the Trump Bond War, now—little sense of urgency, but also, bafflingly, almost no investigative journalism. An extraordinary criminal being gifted an extraordinary bond in two extraordinary civil cases was treated as a matter suitable for simple on-site reportage and nothing more, with reporters asking questions of clearly bad actors like low-rent automatons in an AI generated play rather than professionals who've now had almost a decade to suss out *exactly* how Trump operates and *exactly* how he gets away with it.

As matters stand now, I question, as an attorney, whether **E. Jean Carroll** or the **State of New York** will finally see a dime of what they're owed. And as a Trump biographer, I know he at least *intends* to engineer matters so that all his enemies—a group that certainly includes both Carroll and New York Attorney General Letitia James, two people who had the temerity to be (a) women, (b) noncompliant with his wishes, and (c) individuals trying to hold him to account for his actions—get nothing in the end.

We should expect Trump to continue to do things that corrupt our institutions and our systems; indeed, we should expect that even in death he would have this effect on us. The only real doubt is the means of his betrayal. Will he move his money overseas so it can't be accessed or even found, and then declare bankruptcy? Will he flee the United States and take all his money with him? Will he be imprisoned and die under circumstances that leave behind lawsuits rather than payouts? I don't know. But I feel confident that no one is getting what Donald Trump owes them, in much the same way that all of America has long deserved Donald Trump's incarceration and hasn't gotten that either. Or the fact that all the women Donald Trump sexually assaulted deserve a day in court but none—with Carroll as the lone, nevertheless celebration-worthy exception—will ever get it. Or the fact that all the middle-class independent contractors whose business and lives Trump has destroyed by stiffing them deserve to see him destitute on the street and will most assuredly never receive that satisfaction.

So again and again we must return to this question: why?

Why won't what's so clearly richly deserved—prison, penury, and shame—be visited on America's biggest scoundrel since **Benedict Arnold**? *Proof* would argue that it's no longer enough to shrug and say life isn't fair. It isn't, but it's still the duty of courts and political leaders to make life just a *little bit* fairer; and it's a duty of journalists to cast just a *little more* light on solvable injustices (and even some that are unsolvable); and it's the moral and ethical and dare I say it *spiritual* duty of those who have been allowed to prosper beyond measure in America to not use their prosperity to *wound* the less fortunate.

It is *these* duties that have been breached in ways we can recognize and respond to, howsoever their most iconic byproduct—Donald John Trump—may escape justice.

The Trump Bond Crisis now at least *appears* to be in its final stages, which gives Americans of good sense and moral responsibility another opportunity to do what none of us wants to spend our time doing but which in this century appears to need doing and perpetually: castigating those who have failed us by failing to do the jobs and failing to meet the responsibilities their positions in American society called on them to execute in a timely, honorable way.

Proof has done what it can, here, and will continue to do so when or as the NYAG lodges its objection to any motion filed by Trump or Hankey in the next ten days.

Proof is read by people in positions of power, and it has now published the equivalent of a 600-page work of nonfiction on the Trump Bond War—with hundreds of reliable major-media sources to boot, in approximately a month's time. That between one-twelfth and one-twenty-fourth the time it normally takes to produce a work of such length and scope.

Just so, *Proof* readers have done what *they* could: they educated themselves about the Trump Bond Crisis as it devolved into the Trump Bond War, and spread word of it to all they could, as did indie journalists on social media and those activists who quickly understood that this crisis is as much about U.S. values, institutions, and traditions as partisan politics.

And oddly enough, some institutions actually *did* demonstrate their values and their principles during this crisis. Dozens of banks refused to aid a confirmed rapist, life-long con man, current insurrectionist, would-be dictator, and multi-state criminal defendant whose offenses against decency range from foreign collusion to serial adultery, from the degradation of American political discourse to the incitement of violence, from the modeling of troglodytic nihilism for a generation of American kids to making a once-in-a-century global pandemic about his ego and political prospects and in so doing undoubtedly helping to cause the deaths of hundreds of thousands.

Donald Trump has spread lies, hatred, division, misinformation, disinformation, and a brand of terminal narcissism that could end the United States as a going concern in either this decade or the next. And while it's a low bar to set in view of all this, at least *most* of America's lending firms can say that after decades of dealing with Trump on wildly favorable terms he never deserved—and that the business fundamentals of his projects never warranted—at the last moment they turned from their prior path and eschewed a toxic creature whose legal and political and financial death throes could yet engulf all America in flames.

This silver lining is not very much to press between one's fingers. But it *is* something.

If you're interested in reading more research and writing from Seth Abramson, you can check out his Top 20 History substack, Retro, by entering your email address in the space below:

← Previous

20 Comments

Write a comment...

Ellie Dalglish Apr 4

Thank you, Seth. That really is a lot of information put together so methodically in such a short space of time. Excellent journalism and I wish more MSM would treat us to the truth like this.

I'm back on U.S. time to keep up with the overflowing cesspit that is TrumpWorld, it's coming so thick and fast again. The Tangerine Terror never ceases to horrify me.

LIKE (6) REPLY SHARE

DJ DJ's Substack Apr 4

Whew. Well that's fairly comprehensive Seth, and some of your best writing, but did you leave out Hankey's interview tonight where he said the bond was his wife Debi's idea? Just wanting to help? As if she'd just watched an APSCA commercial of starving dogs shivering in the cold?

LIKE (5) REPLY SHARE

3 replies by Seth Abramson and others

18 more comments...