SUPREME COURT NEW YORK COUNTY
CRIMINAL TERM PART 59

THE PEOPLE OF THE STATE OF NEW YORK : INDICTMENT # 71543/2023

-against

DONALD J. TRUMP,

Defendant.

Falsifying Business Records First Degree

100 Centre Street
New York, New York 10013
April 25, 2024

B E F O R E:

HONORABLE JUAN M. MERCHAN,
JUSTICE OF THE SUPREME COURT

A P P E A R A N C E S:

FOR THE PEOPLE:

ALVIN L. BRAGG, JR., ESQ.
New York County District Attorney
BY: JOSHUA STEINGLASS, ESQ.,
MATTHEW COLANGELO, ESQ.,
SUSAN HOFFINGER, ESQ.,
CHRISTOPHER CONROY, ESQ.,
REBECCA MANGOLD, ESQ.,
KATHERINE ELLIS, ESQ.,
Assistant District Attorneys

FOR THE DEFENDANT:

BLANCHE LAW
BY: TODD BLANCHE, ESQ.
EMIL BOVE, ESQ.
NECHELES LAW, LLP
BY: SUSAN NECHELES, ESQ.
GEDALIA M. STERN, ESQ.

THE COURT: Good morning.

Please be seated.

THE CLERK: Case on trial continued, People versus Donald J. Trump.

Appearances, please.

Starting with the People.

MR. STEINGLASS: Good morning, your Honor.

For the People, ADA Josh Steinglass, Susan Hoffinger, Matthew Colangelo, Christopher Conroy, Becky Mangold and Katherine Ellis.

MR. BOVE: Good morning.

Emil Bove for President Trump, who is seated to my left.

And I have with me Todd Blanche, Susan Necheles and Gedalia Stern.

THE COURT: Good morning.

Would you like to go over what transpired yesterday?

Do we need to do that, Mr. Bove? Just the email exchanges that took place yesterday?

MR. BOVE: With respect to the exhibits, your Honor?

THE COURT: Yes.

MR. BOVE: So we received, your Honor, an email regarding the embedded hearsay issue that we raised during

Tuesday's proceedings.

And, as I understood it, basically agreeing in principle with the defense objection to the concept that a record that is authenticated at the first level for -- as a business record may still present additional embedded hearsay issues within the record.

Following that email, at the Court's direction, we conferred with the Government regarding our pending objections, many of which we had sent on Monday night coming into those proceedings.

And we clarified some of them based on your Honor's guidance.

We received some feedback from the Government, and I think that the conferral process was helpful.

There still are some objections that we have on that secondary level of hearsay, and I'm prepared to walk through those whenever we have the time, given the jury.

THE COURT: Are we able to start proceedings today with the jury, and going through, then perhaps we can break at some point and deal with this?

MR. STEINGLASS: I think so, Judge.

Because I think that in the first hour or two of testimony there is only one document that was flagged by counsel that may arise.

And it's a document that we agree, that there is a

line that they think should not be coming in for the truth that we agree; so I don't think that there is any impediment to starting.

MR. BOVE: I think that we're talking about People's Exhibit 161, which is an invoice that was offered through Mr. Pecker's testimony on Tuesday.

It's an invoice indicating -- from Investor Advisory Services, and the issue that we have with that particular exhibit --

THE COURT: Could that wait until later?

MR. BOVE: I would like to raise it now just because we don't think that it's enough to just have the Judge instruct the jury that the factual assertion we are talking about is not being offered for the truth.

Our position is that a redaction is necessary.

And if I could just put into the record what the factual assertion is from the invoice.

THE COURT: If I could just interrupt you for one second.

But this won't come up for another hour or two?

MR. STEINGLASS: I think that that's about right.

And we can always -- I could always let you know if it's going to come up.

I do feel that the goal posts are being moved, because what they asked for yesterday was to ask for us to

agree that it's not being offered for the truth, and now they are asking for a redaction.

THE COURT: All right. You both will have the opportunity to be heard.

I don't want to the keep the jury waiting.

So if we can deal with this during the break perhaps, I would like to do that.

MR. BOVE: Understood.

THE COURT: Is there anything that you would like to say regarding the two exhibits that were received on Tuesday?

MR. BOVE: No, your Honor. We understand the Court's rulings.

THE COURT: All right.

Very well.

Let's get Mr. Pecker, please.

MR. STEINGLASS: Oh, I'm sorry, Judge.

THE COURT: Yes?

MR. STEINGLASS: May we have one minute to put something on the record?

THE COURT: Yes.

MR. CONROY: Good morning.

MR. STEINGLASS: Mr. Conroy will do that.

MR. CONROY: Thank you, Judge.

Thank you very much.

I have here, and I am going to hand up to the Court, another proposed Order to Show Cause that we're asking the Court to sign with another affirmation.

If I may just have a minute or two to just quickly go through what's contained in there.

Judge, I'm sorry, could I just also hand up a thumb drive.

This has full copies of some video clips that we have transcribed in the affirmation.

(Handed.)

****

MR. CONROY: We are asking the Court to sign this Order to Show Cause to hold the defendant in contempt of this Court's April 1st order -- the Order that has been at issue previously in this case -- for submitting four violations in the last three days:

One on April 22nd. That violation was right outside the door to this courtroom in one of the defendant's press -- whatever they are -- conferences that he holds on his way in and out of court in the area that's set up for that purpose outside of the door.

And what he said right after Court on the 22nd was: "But they call the payments to a lawyer a legal expense in the books."

"They didn't call it construction. They didn't say

they are building a building."

"They called it a payment to a lawyer because, you know, Cohen is a lawyer representing a lot of people over the years."

"I'm not the only one."

"And wasn't very good in a lot of ways in terms of his representation, but he represented a lot of people."

"But he puts in an invoice or whatever, a bill, and they pay and they call it a legal expense."

"I got indicted for that."

And then later -- this was about a nine-minute event outside -- a few minutes later the defendant went on: "And when they are going to look at all of the lies that Cohen did in the last trial, he got caught lying in the last trial, so he got caught lying, pure lying, and when are they going to look at that."

That same night on a news program the defendant called in and said the following, in the course of about a 20-minute interview, and this is the second violation we are asking the Court to consider.

And the quote is: "But this Judge said that I can't get away from the trial. You know, he's rushing the trial like crazy. Nobody has ever seen a thing go like this. That jury was picked so fast. Ninety-five percent Democrats. The area is mostly all Democrats. You think of

it as just a purely Democratic area. It's a very unfair situation, that I can tell you."

That was not more than several hours before the hearing on Tuesday related to his previous violations.

On Tuesday morning, the 23rd, the day of that hearing, before the hearing, the defendant gave an interview to a TV station that actually aired that night.

And that interview included the following statement by the defendant: "Well, Michael Cohen is a convicted liar and he has no credibility whatsoever."

"He was a lawyer. And he relied on the lawyers, but Michael Cohen was a convicted liar."

"He was a lawyer for many people, not just me, and he got in trouble because of things outside of what he did for me."

"Largely, it was essentially all because of what he did in terms of the campaign."

"I don't think there was anything wrong with that, with the charges that they made, but what he did is, he did some pretty bad things, I guess, with banking or whatever, if that was a personal thing to him."

"David Pecker, I don't know exactly what he's going to be testifying against, but -- or about -- but he will be testifying today."

That's the defendant talking about witnesses in the

case, including one on the stand.

He's talking about jurors.

He's doing what the Order tells him not to do.

And there is a decision pending right now on previous violations.

This morning, Judge, the defendant had a press event on 49th Street and Park Avenue here in Manhattan.

In that event he was asked the following question: "What have you thought of David Pecker's testimony so far?"

"When was the last time you spoke to him?"

And the defendant said: "He has been very nice. I mean, he has been -- I mean, Dave has been very nice, a nice guy. In about five minutes or less, David Pecker's going to walk into this room to continue testifying."

"This is a message to Pecker: Be nice."

"It's a message to others: I have a platform, and I will talk about you and I can say things like this, or things like what I said about Cohen."

"It's a message to everyone involved in this proceeding, including this Court."

We are asking your Honor to sign this Order.

We are seeking to have the Court find the defendant in criminal contempt and to impose appropriate sanctions.

Thank you.

THE COURT: Thank you, Mr. Conroy.

Anything else?

Just getting back to those two exhibits that were admitted on Tuesday.

I found that one was a true business record.

The other one -- because it was an email that basically summarized the transaction.

And so that's my ruling on that one.

If you want to be heard on my other ruling, though, we can take that up now.

MR. STEINGLASS: We are okay to wait until we take them all up.

THE COURT: Okay. Very good. Get the witness, please.

THE COURT OFFICER: Witness entering.

(The witness, David Pecker, enters the courtroom and resumes the witness stand.)

****

THE COURT OFFICER: Step this way, please.

THE WITNESS: Okay.

Good morning, Judge.

THE COURT: Good morning, Mr. Pecker. Welcome back.

THE WITNESS: Thank you.

THE COURT: I remind you are, sir, that you are

still under oath.

THE WITNESS: Yes, thank you.

THE COURT: Please get the jury.

THE COURT OFFICER: All rise. Jury entering.

(Jury enters.)

****

THE COURT: Please be seated.

THE CLERK: Continuing case on trial, the People versus Donald J. Trump.

All parties and all jurors are present.

THE COURT: Good morning, jurors.

Welcome back.

(Chorus of jurors respond, Good morning.)

****

THE COURT: Mr. Steinglass.

MR. STEINGLASS: Thank you.

*****

CONTINUED DIRECT EXAMINATION

BY MR. STEINGLASS:

Q Good morning, Mr. Pecker.

A Good morning.

Q When we left off, we were talking about June 20th, when Mr. Howard was out in California interviewing Ms. McDougal.

Do you remember that?

A Yes, I do.

Q After Dylan Howard concluded his interview with Karen McDougal, did you and he speak?

A Yes, we did.

Q And what did he tell you?

A He described to me who Karen McDougal was. He repeated again that she was a Playboy model.

She claimed that she had a yearlong relationship with Donald Trump, a sexual relationship.

She claimed she was -- he said that she was 47 years old. And he said that she was a 12 out of 10.

And then he said that he believed the story could be true or was true, but she had no corroborating evidence.

He said to me that she didn't have anything on her Blackberry.

She didn't have any photos.

She didn't have any expense reports that -- she claimed that she went to Mar-a-Lago and Trump Tower.

So, but he believed the story was true.

He went on to say that he offered her, and her representative, $10,000 to buy the story.

And it was refused.

Q Did you ever have a three-way call that day with Dylan Howard and Michael Cohen?

A Yes, I did.

Q How did that come about?

A Michael Cohen was constantly calling me while Dylan Howard was in this meeting interviewing Karen McDougal.

And I told Michael that as soon as I hear from Dylan, I will set up a three-way call.

Q And did that three-way call actually happen?

A Yes. Yes, it did.

I used -- Michael Cohen told me to make sure that I used Signal.

So I set up the Signal call between myself, Michael Cohen and Dylan Howard.

Q And tell us about that conversation, please?

A Dylan described exactly what I just mentioned about who Karen McDougal was, and all of the details that I just stated. And immediately Michael Cohen said it's not true, which is something that he always said.

And then he said, let me -- let me check it out and I will come back to you.

Q Was there any discussion on that three-way call about acquiring the rights to Karen McDougal's story?

A Yes. Michael said that -- well, I will take -- let me just clarify:

When Dylan suggested that he offered $10,000 to buy Karen's story, which is including the entire story, what she was claiming, and she refused, Michael suggested that we should go ahead to try to buy the story.

Q And did he say why he wanted you to try to buy the story?

A Well, first he said the story wasn't true.

Then he said that he thought that having that story out -- and I should add on, Dylan mentioned that ABC was interested in acquiring the story.

He also mentioned that a Mexican group made an offer for the story for 8 million dollars.

Michael and I both said that although we didn't believe that there was a Mexican group that was going to buy the story, the ABC offer was interesting because they were offering apparently Karen a slot on Dancing with the Stars.

But I knew from my experience that ABC doesn't buy stories, so I didn't think they were paying cash for the story.

He -- Dylan, also mentioned that Karen McDougal said that she didn't want her story to be published.

She said she didn't want to be the next Monica Lewinsky. She said that she wanted to restart her career.

He said that -- this is Dylan -- Dylan said that she was a -- apparently a -- originally a fitness model.

And she was the first female model on one of the covers of one of my magazines, for one of American Media's magazines, which was Men's Fitness. This was in -- on a cover in 1999.

So he felt that she would be more interested in coming -- in having American Media buying the story than anyone else.

Q And when you say "he" in that sentence?

A I'm sorry. I meant Michael Cohen -- excuse me, I meant Dylan Howard.

Q Thank you.

And to the extent that it's possible, if you could remember, it's better to use names than pronouns, so we don't have to run into that issue.

A Okay. I'll do that.

Q If you can remember.

How did your -- withdrawn.

What was your initial thought after that three-way call about how to handle the Karen McDougal situation?

A I thought we would have to buy that story. I believed exactly what Dylan said.

He has a -- he knows this marketplace. He's the Chief Content Officer for the company.

We should -- Karen McDougal's attorney was Keith Davidson, and Keith Davidson was one of the major sources for Dylan Howard.

So I felt that this story should be purchased.

Q Now, I think you started to allude to, at the end of the day on Tuesday, a conversation that you had with Donald Trump himself about this.

Do you remember that?

A Yes.

Q So my first question is: Do you remember when that conversation with Donald Trump happened?

A It was the third -- I think it was the third week of June of 2016.

Q So some time -- was it after Dylan Howard had gone out to interview Karen McDougal on June 20th?

A Yes.

Q And after the three-way call that you had had with Michael Cohen and Dylan Howard?

A Yes, that's correct.

Q Where were you when you got this call from Donald Trump?

A I was at an investor's -- at one of my largest investor's meeting in New Jersey.

Q And how did the call come in?

A Oh, I was making a presentation and an update on our business, and the assistant in the office came into the conference room and said: There is a call for you from Donald Trump.

And I left and took the call.

Q And could you tell us about the conversation you had that day with Donald Trump?

A Yes. When I got on the phone, Mr. Trump said to me: "I spoke to Michael. Karen is a nice girl."

"Is it true that a Mexican group is looking to buy her story

for 8 million dollars?"

I said -- I said: "I absolutely don't believe that there is a Mexican group out there to buy a story for $8 million dollars."

And then he said: "What do you think I should do?"

I said: "I think you should buy the story and take it off the market."

Q So when the subject of Karen McDougal came up, Donald Trump described her as a nice girl?

A Yes.

Q Based on your conversation with Mr. Trump, did you have an understanding as to whether he was aware of the specifics of Karen McDougal's description of the affair?

A Yes, I did.

Q What made you come to such an understanding?

A I think that Michael Cohen gave him the -- spoke to Donald Trump, which he said he was going to -- which -- excuse me -- which Donald Trump said on the phone that, "I spoke to Michael." And I believe that when Mr. Trump said that to me over the phone that she was a nice girl, I believe that he knew who she was --

Q Why would you recommend to Donald Trump purchasing the story?

A I believed the story was true.

I think that it would have been very embarrassing to himself

and also to his campaign.

Q After your conversation with Donald Trump, did you have another conversation with Michael Cohen?

A Yes. On the conversation with Donald Trump, he said to me, clearly, that he doesn't buy stories because it always gets out.

And he said to me that Michael Cohen would be calling me. He was going to speak to Michael and he would be calling me back.

Q Now, you used a pronoun there?

A I'm sorry.

Q That's okay.

A I'm sorry about that.

Q When you said "he" in that last answer, were you referring to Donald Trump?

A Yes, I was. I'm sorry.

Q It's okay.

So did there come a time when Michael Cohen followed up with you?

A Yes. He called me that day or the next day.

Q Tell us about that conversation?

A He called me -- he called me and he said that we -- he said we should -- he said: "You should go ahead and buy this story."

So I said to him, I said: "I'm going to have Dylan Howard

negotiate the terms."

And then I said: "Who's going to pay for it?"

So he said to me: "Don't worry. I'm your friend. The Boss will take care of it."

Q Who did you understand "The Boss" to be a reference to?

A Donald Trump.

Q When Michael Cohen said: "The Boss will take care of it," what did you understand that to mean?

A That he -- that I would be either reimbursed by the Trump Organization or by Donald Trump.

Q Now, did Mr. Cohen say anything to you on that follow-up call one way or the other that led you to believe that he was aware of your conversation that you had had with Donald Trump when you were with your investor in New Jersey?

A Yes. He told me that he was sitting in Donald Trump's office when he called me.

I don't know if he was on speaker phone or not, but he said that he was there and he heard.

Q Did he tell you one way or the other whether he was able to overhear your conversation with Donald Trump?

A Yes, he did.

Q What did he say about that?

A He said that: "I heard what you said to The Boss. And I want you to go forward and negotiate the" -- excuse me, I'm

sorry -- "I want you to go forward and negotiate the purchase of the story."

Q And did he give you Donald Trump's view on that question of whether to go forward to buy the story?

A He just said to go forward to buy the story.

Q Did the topic of the $30,000 that you had already laid out on the Dino Sajudin story come up during that conversation with Michael Cohen?

A At that conversation, we didn't have what the purchase price was going to be for the Karen McDougal story as of yet.

Q Okay.

A If I can add?

Q Sure.

A From that conversation, I was authorized basically to go forward and have Dylan Howard negotiate the price and negotiate the terms.

Q And did you, in fact, ask Dylan to go forward and negotiate the terms?

A I did.

Q Now, you told us that Michael Cohen told you that The Boss would take care of it, would pay you back.

How did you feel about Michael Cohen's representation that Mr. Trump would reimburse you?

A Over the years that I know -- that I worked with Michael Cohen, I know he didn't have any authorization to spend

or to disburse any funds from the Trump Organization.

Every time that we went even out for lunch, I always paid. He never paid.

So I didn't think that he had any authorization to buy or acquire or spend any monies.

Q Without Mr. Trump's approval?

A Without Mr. Trump's approval. I'm sorry.

Q During the time -- withdrawn.

You told us that you gave Dylan Howard the authority to go ahead and negotiate a deal with Karen McDougal.

Is that right?

A That's correct.

Q Was Dylan Howard giving you periodic updates during those negotiations?

A Yes, he did.

Q And did there come a time when you discussed with Dylan Howard some of the terms of the potential deal?

A Yes.

Q What were some of the terms?

A Dylan Howard gave me the following terms: To purchase the lifetime rights from Karen McDougal was going to cost $150,000.

Plus Karen wanted to restart her career.

She wanted to write for the celebrity magazines.

She wanted to be on the cover of some of the health and

fitness titles.

She had a major problem when her breast implants were removed and she wanted to write some articles about that in Shape and in some of the other magazines.

And she also wanted to launch a clothing line, a fitness clothing line, as well as a beauty product company -- beauty products.

And she wanted to -- let me just -- oh, she wanted to be an anchor for the red carpet events with Radar Magazine.

Q Did you update Michael Cohen on the negotiations?

A Yes, I did.

Q How often did you speak with Michael Cohen during the period when Dylan Howard was negotiating this deal with Karen McDougal?

A We -- we spoke very frequently, probably, at least, probably daily.

Q How would you describe his tone?

A Michael was very agitated. Why is this taking so long? Why didn't we acquire -- why didn't we buy the story yet? Why didn't we finish the agreement?

So he was pretty agitated.

Q Did you discuss with Michael Cohen the manner of who would be paying Karen McDougal?

A Yes. Now that we had the price, that it was $150,000, I said: "Who is going to pay for this?"

So he said: "You should pay."

I said: "Michael" -- I said -- "why would I pay? I just paid $30,000 for the doorman story."

I said: "Now you're asking me to pay $150,000 for the Karen story, plus all of these other additional items that she wants to do."

"I don't have a problem in doing everything else that she requested about writing for the magazines, to be on the cover of the books -- of the fitness titles. That's not an issue. That I don't have a problem with."

"The $150,000, who is going to reimburse me for this?"

So he said, again: "Don't worry about it. I'm your friend. The Boss will take care of it."

Q And, again, not to beat a dead horse, but when you have -- when Michael Cohen told you: "Don't worry, The Boss will take care of it," what did you understand that to mean?

A "The Boss" would have been Donald Trump.

Q And "take care of it" means what?

A That either -- that I would be reimbursed either from the Trump Organization or from Donald Trump.

Q Okay.

MR. STEINGLASS: I am now going to display to everyone what's in evidence as People's Exhibit 173A.

Q You can start with Page 1.

(Displayed.)

****

Q Is this a series of texts between you and Dylan Howard from 2016 regarding Karen McDougal?

A Yes, it is.

Q And I should just clarify.

Are portions of phone numbers and email addresses redacted in this exhibit to protect personal information of the parties to this text chain?

A (No response.)

Q Did you understand my question?

A Can you repeat it? I'm sorry.

Q Yeah, of course.

My question was: Are portions of the phone numbers and email addresses redacted on this exhibit to protect personal information of the parties to this text chain?

A Yes, that's correct.

Q Okay. So I want to zoom in on the last column of the lines marked DOC 47-240 to 241.

Let me first ask you, is this last column basically a summary of the date, the time of the text, who it's from, who it's to, as well as the body of the text itself?

A Yes, it is.

Q If you look at the -- what does the date and time marked say on this top text?

A 2016/07/23, 19:21:45 UTC.

Q Now, do you understand that to mean July 23rd, 2016, at 7:21 p.m. UTC time?

A Yes.

Q Do you know what UTC time is?

A UTC time is four to five hours ahead of Eastern Standard Time, depending on what season it is.

Q Okay. So UTC time is four or five hours ahead of New York time?

A New York.

Q Depending on whether it's Daylight Savings or not?

A Yes.

Q Got it.

In July of 2016, was the East Coast, if you know, observing Eastern Standard Time or Eastern Daylight Time in July?

A I'm not sure.

Q Okay. Let me ask it a different way. Was -- is Daylight Savings Time in effect in the summer?

A In the summer? Yes, that's correct.

Q Okay. So is it your understanding that during Daylight Savings Time, New York time was four hours behind UTC, but then when you fall back in the fall and for the winter, New York time is five hours behind?

A That's correct.

Q Okay. So does this exhibit contain the exact copy of text messages that you and Dylan Howard sent to each other on

July 23rd, 2016?

A Yes, it is.

Q And does the substances of these messages appear on your cell phone exactly as they do on this exhibit?

A Yes, they do.

Q Has the substance of any of these text messages been altered in any way?

A No, they have not.

Q Okay. So let's start with the first text, that is 7:21 p.m. UTC, which I guess is through -- no, just a second. I'm sorry, I don't like to do math on the spot -- 3:21 p.m. New York time?

A New York time.

Q Is that right?

A That's correct.

Q Okay. Can you read us the substance of that text.

Oh, I'm sorry, one more thing.

Who is the text from?

A It's from Dylan Howard.

Q Okay. And who is it to?

A It's to me.

Q Okay. And can you read us the substance of the text, please?

A "Spoke to Michael Cohen about that other issue. Obviously concerned that it is proceeding with filming dates,

etc., and wants me to handle. I'm on it."

Q What did you understand Dylan Howard to be referring to when he said "that other issue?"

A I don't recollect. Can we -- can you clarify that?

Q Well, I can't testify.

A No, no.

Q But why don't we move on and see if the context will help you answer this question.

A Okay.

Q And just while we're here, we have this displayed, what was your response to Dylan Howard on July 23rd?

A I said: "Good move and follow up."

Q And as you sit here, Mr. Pecker, do you recall whether a contract was signed at some point with Karen McDougal?

A Yes. It would have been signed the first week of August of 2016.

Q Okay. So did you have any concerns about the legality of AMI paying to kill a story regarding a political candidate?

A Yes, I did.

Q Why did you have those concerns?

A In 20 -- between 2002 and 2003, I had an issue when I acquired a story for Arnold Schwarzenegger, when he was running for Governor of California.

Q Can you explain a little bit more about that to the jury, please?

A Yes. In 2002, the Weider Magazines, which was Shape, Muscle and Fitness, Flex, Health and Fitness titles, were up for sale.

Joe Weider was the founder.

He developed -- he founded all of those magazines.

He also found -- he also discovered Arnold Schwarzenegger, and those guys.

I should say that Joe Weider and Arnold Schwarzenegger had a relationship for 50 years.

So when the magazines were being sold, and I went to see Joe Weider right before the sale, he said to me: "Before we finalize this transaction, you have to meet with Arnold Schwarzenegger."

So I -- he gave me his phone number.

I called up Schwarzenegger.

I went to see him, and he had the following conversation with me:

He said that, you know, "I have been on the covers of Muscle Fitness and Flex, two of the primary magazines you are buying, 70 to 80 times."

He said: "I want to be an Editor-at-Large for both magazines."

And I would like a -- "I want an agreement."

And he said: "I'm" --

And he said: "You bought the tabloids."

He's referring to primarily the Globe and the National Enquirer.

And he said, and as I mentioned, I think, on Monday, we acquired them in March of 1999.

He said that: "I've had a number of litigation and lawsuits against both magazines because you always run negative stories about me."

And he said: "I plan on running for Governor, and I would like for you not to publish any negative stories on me now."

I should say: "Any negative stories about me now or in the future, and I will continue on being the editor for Muscle Fitness and Flex, as the spokesperson."

So I agreed.

And shortly after, he announced on the Jay Leno Show that he was running for Governor.

And a number -- after he made that announcement, a number of women called up the National Enquirer about, about -- about stories that they had -- that they have, I should say, to sell on different relationships or contacts and sexual harassment that they felt that Arnold Schwarzenegger did.

And the deal that I had -- the agreement, I should say, that I had with Arnold is that I would call him and advise him of any stories that were out there.

And I ended up acquiring -- buying them for a period of time.

And then as he became Governor -- and one of the stories that I acquired, I wasn't going to publish, and the person who took that story -- and since we didn't -- since the company -- since we didn't publish it, she brought it to the Los Angeles Times and the LA Times published the story.

It was very embarrassing.

Most of the press approached Arnold Schwarzenegger when he was Governor about this story.

And his comment was: "I didn't know."

He said: "Ask my friend David Pecker."

So it was very embarrassing to me and the company.

And at that time there was an investigation by the State with respect to Arnold being the editor of -- being an Editor-at-Large for these two titles.

He had to resign.

And it was a difficult situation.

And it gave me the sensitivity about buying any stories in the future.

So that's where -- that's how I became sensitive on this topic.

Q So let me just ask you one more question about the end of what you were just saying.

Did -- as a result of your agreement to purchase stories, negative stories about Arnold Schwarzenegger on behalf of Arnold Schwarzenegger when he was running for Governor of California,

did you come to appreciate the legalities surrounding such an arrangement with a political candidate?

A Yes. That was the first time I ever came across a political violation -- a political contribution, what a violation was.

Q And what, if any --

MR. BOVE: Judge, I object to the word "violation" and move to strike.

THE COURT: Sustained.

Q What did you, in your mind, take away from that experience that you had as a result of the Arnold Schwarzenegger situation?

A Based on what happened 14 years ago, I wanted to be comfortable that the agreement that we were going to prepare for Karen McDougal met all -- all the obligations with respect to a campaign contribution.

Q Now, you told us that there was -- withdrawn.

Did there come a time, and I don't want to get into what you discussed with any attorney --

A Yep.

Q But, did there come a time that someone at AMI consulted with an election law attorney?

A Yes.

Q And did there come a time that you finalized a deal with Karen McDougal?

A Yes.

Q Did you tell Michael Cohen that you had finalized a deal with Karen McDougal?

A Yes. I called Michael Cohen and I told him that we finalized the agreement with Karen McDougal. That the contract was bullet proof. And we consulted with a campaign attorney.

Q And, to your knowledge, what did the campaign attorney review?

A The agreement.

Q And the contract?

A I'm sorry, the contract.

Q And was that all the campaign attorney reviewed, as far as you know?

A As far as I know, yes.

Q And do you recall how much time was billed for that review?

A The dollars were -- I don't remember the exact dollars, but they were small amounts of money.

Q Directing your attention to People's Exhibit 156, which is in evidence.

I'm going to ask you if you recognize this document.

(Displayed.)

****

A Yes.

Q What is it?

A This is the Karen McDougal contract.

MR. STEINGLASS: This is in evidence so we can display it to everyone.

Thank you.

(Displayed.)

****

Q I'm sorry. Go ahead.

A I am sorry. I said that this is Karen McDougal's agreement.

Q Can you -- what was the effective date of the Agreement?

A August 5th, 2016.

MR. STEINGLASS: And I'm going to ask that paragraphs 1 and 2 be blown up.

(Displayed.)

****

Q I'm not going to ask you to read this entire thing, but can you just give us some of the highlights of what the deal involved?

A Yes. It was a two-year agreement.

And McDougal was going to get a monthly column on aging and fitness for Star Magazine; a monthly column on aging and fitness in OK Magazine.

She was going to post on aging and fitness on Radar.

AMI was going to hire ghost writers.

A ghost writer is someone who would write the article for them and then Karen McDougal would approve it, and -- which was an important point.

And that any time Karen's photo was used in any digital site or in the magazine, she had to have approval of her image.

Q Okay. So now I'm going to blow up Paragraph 3.

(Displayed.)

****

Q I will just ask you to read it to yourself.

And I will highlight a little portion of it in the middle.

(Displayed.)

****

A Yes.

Q You don't have to read the whole thing to the jury. It's in evidence.

A Okay.

Q But I just want to ask you -- I'm directing your attention to the highlighted portion.

A I see it.

Q What did you understand this paragraph to mean, and what did you understand specifically the highlighted portion to be referring to?

A This paragraph and the highlights here are specifically -- is referencing that we were acquiring her rights for her story on the relationship that she had with a -- with

any married man.

Q And who did you understand the any then-married man to be referring to?

A That she was referring to Donald Trump.

Q So what does it mean to acquire someone's limited life rights?

Can you explain that to the jury?

A Yes. It means that you buy the rights for this specific story and it cannot be published by any other publishing company.

You cannot discuss it with any other media.

And that it was exclusively owned by American Media.

Q So would you describe this paragraph as the true purpose of this agreement?

A Yes.

Q So why include that other stuff about the articles that she was going to have a ghost writer for and the covers that she was going to appear in front of?

Why include that stuff?

A I wanted to substantiate the $150,000 payment.

Q What do you mean "substantiate?"

A With respect to campaign laws, I wanted to have the contract be a record that stipulates that for the services that she was going to perform for American Media, American Media has a basis for it, for the $150,000.

So when you -- when we talked about in the previous paragraph all of the articles she was going to run, the photos that she was going to do for the magazines, the posts that she was going to write, I was looking at an amount of money that I would have to acquire or pay for freelancers or other writers or reporters or digital people, and that was to validate, to come up with the $150,000.

Q So was it your primary purpose in entering into this deal to buy the life rights?

A Yes, it was.

Q Were the other provisions about the columns placed there to disguise the true nature of this contract?

A Yes, it was.

Q So I want to show you Paragraph 4.

(Displayed.)

****

Q This one is short. Maybe you could just read it.

A Yes.

"In connection with all the rights granted herein to AMI by McDougal, AMI shall pay McDougal the sum of $150,000 payable within two business days following the execution of this agreement."

Q So this was the price?

A Yes.

Q Okay. I want to display Page 2, Paragraph 6.

(Displayed.)

****

Q Can you read this to the jury and tell us what it means, please?

A "All decisions whatsoever, whether of a creative or business nature, regarding any of the rights granted by McDougal to AMI herein, or any rights derived or ancillary thereto, shall be made by AMI in its sole discretion."

Q Can you explain to us what that means?

A That means that AMI would make the decision whether we would publish anything -- any story on Karen McDougal.

Q So by purchasing her life rights, you were not obligated to actually print them?

A No.

Q Did you have any intention of printing them?

A No, we did not.

Q Paragraph 7.

(Displayed.)

****

Q Can you read that paragraph to yourself and tell us what it means.

A All right.

(Pause.)

****

A This paragraph clearly states that American Media has

sole rights for McDougal's story, and she is not allowed under any circumstances to write her own book, post any, any -- to post anything on -- on any digital site and not to give any interviews.

So we wanted, as American Media, we wanted to control anything to do with this -- with respect to the $150,000 that we are paying for a story.

And if she breached it, she would have to pay the money back.

(Whereupon, Official Senior Court Reporter Susan Pearce-Bates relieved Official Senior Court Reporter Lisa Kramsky.)

****

(Continued from the previous page.)

Q So, this paragraph, basically, meant that Karen McDougal was not allowed to take her story anywhere else?

A That is correct.

Q And if she did, she had to return the entire $150,000?

A That's right.

Q Even though she was still doing the columns and magazine covers?

A Yes.

Q Okay. I am going to turn to page three and just ask you -- can we blow up the very bottom?

Did Karen McDougal sign this agreement?

A Yes.

Q And who, if anyone, signed the agreement on behalf of AMI?

A Dylan Howard.

Q Do you recognize his signature?

A The signature, and he also put down Chief Content Officer.

Q And at the time, August 5th, August 6, 2016, Dylan Howard was the Chief Content Officer of AMI?

A Yes. He had authorization to sign this agreement.

Q To your knowledge, who was aware of this agreement in AMI?

MR. BOVE: Objection.

THE COURT: If you know.

A It would be, other than myself, it would be, obviously, Dylan Howard and Cameron Stracher, General Counsel.

Q And who was aware of this agreement on the Trump side, to your knowledge?

MR. BOVE: Objection.

THE COURT: Again, if you know.

MR. STEINGLASS: You can answer.

A Michael Cohen.

Q What about Mr. Trump himself?

MR. BOVE: Objection to leading.

THE COURT: Sustained.

Q Do you -- well, if you know, do you know whether anyone else besides Michael Cohen had knowledge of this contract?

MR. BOVE: Objection. Asked and once answered.

THE COURT: Overruled. You can answer.

A Okay. Can you repeat that question again?

Q Probably not. Can you read it back, maybe, please?

(The testimony as requested was read by the reporter.)

A Yes. I think Donald Trump did.

Q During your time as CEO of AMI, were you familiar with AMI's accounting practices?

A Yes, I was.

Q Including the general ledger?
A Yes.
Q Very briefly, can you tell the jury what it is, a general ledger?
A All of the financial disbursements, the receivables, all of the monies that are transacted because the company is recording the entries in the general ledger or revenues or expenses.
Q As part of the accounting process, did AMI retain copies of invoices sent to AMI for payment?
A Yes, they were.
Q I am showing you People's 158 in evidence, and I am going to ask you if you recognize this.
It's in evidence. So, we can display it to everyone.
A Yes.
Q What is it?
A This is an invoice from Keith Davidson and Associates, which is Karen McDougal's attorney, for the purchase of the lifetime rights for $150,000.
Q So, I am just going to ask to blow it up. Thank you.
And I will ask you, who is the payor or the subsidiary on this invoice.
A It's AMI, American Media.
Q And that means you are the one being billed?
A Yes. The invoice is coming to American Media.

Q And who is the vendor, and what does vendor mean?

A Vendor is the accounts payable for services for the contracts that we purchased, and Keith Davidson is Karen McDougal's attorney.

Q So, in laymen's terms, this is a bill from Keith Davidson to AMI?

A It's a bill from Keith Davidson to AMI for Karen's lifetime rights, and we sent a wire transfer, $150,000, to his escrow account.

Q We will get to that in one minute.

What's the invoice date?

A 8/9/2016, which is two days, I guess, four days from the date they signed, that we had the signed agreement.

Q With the effective date?

A Yes, the effective date.

Q What's the invoice amount?

A $150,000.

Q Okay. I am going to move down this exhibit a little bit and just ask you, what is the account?

A The account is where we -- where it would be coded in the general ledger. This would be coded to the general administration, and it says, outside services. And the outside services, we take it one more, this is the President's Department.

Q So, is it fair to say that this line that we have

blown up has the account information -- the account information, et cetera? That's AMI's internal recordkeeping of how they are kind of recording this expense in their own books?

A That's correct.

Q Why was this amount coded to the President's Department?

A From a budgetary standpoint, the editor's budget is very limited. As I previously mentioned the other day, they -- I should say today, you -- they can spend no more than $10,000 on their own.

This is a very, very large purchase. And from the budgetary standpoint, I budget in the President's account an overall number budget that during the year if there are great photos to buy, something unusual, unique, the President's budget has the expense for it.

Q And, incidentally, is that the same way you accounted for payment to Dino Sajudin?

A Yes, it was.

Q So getting back to this, did Karen McDougal -- did AMI, in fact, pay the $150,000 for Karen McDougal's lifetime rights?

A Yes, we did.

Q I believe you said you accomplished that by a wire transfer?

A Yes.

Q Okay. I am going to show you People's Exhibit 159 in evidence.

Briefly, for the jury, what is this?

A This is the general ledger detail for the -- for this transaction.

Q And when you say, the general ledger detail, you are talking about AMI's general ledger detail?

A Yes. American Media's general ledger detail of this transaction.

Q I will just ask to blow it up a little bit. It's still very small.

Does it contain a department that this is being billed to?

A Yes. It says, President's Department.

Q And does it also contain the vendor's name?

A Yes, it does.

Q And so, you record Keith Davidson into the general ledger books at AMI?

A Yes.

Q It includes the amount of the payment?

A Yes.

Q And the date of the payment?

A That's correct.

Q And what was the date of the payment?

A The date of the payment is --

Q Would you need to look at another document to determine that?

A Oh, I am sorry. Date of payment was -- I was just checking. It was August 9th.

Q Do you know if that's the date of the invoice or the date of the payment or are you not sure?

A That -- I -- that I am not sure.

Q Okay. Let's just take a look at Exhibit 160, also in evidence.

I am going to ask you first, do you recognize this?

A Yes. This is a payment voucher.

Q Briefly, for the jury, what is a payment voucher?

A A payment voucher is when all of the -- the documents for a payment are approved. The invoice, the contracts are prepared. The contract was approved. The invoice from Keith Davidson was approved for over $150,000.

The next step would be to create a payment voucher so you can actually wire a check.

Q Okay. Who is the payee listed here?

A Keith Davidson and Associates.

Q And, again, what is the amount billed?

A $150,000.

Q Date of the bill?

A 8/9, August 9th.

Q The date of the payment?

A The date of the payment would have been August 10.
Q That's 2016?
A 2016.
Q Turning your attention to page two of the same document, do you know what this is?
A Yes.
Q What is it?
A Yes. It's to actually disburse a check. You create a payment voucher, payment request and the payment request here is $450,000 to Keith Davidson and Associates, and it was approved by Chris Polimeni who is the Chief Financial Officer of American Media.
Q Just to clarify for the record, did you say that it was $450,000 or for $150,000?
A It was 150, it was for $150,000.
Q You have to --
A It's $150,000.
Q Thank you. Now, I am not going to walk you through every entry on this page.
Does it contain the statement account code and the same department code as the general ledger?
A Yes, it does.
Q And, finally, does this appear to be a sticker at the top that says, high priority?
A Yes.

Q Do you know who placed that sticker up there?
A I -- normally, it would be Liz Routolo. It's Chris Polimeni's assistant and also the accounts payable clerk.
Q Okay. You can take that down. Thank you.
Did you ever have any intention of printing Karen McDougal's story about her affair with Mr. Trump?
A No, we never did. No, we did not.
Q Was your principle purpose in entering into the agreement with Karen McDougal to suppress her story as to prevent it from influencing the election?
A Yes, it was.
Q As of 2016, were you aware that corporations, including AMI, are subject to Federal campaign finance laws?
A Yes, I was.
Q Were you aware that expenditures by corporations made for the purpose of influencing an election made in coordination with or at the request of a candidate are unlawful?
MR. BOVE: Objection.
THE COURT: Grounds.
MR. BOVE: May I be heard?
THE COURT: Sure.
(Discussion is held at side-bar, on the record.)
MR. BOVE: My objection is, right now there is a ruling in place and that limits the extent to which we can

put on expert testimony to explain these concepts.

So I think these questions, if they are permitted, are opening the door to a lot more explanation. I think we are on the precipice of that right now.

MR. STEINGLASS: Judge, first of all, the law is the law. That's the basis of our motions in limine.

I don't think that we are opening the door to any kind of expert testimony on the law. But, anyway, the more important thing here is that this witness' understanding of whether his own conduct violated the law is highly relevant.

I don't think it opens the door.

THE COURT: I agree. He's not asked to provide the law. He is asked if he has awareness of the law.

MS. NECHELES: I think he was asked, were you aware that there was a law that did the following, and we disagree that the law did the following.

Did you think what you were doing was illegal?

THE COURT: I am going to allow it.

MS. HOFFINGER: We dispute that that's the law, your Honor.

(Discussion at side-bar concluded, and the following occurred in open court.)

THE COURT: Objection is overruled.

Q Do you remember the question?

A I would have to ask you to repeat it again.

Q Were you aware that expenditures by corporations made for the purpose of influencing an election, made in coordination with or at the request of a candidate or a campaign, are unlawful?

A Yes.

Q Did either you or AMI ever report to the Federal Election Commission in 2016 that AMI had made a $150,000 payment to Karen McDougal?

A No, we did not.

Q Why did AMI make this purchase of Karen McDougal's story?

A We purchased the story so it wouldn't be published by any other organization.

Q And why did you not want it to be published by any other organization?

A I didn't want -- we didn't want the story to embarrass Mr. Trump or embarrass or hurt the campaign.

Q When you say, we, who is we?

A Myself and Michael Cohen.

Q But for Mr. Cohen's promise to reimburse AMI -- withdrawn.

But for Mr. Cohen's promise that Mr. Trump would reimburse AMI, would you have entered into this agreement?

A No.

Q Now, did you have any discussions with any one in the Trump camp about Donald Trump reimbursing AMI for the money paid to Karen McDougal?

A I had conversations with Michael Cohen.

Q Did those conversations continue after AMI, actually, laid out the money?

A Yes.

Q How? Tell us about some of those conversations?

A When we signed the -- after we signed the contract, and after I paid -- after the American Media made the disbursement which we just saw on August 10th, I asked Michael Cohen on a number of occasions how the company would be reimbursed.

My -- the issue that the company has is that September 30th is the end of a quarter and I wanted -- we always reflect the proper true-ups of all of the various different accounts. And I wanted to make sure that the funds were back and the accounts were properly stated in the quarterly financial statements.

Q Can you elaborate a little bit on that?

What do you mean, true-up?

A The records. True-up the records.

Normally, most companies just only speak about our own. And when a payment or a disbursement is made, it is usually put into an expense account. And then, after the

payment was made and it is put in the President's account.

And then at the end of a quarter here, I was -- I was -- we were planning that the $150,000 would be recovered, and the actual expense would be reported as editorial expenses or other services depending on this, but here the money was recovered.

The expense would not be recorded at all in the books, other than the articles and the other services that Karen was going to be providing that had billed dollars behind them.

Q So, I don't want to --

A Well, if I could clarify a little bit more?

Q Sure.

A So, what I am saying is, that is where I kept on discussing this with Michael Cohen. I wanted to explain to him why it was so important to get -- to be reimbursed.

And we had a number of conversations at the end of August, September.

And he, basically, said at the end of each conversation, why are you worried? I am your friend. The boss will take care of it.

Q Was there ever any discussion -- withdrawn.

You said you had a lot of conversations with Michael Cohen in August and September. Was there any conversation about candidate Trump actually acquiring Ms. McDougal's lifetime rights from AMI?

A Yes. In September Michael Cohen said that Mr. Trump wants to acquire the lifetime rights of the Karen McDougal story, and I should assign the contract over to him.

When I say, over, to Michael Cohen, and I would be reimbursed -- the company would be reimbursed. And he also added on that Mr. Trump wanted all of the content that the National Enquirer had or developed and retained on Mr. Trump.

I told Michael that, you know, these are old files and boxes that are in Florida. The company has been moved to New York City -- and there is nothing in those boxes but old news articles, magazine articles, old files.

He insisted that he wanted those boxes, and he wanted the content. And Michael Cohen called me constantly in the month of September to -- to review and to send those boxes to his office.

Q Did Michael Cohen say why Mr. Trump wanted those boxes and why he wanted the rights to Karen McDougal's story?

A Yes. He said that The Boss said that if I got hit by a bus, and/or if the company was sold, he did not want for someone else to potentially publish those stories.

Q And, now, in terms of selling the rights to Ms. McDougal's story to Mr. Trump, did you have one or several conversations with Michael Cohen about that?

A We had several conversations.

Q Did there come a time when you communicated to Michael

Cohen a willingness to sell Mr. Trump the rights to Karen McDougal's story, the lifetime rights?

A Yes.

Q Tell us about that?

A I told Michael Cohen that I would sign -- I would sign the rights over to -- I would sign the rights. And he asked me, it's $150,000?

I said, look, I said, you know, Karen is going to be writing for the various magazines and visual sites. She is going to appear on a couple of covers of the magazines. I value that at $25,000. So, I will retain, $25,000 as editorial expenses, and I will bill you for the lifetime rights for $125,000.

Q So, did you value the portion of the contract, the $150,000 you had paid to -- that AMI had paid to Karen McDougal, did you value the lifetime rights at $125,000?

A Yes, I did.

Q And was that the price that you were willing to sell the lifetime rights to Michael Cohen on behalf of Donald Trump for?

A Yes.

Q Did you discuss the timing of the assignment of rights?

A Michael Cohen wanted the contract done, yesterday, and this is going towards the end of September. So, I facilitated

to have the agreement, the assignment of the rights, sent over to him.

I told him, I told Michael Cohen that we would have it done by the end of September, first week of October of 2016.

Q Did you see this as a way to recoup the money, or at least some of the money, that you had laid out on behalf of Mr. Trump to buy the story?

A Yes. I, as I said, it was coming towards the end of the quarter. So I wanted to see if I could get the fund re-funded before September 30th.

Q Was there an invoice prepared for this reimbursement?

A Yes.

MR. STEINGLASS: May we approach?

THE COURT: Sure.

(Discussion is held at side-bar, on the record.)

MR. STEINGLASS: So, this is the one that I can probably go another half hour without getting into this.

So, this is the one document that was referenced earlier that may come up in the next half hour. If I get through this document, I can get through the initial half without taking a break if you want.

Last night, counsel told us that they did not want this line here, agreed upon a flat fee for advisory services to be offered for the truth.

This morning they said they don't want it to come in at all. We don't even think it's true. It is a bogus invoice. But, now, it sounds like this morning they want it redacted, which we think is ridiculous.

MR. BOVE: I guess he thinks I am a worse guy than I am.

When I said we didn't think it should come in for the truth, it is that we think it shouldn't come in at all. My point is asking for the redactions is that this is, if it is not coming in for the truth, an assertion like that which is prejudicial, shouldn't be in front of the jury. A simple way to mitigate the prejudices is to redact it. That's all I meant.

THE COURT: The $125,000 for --

MR. STEINGLASS: He just testified the $125,000 was the payment that was being billed to Michael Cohen to reimburse Mr. Pecker for the money that was laid out for Karen McDougal.

THE COURT: It wasn't for this?

MR. STEINGLASS: It absolutely was not for this. This is a false business record. It's not only meant to discuss the true nature of the reimbursement --

MR. BOVE: If I could. I don't think Mr. Pecker is going to say he prepared this. Maybe he will.

I think he is going to say Dan Rotstein, a

consultant outside of AMI, not employed by AMI, prepared it. It is not his statement.

THE COURT: He didn't have to prepare it.

Does he know this document? Has he seen the document?

MR. STEINGLASS: Yes. Daniel Rotstein worked part-time for AMI and I think the witness laid the business record foundation.

THE COURT: I am going to allow it.

Are you asking for a limiting instruction regarding the document?

MR. BOVE: Judge, we would ask just to make sure that a foundation is laid that Mr. Pecker saw this contemporaneously.

THE COURT: Sure.

MR. BOVE: Thank you.

(Discussion at side-bar concluded, and the following occurred in open court.)

BY MR. STEINGLASS:

Q So you told us, I believe, Mr. Pecker, that there was an invoice prepared for this reimbursement, is that right?

A Yes, that's correct.

Q I would like to show what is in evidence and is being displayed as People's Exhibit 161.

Do you recognize this document?

A Yes, I do.

Q What is it?

A That is an invoice from Investment Advisory Services. This is not an American Media company. This company is owned by a man by the name of Daniel Rotstein.

Daniel Rotstein was the head of human resources and the head of administration for American Media for probably close to 20 years. And he -- he resided with the company and he took a position -- and he took a position as an executive of the -- in the -- he lives in Florida. I think it's in Plantation, and he was working there four-days a week.

Daniel Rotstein was a very valuable employee to me and I wanted to keep the relationship. So, I asked him if he would still continue to work for American Media as a consultant.

He did performing these services and administration services. And what -- what another aspect I asked him to do is, when I had large payments to be made on behalf of American Media or something to be received, I requested that Daniel to handle it through his company.

And the reason was, is that if I had anything -- if there was a large disbursement within the American Media finance department, they, the finance people, would tell the tabloid editors.

For example, if we read that a private plane would fly a celebrity to one place, if we hired certain photographers,

paparazzi photographers, I didn't want that type of communication to go through the company. So, to have them outside was much more beneficial.

Part is that we had some pretty difficult experiences within the company whereby, the payroll register for American Media, the company based in Florida, was hidden upon each post, and the top executives' salary and compensation was listed right on the front page of the paper.

So, I had a number of incidents over the years.

So I asked Daniel, Daniel Rotstein, to handle this for me.

So, I called him, and said, look, I don't want to have a check from the Trump Organization going through American Media. I don't know exactly how it's going to be reimbursed.

So, I would like for you to speak to Michael Cohen directly and work out with him, whereby, you bill him the invoice for $125,000 and reimburse American Media.

So, I called Michael Cohen to tell him about -- that Daniel Rotstein would be handling this reimbursement.

And I asked Daniel Rotstein to call Michael Cohen directly. I made the introduction. Michael told me that he created a company called, Resolution Consultants, that would -- that we should bill and Daniel Rotstein prepared the agreement, the assignment and the invoice.

THE COURT: I am going to instruct the jury, Mr.

Steinglass?

MR. STEINGLASS: Sure.

THE COURT: Jurors, so, this document has been accepted into evidence. I direct you to not consider this document for the truth of its contents. It is being accepted into evidence for the fact that this invoice was created, not for the truth of what it says.

MR. STEINGLASS: Thank you, Judge.

BY MR. STEINGLASS:

Q Let me ask you this, is it fair to say that you asked Daniel Rotstein to be the middle man to disguise the fact that money would be flowing from Michael Cohen to AMI?

MR. BOVE: Objection.

MR. STEINGLASS: Sustained.

Q I am not trying to be offensive.

Can you just give us a shorter answer, a short answer about why you used Daniel Rotstein in the first place to create this invoice?

A I used Daniel Rotstein to create the invoice because I did not want to have a payment received in the AMI finance department from the Trump Organization or Michael Cohen.

Q Why not?

A Because I believed that that payment would raise a lot of questions and issues and be communicated to the rest of the editors which is something I didn't want to happen.

Q Okay. So I am going to blow up the top of this invoice, and I am going to ask you a few questions about it.

First, of all what is the date of this invoice?

A 9/21/16.

Q Who is being billed?

A Resolution Consultants LLC.

Q And I think you alluded to this a few minutes ago, but what was your understanding of the purpose of using Resolution Consultants to reimburse AMI for the Karen McDougal payment?

A When I spoke to Michael Cohen, he said he was creating a company to receive the lifetime rights and that would reimburse -- it would reimburse and pay the $125,000.

Q So you were using Investor Advisory Services and Michael Cohen was using Resolution Consultants?

A That's correct.

Q What is the description of services provided in this invoice?

A It says, agreed upon flat fee for advisory services.

Q Was this invoice actually for advisory services?

A No, it wasn't.

Q What was it really for?

A This was for the lifetime writes of the Karen McDougal story.

Q Why did the invoice from Investor Advisory Services say, agreed upon flat fee for advisory services?

A That was -- that comment was pulled from Michael Cohen. That's what he wanted the invoice to say.

Q Did you discuss with Michael Cohen the matter of where the money to reimburse you, where this $125,000 was going to be coming from?

A I assumed it was coming -- I shouldn't say that.

I assumed he was being reimbursed. He was always being reimbursed.

Q By whom?

A By the Trump Organization or Donald Trump.

Q Okay. I am showing you People's 162 in evidence.

Do you recognize this?

A Yes.

Q What is it?

A This is the -- this is an assignment from American Media to the -- this is an assignment from American Media to Resolution Consultants assigning the rights to the Karen McDougal story.

Q Are you familiar with the terms, assignor and assignee?

A Yes.

Q Can you explain to the jury what those terms mean, and who was the assignor and the assignee?

A Well, the assignor, American Media, owns the rights to the Karen McDougal story. And has the right to decide to

assign it to anyone that they wanted to. And the assignee is the person who is receiving them.

So, all of the rights that American Media had, are being passed on to Resolution Consultants.

Q Who signed on the behalf of the assignor, AMI?

A That's my signature.

Q And you were the CEO?

A And I am CEO.

Q And who signed on behalf of the assignee?

Do you recognize that signature?

A That is Michael Cohen.

Q And what was the date of the assignment of rights?

A The 30th day -- September 30th.

Q And is that the last day of AMI's fiscal quarter?

A Yes.

Q Did you agree upon a price that Resolution Consultants would pay for the rights?

A Yes, $125,000.

Q Now, even though this agreement was signed, was it ever actually executed.

A No, it wasn't.

Q Now, again, I am going to ask you to be very careful here. Without revealing any privileged conversations with your legal counsels or general counsel, did you come to the decision -- did you have a conversation with your general

counsel?

A I did.

Q And based on that conversation, did you come to the decision that you no longer wanted to be reimbursed for the money that AMI had laid out to acquire Ms. McDougal's lifetime rights?

A Yes, that's correct.

Q Did you communicate that decision to Michael Cohen?

A Yes.

Q Do you know about when it was that you communicated that decision?

A It was the first week of October.

Q Of 2016?

A It was the first week of October of 2016.

Q Tell us about that conversation.

A Yes. I called Michael Cohen, and I said to him that the agreement, the assignment deal is off. I am not going forward. It is a bad idea, and I want you to rip up the agreement.

He was very, very, angry. Very upset. Screaming, basically, at me.

And I said, I am not going forward with this agreement. Rip it up.

And he said, excuse me, Michael Cohen said, The Boss is going to be very angry at you.

I said, I am sorry. I am not going forward. The deal is off.

And he said, I can't believe it. I am a lawyer. I am your friend. I don't understand why you are so concerned.

I said, I am very concerned, and I am not going forward, period.

And I said, are you going to rip it up or not?

And he said, I will take care of it.

Q To be clear, Mr. Pecker, did AMI ever get reimbursed for the money --

A No.

Q -- let me finish the question.

Did AMI ever get reimbursed for the money it spent to acquire the exclusive rights to Ms. McDougal's story about her affair with Mr. Trump?

A No. No, we never did.

MR. STEINGLASS: I am not sure how we are doing, but is this a good time for our morning break?

THE COURT: Okay, Jurors. Let's take our morning recess. We will take about 20 minutes or so.

(Recess is taken.)

COURT OFFICER: All rise.

(Whereupon, the jury exited the courtroom.)

THE COURT: Please be seated.

(Witness is excused.)

THE COURT: So, there are a couple of things we would like to go over. Let's just take a short break. Let's come back in five or ten minutes, and then we can get started.

MR. STEINGLASS: Okay, thank you.

(Short recess is taken.)

THE CLERK: Continuing case on trial, People versus Donald J. Trump. All parties are present.

THE COURT: All right, counsel. Let's go over what the disputed issues are.

MR. STEINGLASS: Judge, would it be convenient for you if I handed you a binder that has all the exhibits?

THE COURT: Yes.

MR. STEINGLASS: Mr. Bove, you are good? You have one?

MR. BOVE: Yes, I have one.

THE COURT: Thank you.

MR. STEINGLASS: Also, Judge, before we get started, I know you suggested in an email that no further letters were necessary. We were about to hit send on our response letter to counsel's letter.

I don't want the state of the record being that there is a written submission from the defense and not from us.

I wonder if you would let me pass this up?

I don't care if it is publicly filed or not.

THE COURT: You can hand it up.

MR. STEINGLASS: While I am doing that, I will hand you a copy of the law cited therein that I am going to refer to during this argument.

THE COURT: Thank you.

MR. BOVE: Thank you, Judge.

The first disputed exhibit is the second one referenced in your email from yesterday, and you also referenced this morning, People's 169.

And this is a December 9, 2016, email from Cameron Stracher, the General Counsel of AMI, purportedly to Mr. Sajudin.

And the defense's position on this one is that while there is a business records foundation for the header, these are factual assertions in the body of the email where -- I don't think -- there is no foundation for an argument that the general counsel of AMI is a co-conspirator, and it can't come in on that basis, and it should be excluded.

MR. STEINGLASS: First of all, I agree with the last point. I am not seeking to admit this as a co-conspirator's statement. We don't think that Mr. Stracher is a co-conspirator.

Just give me one second, please.

This is, in our view, a core business record, insofar, as it is, essentially, the general counsel of AMI releasing a source from an NDA.

Acquiring sources, signing NDAs, releasing sources from NDAs, these are core business practices of AMI. And so, we don't think that this is embedded in hearsay.

We think that this is a business record in its own right much like the Court said yesterday with Exhibit 164 which Your Honor described as, this is exactly what a business record is.

So that's our view as to this.

THE COURT: Can you establish that this was not a one up?

This was a regular practice that these types of documents memorializing this type of transactions were routinely generated?

MR. STEINGLASS: I can ask him that.

THE COURT: If you can ask him that, then I will be satisfied that it is a business record and it will come in as a business record.

MR. STEINGLASS: I understand that.

And can I give you an alternate argument so we don't have to do it again if he doesn't say that, which is that this is not really being offered for its truth in any

event. There is no statement in here that we are trying to prove the truth of. It is admissible to show the fact that AMI released Sajudin from the NDA and the date they released him.

There is nothing coming in for its truth in a traditional sense anyway.

MR. BOVE: The factual assertion that AMI is releasing Sajudin pursuant to this email, is the one that we are challenging on the hearsay grounds.

I appreciate the point that your Honor just made Judge, which is that it is possible that the witness, Mr. Pecker, or another could lay a business records foundation for the embedded hearsay issue.

Also, the testimony on Tuesday was directed to the header information on these emails and that's why I think the record is clear. We are not disputing that first level of business records foundation, but to the extent that additionally embedded hearsay is going to be offered pursuant to that business records exemption on the second level, Mr. Pecker would have to address, or the custodian, would address the content of the communication that is involved.

THE COURT: Turning to the second argument, I don't necessarily agree that this is not being offered for the truth of the matter asserted. It's always such a

difficult objection to rule on, but I will err on the side of caution and find that I am rejecting that argument.

Turning back to the first argument from Mr. Bove, Mr. Pecker was not the person that drafted this. He is not one of the parties to it. He really can't testify as to what it says.

I am going to agrees with Mr. Bove that this can't come in through Mr. Pecker. You might be able to get it in through someone else, not Mr. Pecker.

MR. STEINGLASS: Does that mean I should not ask the question that you suggested I ask earlier?

THE COURT: Yes.

MR. BOVE: The next issue, Judge, is with People's 163.

THE COURT: Okay.

MR. BOVE: And so, this is an email dated November 14, 2015. The top of the thread is a message from Mr. Dylan Howard, a non-testifying, hearsay declarant at this trial. We have a couple of issues with this message. We touched on these with the letter we submitted.

The bottom message here recounting a series of factual assertions related to Mr. Sajudin should not come in for its truth. It is unduly prejudicial and to be sort of put in front of a jury with a limiting instruction, when there is a very reasonable alternative to making a

potential prejudice is to just simply redact this piece.

And I think that's particularly appropriate given your Honor's in limine ruling limiting the extent to which facts concerning the Sajudin and McDougal incidents or whatever we call them from coming in.

So that's the argument, Judge, for the bottom email.

From our perspective, there are the same issues as you continue up the thread. And I think here, just as -- I don't -- just as it's conceded by everybody that Mr. Stracher was not a member of any conspiracy, I don't think there is a foundation now or any argument that Barry Levine of AMI was a member of a conspiracy.

So that is an additional impediment to these coming in on any basis.

MR. STEINGLASS: So, several things.

First of all, we are not, we made this clear both in the letter response and in correspondence to counsel, we are not seeking to admit the bottom portion of the email for its truth. We don't think it is true and we elicited testimony to that point, very clear testimony, from Mr. Pecker that he did not believe Mr. Sajudin story to be true.

However, it is necessary context to understand the rest of the email string which is very much about both

a business record and co-conspirator statements.

So, let me explain why as to both. This is much more akin to Exhibit 164 then it is to Exhibit 169 insofar as it was AMI's business to purchase stories and according to Pecker they used emails to conduct that business and Howard did so as part of his regular course of his job responsibilities. And is, therefore, under a business duty to do so truthfully.

This is really just a class in business records.

Separately, we believe it's admissible as a co-conspirator statement and has res gestae of the state's election law conspiracy. And let me say first in that regard, and I am going to come back to this with certain other exhibits or portions of exhibits, we have more than established the prima fascia case of conspiracy to promote or prevent election law violations by unlawful means.

And that is all we have to do to admit evidence under the co-conspirator hearsay exception to establish a prima facia case, and we have done far more than that.

Further, we have elicited sufficient testimony to conclude prima facia that Dylan Howard is a member of the conspiracy, and insofar as -- should I stop?

THE COURT: Yes. I agree with you.

I think that established that Dylan Howard would be part, or was part of this conspiracy. Therefore, he

would be a co-conspirator and that statement is attributed to him.

Going down to the bottom portion, what Mr. Bove is asking is if you can redact it.

How difficult would it be to redact some portions of it?

MR. STEINGLASS: It is not a question of difficulty of redacting it. It is a question of the fact that the rest of the email chain doesn't make any sense and it is not clear that they are talking about the Dino Sajudin story.

So, I think that -- I think that -- it really is admissible to contextualize the remainder of the email chain and the prejudice argument is not an argument to make when nobody is claiming that there is any truth to these allegations, and I believe the witness testified that it was 1,000 percent untrue.

THE COURT: I agree. What would you like me to do, a limiting instruction on this?

It's been testified about.

MR. BOVE: It has, Judge. There are details in here about the underlying -- not just what came from Mr. Sajudin, but the following investigation, the woman who was allegedly involved in this, her name, there is a lot of information in here.

And I just -- we came into this trial under the understanding from Your Honor's limited ruling that the details regarding Sajudin and McDougal would be limited, and this to goes -- is the opposite of that. And I will just leave it at that.

THE COURT: I think there are a lot of details that can be redacted. But honestly, I don't see, necessarily, what the prejudice is to defense.

But, why don't you go ahead and redact the several details. The point can still be established. As far as the 9:35 a.m. portion of it, I already ruled on that, and also the 2:15 p.m. portion as well.

MR. STEINGLASS: Thank you.

We will send the proposed redactions to counsel.

THE COURT: Thank you.

MR. BOVE: Thank you, Judge.

The negotiation dispute, Exhibit 172A, this is a thread of text messages between Mr. Howard and --

MR. STEINGLASS: Who?

I am sorry. I apologize. I didn't mean to --

THE COURT: Go ahead.

MR. BOVE: So, these messages, Judge, they can't possibly be in furtherance of a conspiracy between Mr. Howard and the relative, particularly in light of their relationship that we are talking about. And they are not

business records.

I actually, this is more an issue I think for cross at this point, but Mr. Pecker testified that AMI collected business communications from business phones. These are personal communications perhaps on an AMI phone.

So there is -- I don't think there is a plausible argument that the text of the communications are business records. So they should not come in.

THE COURT: Mr. Steinglass, these are texts between Dylan Howard and another person.

Does that other person work at AMI or have anything to do with AMI?

MR. STEINGLASS: So, no, Judge. I think I can provide some color here without mentioning exactly who it is. It is a first degree relative of Mr. Howard.

And to be clear, we are not trying to admit these as business records. They have already been authenticated so far as they came from an AMI device. And they do, undoubtedly, contain a bit of hearsay. I agree with Mr. Bove on that.

I think that it is useful to -- I think that they are independently admissible. And I think it's useful to break the texts into two groups. One are the texts from June and July of 2016, and the other are the texts from November, 2016, really from election night.

So, let me start with the texts from June and July.

THE COURT: If I can just interrupt you for a second. Is it your argument that because these were obtained from an AMI device, that's what makes it a business record?

MR. STEINGLASS: I am saying that they are not business records. I am saying that they are authentic because they came from an AMI device and the foundation for authenticity was laid, but I am not seeking to admit them as business records.

THE COURT: Neither one of these parties are going to be testifying here, right?

MR. STEINGLASS: That's true. But I -- I still think I have an argument.

THE COURT: If you can just approach and let me know what the relationship is that we are talking about.

(Whereupon, the proceedings continued without a side-bar discussion taking place.)

(Whereupon, Principal Court Reporter, Susan Pearce-Bates, was relieved by Senior Court Reporter, Theresa Magniccari.)

MR. STEINGLASS: Okay.

So let me start.

You have the exhibit, Judge?

THE COURT: I do.

MR. STEINGLASS: On Page 2, there is a text on June 18, 2016 -- by the way, there may be some texts in here that we can redact, but these specific ones we believe are admissible.

Candidate -- this is a text from Mr. Howard to his relative.

"Candidate denies he had an affair. Nevertheless, I'm going to California on Sunday and Monday to interrogate the claim to understand the veracity of her claims. I suspect it's true."

Response: "Why would you go to California if you're not going to print it?

Answer from Mr. Howard: "No, she's American. I'm going for other reasons."

Response: "For the Awards?"

Answer from Mr. Howard: "No, for the campaign."

Answer from the relative: "Oh, sorry, I see now."

Response from Mr. Howard: "Mind you, in the event that he's elected, it doesn't hurt, the favors I have done, provided it's kept secret. And I'm assured this mission is

known only to me and D.P.," which is David Pecker.

And the response: "Information is powerful."

Then flipping to Page 4, this is also on the same day in June. Mr. Howard tells his relative: "Nothing is on email," et cetera. "Burner phones."

And another text: "I thought about it. Information is powerful, and I'm collecting a lot."

So this first group of texts, we believe, are admissible as to Howard's state of mind, including declarations of future intent. He is a co-conspirator. As we've already discussed, his state of mind is relative. Declarations of future intent are exceptions to the hearsay rule, and we provided some law, both in our memo and in the cases that I've handed up.

Primarily, People versus James. That's 93 N.Y. 2nd 620, at Page 628 to 631, which is Court of Appeals from 1999, which discusses Hillman, which is a U. S. Supreme Court case at 145 U.S. 285.

So those texts we believe are admissible on those grounds, a state of mind and declaration of future intent.

I think that the text -- there is another category of texts, and we're happy to redact the intervening texts that don't fall into one of these categories.

The next -- I skipped one from July 26, 2026, on

Page 6 of the exhibit. There is a text, "I need to meet with Keith tomorrow for Michael Cohen, and we'll return thereafter."

That falls into that first category.

Okay. So, I am sorry.

Moving to the second category, which are the election night texts. There is a text from Dylan Howard to his relative that says, "He's in with a massive chance."

And then on the next page, Page 7, another text to his relative: "At least, if he wins, I'll be pardoned for electoral fraud."

There is a response from his relative that says: "Trump victory imminent."

And on the next page, Page 8, there is a response from Mr. Howard: "I get pardoned, so it's fine, nowhere."

Another text from Mr. Howard to his relative: "He's just been named President Elect."

Response: "Oh, dear."

Another response --

THE COURT: I think I can stop you at this point.

Anything else you want to say?

MR. BOVE: Respectfully, this is the first time, and I am not faulting anybody -- this is a developing

conversation. They're responding to arguments we're making.

This is the first time that the Government has invoked these exceptions with us.

I think these are, in truth, these are very, very substantive factual assertions that are being offered for their truth and are inadmissible hearsay.

To the extent that your Honor is entertaining these arguments, we would like an opportunity to consult.

THE COURT: All right. So I think I kept the jury waiting long enough for now. I will rule on this at another time.

MR. STEINGLASS: I will cite the law. I only read the texts, not the law.

Also, the James case, which I handed up, and the Settles case.

Another case is People versus Settles, which is a seminal case.

We believe the later statements are declarations against penal interest. For that proposition, we cite James, and Settles is a Court of Appeals case. The site is 46 NY 2d 154, at 167.

THE COURT: So during the lunch recess, I will go back and read those decisions and see if it changes my mind.

But for the time being, I am excluding these texts.

The fact that they're there, you're not offering them for business records -- the fact that they came off an AMI device to me is of no consequence. The fact that Dylan Howard is one of the individuals texting and we established that he is one of the co-conspirators within this context is also of no consequence to me.

Ultimately, what we have here is a private conversation between the co-conspirator and a family member that has nothing to do with the business that is being offered for its truth. And I don't see how the defense gets to cross examine anyone on this.

There is a real confrontation clause issue with this. I think that it would be error at this point to allow it.

I will go back and read the decisions, see what I am missing, but I think there is a confrontation clause issue.

Anything else?

MR. BOVE: There's one more exhibit, we don't necessarily need to take it up now.

THE COURT: We will get to it in the morning.

MR. BOVE: Okay.

THE COURT: So let's bring the witness back.

By the way, are we going to be done with Mr. Pecker today with direct and cross?

MR. STEINGLASS: Give me one second, please.

I think I probably have a good two to three hours left.

THE COURT: I am not going to rush you. You can have as much time as you want.

MR. BOVE: I appreciate it, Judge. There is a lot more to come. Obviously, we're not going to finish today.

(Witness entering courtroom.)

***

THE COURT: Mr. Pecker, you remain under oath.

Let's get the jury, please.

THE WITNESS: Thank you Judge.

***

(Jury entering courtroom.)

***

COURT OFFICER: All rise.

THE COURT: Thank you.

Please be seated.

THE CLERK: Continuing case on trial. People versus Donald J. Trump. All parties are present.

THE COURT: Jurors, thank you for your patience.

Mr. Steinglass.

MR. STEINGLASS: Thank you.

DIRECT EXAMINATION

BY MR. STEINGLASS: (Cont'd)

Q. Hello again, Mr. Pecker.

A. Hi.

Q. Before we move on, I want to ask you one more question.

MR. STEINGLASS: I am going to ask to put up just for the witness and the attorneys and the Judge Exhibit 169.

(Displayed.)

Q. You testified, I believe it was yesterday, that at some point after the election you released Dino Sajudin from the non-disclosure agreement that AMI had previously entered into with him?

A. That's right.

Q. Do you remember what the date was that you released Dino Sajudin?

A. It was December 2016.

Q. Do you remember the actual date?

A. It was the first week.

Q. Take a look at the exhibit in front of you see if it refreshes your recollection as to the date that Mr. Sajudin was released.

A. December 9th is the date of the email.

Q. 2016?

A. December 9, 2016.

Q. Thank you.

I want to now direct your attention to October of 2016. Did you come to learn about a video and audio recording of then candidate Donald Trump that was released by Access Hollywood?

A. Yes.

Q. Can you tell the jury what was the gist of that recording?

A. The gist of that recording was a conversation between Donald Trump and Billy Bush, who was an anchor for Access Hollywood, going on a bus to a set, and the comments from Mr. Trump was, "You can grab a woman by the genitals," and it was under sexual comments that were made.

Q. Was that tape released publically?

A. Yes.

Q. Do you recall what happened when that tape was released publically?

A. Yes, I do; it was very embarrassing, very damaging to the campaign.

Q. Do you remember the date on which that tape was released?

A. I remember it was the first week of October of 2016.

Q. Okay.

So you don't remember the actual date. It's okay if

you don't.

A. I remember the 6th or 7th.

Q. Of October?

A. Of October.

Q. Okay.

Did you recognize the voice doing most of the speaking on the Access Hollywood tape?

A. Yes.

Q. Whose voice did you recognize it to be?

A. Donald Trump.

Q. Shortly after the Access Hollywood tape was released, did you speak with Michael Cohen about Mr. Trump?

A. Yes, I did.

Q. And can you tell the jury what was discussed during that conversation?

A. On that conversation Michael Cohen told me that the tape, the feedback on the Access Hollywood tape, it was very, very damaging to the campaign, and everyone was very concerned. The campaign was very concerned about what impact it would have.

Q. Did Michael Cohen ask you to do anything to help do damage control?

A. Specifically, I don't remember.

Q. Are you familiar with an online publication called "Radar Online?"

A. Yes, that's our publication.

Q. And did you have any conversation with Michael Cohen about a Radar Online article?

A. Yes. The Radar Online is a digital website. It was launched in late 2000, and American Media acquired it during that period of time.

And unbeknownst to me, Michael Cohen said that on that digital site there is a posting of Donald Trump being a Playboy Man and I should immediately take it down. That Mr. Trump was very upset.

I said to Michael, I was unaware of this posting.

Q. I'm going to show you what's in evidence as People's 167. I will show everyone actually.

And I am going to ask you, if you recognize this email?

A. Yes, I do.

Q. What is it?

A. This is the email that after I spoke to Michael Cohen, I called up Dylan Howard and I asked him about this Playboy Man article on Donald Trump, and he discovered that this was posted prior to our position. I was also unaware of it. He would take it down immediately.

So I said to him, do that, notify Michael, remove the article and notify Michael Cohen.

The email that he sent here is explaining it to Michael about the story.

(Displayed.)

Q. Okay.

So this middle portion of the email that we have blown up, who sent this email?

A. Dylan Howard.

Q. And who was it sent to?

A. To Michael Cohen.

Q. And is anyone cc'd?

A. I was cc'd on it.

Q. Can you read the body of the email, please.

A. It says: "The only story that was posted in October of 2008, before AIM owned it, the old Radar magazine. The tape was not part of the story that existed online. I suggested it was lost during many of the site changes during the years. Nevertheless, I've deleted the story completely. It no longer exists."

Q. What did you understand Dylan Howard to mean when he said, "I've deleted the story completely, it no longer exists?"

A. He was following my instructions to remove the posting from the Radar digital site.

Q. And let me just show you the bottom portion of this email for a moment.

Is this, where it says, "Donald Trump Playboy Man," is that the posting that was -- that you understood Dylan Howard to be in the process of removing?

A. Yes.
Q. What is the date on that Playboy Man article?
Sorry, go back to the bottom portion for a moment.
A. Yes.
Q. What is the date of the original article that was being removed?
A. October 27, 2008.
Q. Thank you.
MR. STEINGLASS: And now I would like to blow up the top portion of this email.
(Displayed.)
Q. Was this email also sent to anyone else?
A. Yes.
Q. I should say, this email chain?
A. Yes.
Q. To whom was it sent?
A. It was sent to Hope Hicks.
Q. When was that?
A. October 8, 2016, at 8 p.m.
Q. Thank you.
By the way, Mr. Pecker, in all the years you have known Mr. Trump, have you ever known him to use email himself?
A. No.
Q. Have you ever communicated with him by email?
A. Never.

Q. How did you communicate with him?
A. By phone. Mostly by office phone.
Q. Who did you go through when you communicated by office phone?
A. I would go through his administrative assistant Rhona Graff.
Q. Okay.
Mr. Pecker, do you know of someone named Stephanie Clifford?
A. Yes.
Q. Do you know her by any other name?
A. Stormy Daniels.
Q. Who is Stormy Daniels?
A. Stormy Daniels is or was a porn star.
Q. Have you ever met her in person?
A. No. No, I never did.
Q. Let me ask you in a different way.
A. Sure.
Q. Did you communicate directly with Ms. Daniels ever?
A. I never did.
Q. How did you come to learn of her in connection with this case?
A. I was having dinner with my wife and I received an urgent call from Dylan Howard. So I walked out. So I walked out of the restaurant and took the call, and Dylan said that he

received a call from his two best sources, Keith Davidson, who we know is the attorney for Karen McDougal, and this other source, Gina Rodriguez, who is an agent for those type of celebrities.

He said that she, being Stormy Daniels, is trying to sell a story that she had a sexual relationship with Donald Trump, and Dylan can acquire the story for $120,000 from Keith Davidson if we make the decision right now.

Q. Do you remember what night it was? You said were you having dinner?

A. Yes.

Q. Do you remember what night it was?

A. I thought it was a Saturday night. I know it was the first week of October.

Q. You think it was a Saturday night before or after the Access Hollywood tape came out?

A. This would have been after the Access Hollywood came out.

Q. If I pull up calendar on my phone from October of 2016, would that refresh your recollection as to what date it was?

A. Yes.

Q. Does that refresh your recollection as to the date of the Saturday night that you had your dinner interrupted by Dylan Howard?

A. That would have been Saturday, October 8th.

Q. Thank you.

I will take it back.

MR. BOVE: I object. Technically that answer is nonresponsive. The question is; does that refresh your recollection?

THE COURT: I will allow it.

Q. Now, after your initial conversation with Dylan Howard, did you have a series of texts back and forth with him?

A. Yes, I did.

(Displayed.)

Q. I am showing you what is in evidence as People's 174A, and as we're pulling it up, we can show it to everyone, please.

I am going to ask if this is a record of texts between you and Dylan Howard from October and November of 2016?

A. That's correct.

MR. STEINGLASS: And I am going to ask that we blow up the last column or the lines marked 47.260 through 265.

(Displayed.)

Q. Are you able to read that, Mr. Pecker?

A. Yes, I can.

Q. My first question is: What is the date and timestamp on the first text?

A. It's 2016, October 9. The time is UTC time. So it would be -- I remember it was about 10 o'clock at night. I am not sure how you calculate that.

Q. Let's see if we can work together.

0025, is that 12:25 a.m. in UTC time?

A. Yes.

Q. Now, I think you testified earlier that during daylight savings UTC time is four hours ahead of New York time?

A. Yes.

Q. If it's 12:25 a.m. UTC, does that correspond to 8:25 New York time?

A. Yes.

Q. Where was it that you were having dinner with your wife? I don't want the restaurant, just the city.

A. In Greenwich, Connecticut.

Q. Also New York time?

A. Yes.

Q. Who is this text from?

A. Dylan Howard.

Q. And who is the text to?

A. It was to me. "Woman wants $120,000, has offers from The Mail and GMA. Want her to talk and do lie detector live. I know the denials were made in the past, but this story is true. I can lock it on publication now to shut down the media chatter and we can access next steps thereafter. Okay?"

Q. What did understand that text to mean in general?
A. That American Media should buy the story for $120,000.
Q. Who did you understand the woman to be referring to?
A. Based on the conversation I had over the phone with Dylan Howard, I knew it was Stormy Daniels.
Q. And how did you respond to him in the next text?
A. I guess I should clarify, I said -- I said, we can't pay $120,000.
Q. Is that second entry a response from you to Dylan Howard? I should have clarified that first.
A. Yes, when I spoke to him over the phone -- I would like to add more to this.
Q. Please.
A. When he called me, he mentioned about the story other than not paying $120,000. I said, I don't want the National Enquirer to be associated with a porn star. I said that our largest distributor, our largest retailer, Walmart, this would be very bad for the magazine, very damaging for American Media. I don't want any affiliation with it at all. To call Michael Cohen.
Q. Well -- withdrawn.

So you told Dylan Howard that we can't pay $120,000; is that right?
A. That's correct.
Q. Why did you say that?

A. I said, we already paid $30,000 to the doorman, we paid $150,000 to Karen McDougal, and I am not a bank. I am not paying out any further disbursements among us.

Q. How, if, at all, did Dylan Howard respond?

A. He said: "Okay, they need to handle it. Perhaps I should call Michael and advise him and he could take it from there and handle it."

Q. Who did you understand "they" to be referring to?

A. Michael Cohen and Donald Trump.

Q. And how did you respond to that?

A. I responded, I said, "Yes, a good idea."

Q. Why did you think it was a good idea to kick this over to Michael Cohen?

A. I thought the story, the way Dylan described it, could be very damaging. I thought it should come off the market. If anyone was going to buy it, I thought Michael Cohen and Donald Trump should buy it.

Q. To be clear here, Mr. Pecker, Mr. Howard came to you, Dylan Howard came to you after having been contacted by his sources, Keith Davidson and Gina Rodriguez?

A. That's right.

MR. BOVE: Objection.

THE COURT: Sustained.

Q. How did you first learn of Stormy Daniels in this context?

A. From Dylan Howard.

Q. And what did he tell you about where this information was coming from?

A. He said to me that it came from his two top sources, Keith Davidson and Gina Rodriguez.

Q. And that they had reached out to him, to Dylan Howard?

MR. BOVE: Objection.

Q. Did they reach out?

Was it your understanding from speaking to Dylan Howard that they had reached out to Dylan Howard?

A. Yes.

Q. Okay.

What was the next text in the exchange?

First of all, who sent it to whom?

A. Dylan sent -- Dylan Howard sent the text to me and he said the following: "I spoke to M.C." I spoke to Michael Cohen. "All sorted. Now removed. No fingerprints. Will recap with you face-to-face."

Q. So did you understand M.C. to be Michael Cohen, I think you told us?

A. Yes, that's correct.

Q. What did you understand Dylan Howard to be communicating to you when he said "all sorted, no fingerprints?"

A. That American Media would have no association with

the story. There would be no conversations, no paperwork. He would not be involved in enabling the story to be purchased other than handing it to Michael Cohen.

And the no fingerprints, there was no paper trail.

Q. And how did you respond to that?

A. I said to him, "Great work."

Q. I am sorry to ask you this, what does "thx" mean?

A. I am -- thanks.

Q. Around this time, in October of 2016, did you also have any conversations with Michael Cohen about Stormy Daniels?

A. Yes, also a number of conversations.

Q. Can you tell the jury about some of those conversations?

A. Michael Cohen asked me to pay for the story, to purchase it.

I said, I am not purchasing this story. I am not going to be involved with a porn star, and I am not -- which I immediately said, a bank. After paying out the doorman and paying out Karen McDougal, we're not paying any more monies.

Q. How did Michael Cohen take that?

A. He was upset. He said that The Boss would be furious at me and that I should go forward in purchasing it.

I said, I am not going forward and purchasing it. I am not doing it. Period.

Q. Do you know whether Michael Cohen was also speaking

with Dylan Howard around this time?

A. I found out after that he was speaking to Dylan Howard, which I was not pleased about.

Q. Why?

A. Because it was my understanding, what I instructed Dylan Howard to do, is to stay out of it, out of the story, out of the selling process.

Q. How did you come to learn that Dylan Howard did not, in fact, follow those orders?

A. Dylan came to my office towards the end of October and said that there was an agreement between Keith Davidson and Michael Cohen. It was for $120,000.

And Michael Cohen was supposed to wire the funds to Keith Davidson twice and he never did.

Dylan was upset. He was very agitated and said that Michael Cohen is going to make him look very bad with his two top sources. And he said, you understand, when you renege with a source, what the impact would be.

So he asked me if I would get Michael Cohen on the phone.

I set up a Signal call to Michael Cohen. So it was Michael Cohen, myself and Dylan Howard.

Dylan Howard was very aggressive with Michael Cohen on the phone for not paying. Michael Cohen said that I should pay. He said, "David, you should pay."

I said, "I am not paying for this story. I didn't want to be involved in this in the beginning."

I said, "I am not doing it."

I said, "Michael, my suggestion to you, you should buy the story, you should take it off the market, because if you don't, and it gets out, I believe The Boss will be very angry with you."

Q. Do you remember when that phone call took place?

A. I think it was like October 20, towards the end of October.

Q. Can we show the witness privately 302A, Page 23.

(Displayed.)

A. In front of me.

Q. Is this a record of an interview between yourself and the FBI?

A. Yes, it is.

Q. Does it refresh your recollection as to the date that your three-way call with Michael Cohen and Dylan Howard took place?

A. No, I don't think it does.

Q. Does it --

A. There is no date.

Q. 302B, Page 5.

You said you used the Signal app to make this call?

A. That's correct.

Q. Why did you use the Signal app?

A. Michael Cohen requested that every time we have a conversation, that I should use the Signal app.

And the way he explained it to me, the call is deleted after a period of time, and it's encrypted, there are no messages.

Q. So I am showing you another document.

Do you recognize this document to be another record of an interview with you with the FBI?

A. Yes.

Q. Do you know, roughly, what month and year that interview was conducted?

A. When the interview was conducted?

Q. When the interview was conducted.

A. August 2018.

Q. Does that refresh your recollection as to when the three-way conversation took place between yourself, Michael Cohen and Dylan Howard?

A. Yes, it's around the 30th of October, 2016.

Q. Okay. And I will ask you to keep reading.

Take a look at the second paragraph in particular and see whether it does or does not -- does that refresh your recollection with a little bit more precision on that date?

A. Yes, I remember. I said October 20, I remember it was the end of October. Yes, that's correct, October 25.

Q. Does that refresh your recollection that the call took place on October 25?

A. Yes.

Q. I want to fast forward.

Did there come a time, around the same time, when you got a call from Keith Schiller regarding a belief that Karen McDougal was going on ABC News?

A. Yes.

Q. Remind us who Keith Schiller is?

A. Keith Schiller is Donald Trump's bodyguard.

Q. And what did Keith Schiller tell you?

MR. BOVE: Objection.

THE COURT: Overruled.

Q. Go ahead.

A. Keith said that The Boss heard that Karen was speaking to ABC News.

Q. How, if, in any way, did you respond?

A. And I said, let me get back to you. I have not heard that at all. Let me get back and check it out.

And I called up Dylan Howard, and I asked Dylan.

And Dylan called up Keith Davidson and Keith Davidson told Dylan that is not true.

And I called back Keith and told him that it is not true.

Q. What is not true?

A. Dylan called me to tell me that he verified that Karen McDougal is not speaking to ABC.

I called back Keith Schiller and I asked him to relay that to The Boss, what he heard is not true.

Q. And what, if anything, did Keith Schiller say in response?

A. He responded back and said The Boss was very pleased.

Q. All right.

So directing your attention to November --

MR. BOVE: Objection.

Move to strike the last answer.

THE COURT: Sustained.

What is the last question?

Q. Directing your attention to November 4, 2016, did you become aware that the Wall Street Journal published an article that day revealing aspects of the Karen McDougal's story?

A. Yes.

Q. How did you become aware of that?

A. Our communications director from American Media received a number of calls from the Wall Street Journal and had a series of questions about Karen McDougal's agreement; that American Media purchased her story on her relationship with Donald Trump, and also they questioned my relationship with Donald Trump.

(Displayed.)

Q. I am going to show just the witness and the parties, please, Court Exhibit 180.

I will ask you to take a look at this exhibit. Do you recognize it?

A. Yes, I do.

Q. What is it?

A. This is the Wall Street Journal article that was published on November 4.

Q. The one you just mentioned that referred to the Karen McDougal story?

A. Referring to the Karen McDougal story.

MR. STEINGLASS: I offer it into evidence.

MR. BOVE: No objection, subject to the limiting instruction.

THE COURT: Again, jurors, it's not being admitted for the truth of the matters asserted, simply that it was proof that it was published on that date.

(Whereupon, exhibit was received in evidence.)

MR. STEINGLASS: If I could publish it to everyone now.

(Displayed.)

Q. I am going to ask you, Mr. Pecker, did the article reveal the fact that AMI had paid McDougal the rights to the story about the affair with Donald Trump?

A. Yes.

Q. And did this article appear before or after the election?

A. This article appeared before the election.

Q. Do you know what day Election Day was in 2016?

A. November -- November 8.

Q. Did there come a time after this article came out that you spoke to then candidate Trump?

A. Yes.

Q. When was that?

A. November 5th.

Q. November 5th of 2016?

A. It was the following day, November 5th, 2016.

Q. And that's three days before Election Day?

A. Yes.

Q. How did this call happen?

A. I received first a text from Michael Cohen saying that The Boss wants to speak to me. Then Donald Trump called me. It was a Saturday. I was at home. Donald Trump was very upset, saying; how could this happen, I thought you had this under control. Either you or one of your people have leaked the story.

So, I said, Donald, there is no way on earth I would leak the story.

And we, "we" being American Media, had the agreement only between a couple of people, so there is no way we would

have given this information or the information to the Wall Street Journal.

I said, the only other individual that had the agreement was Karen McDougal. So Karen McDougal or her people or someone from her staff or herself gave it to the Wall Street Journal. Not us.

I don't believe that Donald Trump believed it over the phone. He was very agitated. He couldn't understand how this could happen. Our call ended very abruptly.

Q. What do you mean when you say "the call ended abruptly?"

A. He didn't say good-bye, which was very unusual.

(Theresa Magniccari relieved as Court Reporter by Laurie Eisenberg.)

(The following proceedings are continued from the previous page:)

Q Now, around the time of this Wall Street Journal article on November 4th, did a Wall Street Journal reporter contact AMI for comment?

A Yes, they did.

Q And did AMI put out a statement claiming that, quote: AMI had not paid people to kill damaging stories about Mr. Trump?

A Yes. That was the statement that we issued.

Q Was that the truth?

A No, it was not.

Q Did AMI also claim that the payment to McDougal was not for her story, but, rather, for her columns and her exclusive life rights?

A That's correct.

Q Was that true?

A No, it was not.

Q Who authorized those statements?

A I did.

Q Why did you authorize AMI to put out false statements about the true nature of the deal with Karen McDougal?

A I wanted to protect my company; I wanted to protect myself; and I wanted, also, to protect Donald Trump.

Q I'm going to show you People's Exhibit 174 again.

MR. STEINGLASS: This can go to everybody.

(Whereupon, an exhibit is shown on the screens.)

Q Does this exhibit contain texts between you and Dylan Howard?

A Yes, it does.

MR. STEINGLASS: I'm, specifically, going to ask that you zoom in -- yes.

For the record, texts 289 through 294.

Q What dates were these texts sent?

A They were sent November 5, 2016.

Q And who -- I'm sorry. You already told us who the texts were with.

So, that first text, who was it from, and who was it to?

A From Dylan Howard to me. To me.

Q And what is the body of the text?

A The body of the text is: "No change. She's still underground per Keith."

Q What is your recollection of why you were having this exchange, if you have one?

A The Wall Street Journal article was published on November 4th. It received an enormous amount of press. And I was very concerned that -- if Karen was still going to comply with the agreement that we had, and I didn't know if she went off the reservation.

So, I asked Dylan to call Keith Davidson. And he came back

with these comments, that "she's still underground". Karen was living in Arizona at that time. So, he was saying she wasn't taking any calls.

Q And how did -- withdrawn.

The next text, who is the next text from?

A From Dylan Howard to me.

Q Okay.

What is the body of the next text?

A He's saying -- he's explaining to me the conversation that he had with Keith Davidson, saying that he: "Just spoke;" that "She's cool. Moving forward with the deal."

Q What "deal" do you understand that to mean?

A That was my original question I asked Dylan to determine, whether she's still going to comply with the agreement.

Q The Confidentiality Agreement?

A The Confidentiality Agreement.

Q How did you respond to Dylan Howard when he told you that?

A "Excellent news."

Q Did you then send another text a little bit later?

A Yes.

Q What is the text that you sent?

A I asked him did they have any updates?

Q What were you asking to be updated about?

A I wanted to be updated about Karen McDougal, since there was multiple press reports other than The Wall Street Journal.

Q Just to be clear about that text, when you're asking for "any updates", was that -- what was the date and time of that?

A That was November 6th.

Q What was the time?

A That would have been -- this would have been in Eastern time, New York time, so that would be 9:35.

Q Do you happen to know when Daylight Savings Time ended in 2016?

A That would be -- sometime in the winter.

Q Okay.

A Yeah.

Q So, is it fair to say that the UTC time is either four or five hours --

A Yeah. It's four or five hours --

Q That's correct?

A -- ahead of the time of New York.

Q That's correct.

When you asked for "any updates", how did Dylan Howard respond?

A He responded back: "Status quo. Moving forward. No DV mentions. One day of discomfort and back to the campaign

issues.

Q What did you understand that to mean?

A That there was no mention on cable news or broadcasts about the Karen McDougal story. And he was saying, "one day of discomfort," that would be one day of a lot of bad press. And, um -- and, um, that the press was just reporting campaign issues, not anything related to Karen McDougal.

Q And how did you respond?

A "Thank you. Thanks."

Q After the Wall Street Journal article, did AMI also amend its agreement with Karen McDougal?

A Yes.

Q In what way?

A We received a call from a different attorney representing Karen McDougal. And the attorney stated that Karen was getting a number of calls from the press to do various interviews, and she has been bombarded and would like to speak to the press.

So -- and the lawyer who was representing her said he wanted the Confidentiality Agreement amended so she has the right to speak to the press, without suffering any penalties.

Q Did you, in fact, amend the agreement at some point?

A Yes, I did.

Q Prior to doing that, did you speak about the idea of releasing or amending, I guess, the agreement that you had with

Ms. McDougal? Did you speak about that with Michael Cohen?

A Yes, I did.

Q And how did he -- what did he say about that?

A He said it was a very bad idea. That -- that The Boss would be very angry. That, why did you pay her the $150,000?

And he highly recommended that I didn't amend the agreement or allow her to speak to the press.

Q Did you take that advice?

A No, I didn't.

Q I'm now showing you what's in evidence already as People's Exhibit 157.

MR. STEINGLASS: We can show this to everyone.

(Whereupon, an exhibit is shown on the screens.)

Q Do you recognize this document?

A Yes, I do.

Q What is it?

A This is the amendment to the licensing agreement of Karen McDougal to allow her to speak to the press.

Q Why did you want to allow Ms. McDougal to speak to the press at this point?

A I felt that the -- The Wall Street Journal article already set the stage and the tone of what the story is. And I wanted to try and keep some form of control on -- around the story, so -- so it's not gonna go any further than where it already was out in the public marketplace. That was one.

Two, I wanted to have a -- a -- a representative of the press -- representative, I should say -- a PR representative for Karen who reported to American Media, so we would have some type of contact. And I felt that Karen having somebody to speak to the press in her behalf, with all the calls she was getting, would make her feel more comfortable.

Q And the press -- so, did you get a press consultant --

A Yes.

Q -- for Karen McDougal?

A Yes.

Q And that was a press consultant who reported to you?

A Yes.

Q I want to turn to Page 2 of this amendment.

(Whereupon, an exhibit is shown on the screens.)

Q Is this the signature page?

A Yes, it is.

Q Who signed on behalf of Karen McDougal?

A On the American Media side?

Q On Karen McDougal's side?

A Karen McDougal signed it on November 29, 2016.

Q And who signed it on behalf of American Media?

A (No response).

Q Do you recognize that signature?

A Signature? I -- I don't know if that signature -- it could be two people. It's either Dylan Howard or Cam Stracher.

I believe it's Dylan Howard.

Q All right.

And what was the date that it was signed on behalf of American Media?

A December 7, 2016.

Q So, is it fair to say that by the time of this amendment, Mr. Trump had already been elected President?

A That's correct.

Q Now, around the same time, and I'm talking November/December of 2016, did you meet with Michael Cohen in Trump Tower?

A Yes, I did.

Q Can you tell the jury a little bit about that meeting?

A I had a meeting with Michael Cohen at his office at Trump Tower. He was still asking me about the boxes of the National Enquirer information that was in -- that I had brought up from our offices in Florida to New York.

And I told him that I had a -- an executive go through all the boxes, and the only information that's there are old articles on Donald Trump, news -- newspaper clippings; there was nothing damaging that he should be concerned about; and I am not going to allow Michael Cohen to go through those boxes.

And -- and -- and we were arguing back and forth on that. And I told him, "I'm not doing it." I said, "You" -- um -- and then Michael said to me -- this was around November/December,

the exact time -- Michael said to me that he wasn't reimbursed for the monies that's owed to him on the Stormy Daniels' payment was number one.

Number two, he said that the bonuses for the Trump Organization are normally paid out around Christmastime, and he hasn't received his bonus. He hasn't received his bonus. And he asked me if I would talk to The Boss on his behalf, to tell him everything that he did, to try to help him get his bonus.

Q You did use a couple of pronouns at the end of that sentence.

A Sorry.

Q You said "try to help him get his bonus".

Try to help who get whose bonus?

A He asked me to speak to Donald Trump to help Michael Cohen get his bonus.

Q I'm sorry to be so formal.

You understand why.

A That's okay.

Q I think you said one of the things Michael tells you is he hadn't yet been repaid in connection to the payments to Stormy Daniels?

A That's right.

Q What did you understand that to mean?

A That Michael Cohen paid Stormy Daniels out of his own funds, which was the first time I heard of that.

This, I never -- I wasn't involved in the transaction, so I didn't know how it was paid.

Q And, what did you understand him to be complaining about?

A I understood -- I understood he was complaining that he has not been repaid.

Q And -- withdrawn.

I believe you told us earlier that you had been under the impression that this was going to be paid for by either Donald Trump or The Trump Organization; is that right?

A That's correct.

Q So, what happens -- withdrawn.

Did there come a time when Donald Trump, himself, entered the room?

A Yes.

While I was having a conversation with Michael Cohen, Donald Trump came into the room; and he -- and Michael Cohen said to Donald Trump that, "I'm talking to David about the -- the -- all the old Enquirer files. I went through them."

"I" being Michael Cohen.

"I went through the files. We have nothing to be concerned about."

And then I asked Mr. Trump, "Can I walk back to your office with you? I want to talk to you about a few things."

And he said, "Fine. Come with me."

Q What happened then?

A When I go back to Mr. Trump's office, I said to him that: "Michael Cohen is very concerned about his bonus for this year. And I want you to know that he's very loyal. I want you to know he's been working very hard, from my perspective, and I believe he would throw himself under a bus for you. And he's saying that his bonus is really very important to him on the monies that he's going to receive."

So, Mr. Trump told me that -- one, he says, "I don't know what you're talking about." He said, "Michael Cohen has multiple apartments in my buildings. I think he's got about 12 apartments in my buildings. He owns 50 taxi medallions, which are worth a million-dollars apiece." He said, "Don't worry about it. I'll take care of it."

Q Mr. Trump said, Don't worry about it. I'll take care of it"?

A Yes. That's correct.

Q So, directing your attention to January 6th of 2017, did you attend another meeting that day at Trump Tower?

A Yes, I did.

Q How did you come to be there?

A I received a call from Rhona Graff, saying to me that, "The President-Elect would like to see you for a meeting" --

Q And what did you say?

A -- "at Trump Tower."

And I said yes.

And she gave me the date and time.

Q Did you go?

A Yes. I went to Trump Tower.

Q What happened when you got there?

A When I arrived at the building, I never saw any type of security like that in my -- in my lifetime. And I couldn't get close to the building.

So, as I was walking outside, Jared Kushner, who is Donald Trump's son-in-law, and at that time he was going to be an adviser at the -- to the Administration, tapped me on the shoulder; and he said, "I'll get you upstairs."

And we walked -- we went through the resident area of Trump Tower. We took the elevator to the resident -- to the 24th floor, if I recall correctly, and then we walked over to Mr. Trump's office.

Q Just to be clear, this is -- at this time, Mr. Trump was the President-Elect?

A That's correct. President-Elect.

Q This was early January 2016 -- 2017?

A 2017.

Q So, you said you went to Mr. Trump's office?

A Yes.

Q Tell us about it. What happened when you got to Mr. Trump's office?

A When I -- in -- when I -- there's a waiting room. So, when I got to the waiting room, Keith Schiller was there. And Keith asked me -- he said, "How's our girl?" Which, he was referring to Karen McDougal.

So, I said, "She's cool. She's, um, very quiet. No issues."

And then he was commenting that he was -- "he" being Keith, was -- Schiller -- was excited about going to --

MR. BOVE: Objection, Judge.

THE COURT: Overruled.

Q You can answer.

A He was excited about going to Washington.

And then I was waiting in the waiting room -- I was waiting in the waiting room.

And, shortly after, Rhona said that, "The President would like to see you now."

And I walked into Mr. Trump's office.

Q What was that like?

A On that day when I went there, when I walked into his office, around his desk he had James Comey, Sean Spicer, Reince Priebus and Michael Pompeo; and they were updating Mr. Trump on the Fort Lauderdale shooting.

Q Are you referring to a shooting that had taken place in the Fort Lauderdale Airport that day?

A Yes. In the airport. That's correct.

Q What were they saying?

A They were giving -- they were around Mr. Trump's desk. I just walked in. And they were giving him an update. They were finishing up their meeting.

And then Mr. Trump introduced me to each of them. And then he said, "Here is David Pecker. He's the owner, the publisher of the National Enquirer, and he probably knows more than anybody else in this room," as a joke.

Unfortunately, they didn't laugh.

(Whereupon, the jurors laugh.)

A And then, they left before him. They left.

And Mr. Trump asked me to sit down to chat.

Q And can you tell us about that chat, please?

A Yes.

He asked me how I was doing.

I said, "I'm doing okay."

He asked me how Karen was doing.

And I told -- he asked, "How's Karen doing -- How's our girl -- How's my girl doing -- How's our girl doing?", he said.

I said, "She's -- she's writing her articles. She's quiet, easy. Things are going fine."

So, he said, "I want to thank you for handling the McDougal situation."

And then he said, "I want to" -- he also said, "I want to thank you for the doorman story, the doorman situation."

Q And what did you understand Mr. Trump to be thanking

you for regarding the Karen McDougal story and the doorman story?

A I felt that he was thanking me for buying them and for not publishing any of the stories and helping the way I did.

Q And did he say why he was so appreciative?

A He said that the stories could be very embarrassing.

Q What do you understand that to mean?

A I felt that it was going to be very embarrassing to him, his family, and the campaign.

Q Now, did he ever say anything to you that made you think that his concern about these stories getting out was for his family, rather than for his campaign?

A I thought it was for the campaign.

Q What makes you say that?

A Every time we -- the conversations that I had with Michael Cohen with respect to both of these stories, the family was -- his family was never mentioned; and the conversations that I had directly with Mr. Trump, his family wasn't mentioned.

So, I made the assumption it was the -- the concern was the campaign.

Q And was -- withdrawn.

Did there come a time when you perceived that Donald Trump's concern shifted in some way?

A (No response).

Q You don't know what I'm talking about?
A I don't know.
Q Let me show you 302B, Pages 6 and 7.
MR. STEINGLASS: Privately, please.
(Whereupon, an exhibit is shown to the witness on his screen.)
Q I'm going to ask you, was this one of the interviews you did with the FBI?
A Yes.
Q Take a look at Page 6, the bottom of Page 6. Read it to yourself. Don't read it out loud. Read it to yourself. We'll show you the bottom of Page 7.
And then I'll ask you that question again.
(Whereupon, the witness reviews the exhibit on his screen.)
Q Tell me when you're ready for the next page.
A Yes, I am.
Q Ready for the next page. Okay.
Showing to you Page 7.
(Whereupon, another exhibit is shown to the witness on his screen, and the witness reviews the exhibit.)
A (Nods).
Q Does that refresh your recollection as to whether you believed that Donald Trump's focus shifted at some point?

MR. BOVE: Judge, I am going to object.

THE COURT: Please approach.

(Whereupon, the following proceedings were held at sidebar:)

THE COURT: I'm just trying to limit the speaking objections.

MR. BOVE: I understand. That's okay.

The objection here, the proper way to refresh the recollection:

Does that refresh your recollection?

He looks at it.

Does it?

Yes, no.

What is your recollection?

That was not done.

MR. STEINGLASS: I think it, pretty much, was done.

THE COURT: Do it the right way.

(Whereupon, the following proceedings were held in open court:)

THE COURT: The objection is noted.

Q Okay, Mr. Pecker.

Did you read that document I asked you to look at?

A Yes, I did.

Q Did that refresh your recollection to the question I

was asking you?

A Yes.

Q Can you please share with us that recollection?

A Prior to the election, if a negative story was coming out with respect to Donald Trump and we spoke about it, he was always concerned about -- he was concerned about Melania -- Melania Trump, he was concerned about Ivanka, he was concerned about what the family might hear or say about it. Not saying whether it was true or not.

After the campaign, and when I was in his office and we were discussing this, he was concerned on the doorman story with respect to if the -- if the story came out, which wasn't true, about him having an illegitimate child -- and I didn't hear or discuss that it was -- he was concerned that what would Melania say, or what would Ivanka say, what his family would say.

It was, basically, what would be -- the impact be to the campaign or election.

Q Was that true for your conversations with Donald Trump about the Karen McDougal story, as well?

A Yes.

Q After Mr. Trump announced his candidacy for President, did he ever say anything to you that indicated that he was concerned about what Melania Trump or Ivanka Trump would think about these affairs?

A No.

Q How did you leave when you left Trump Tower that day; how did you leave it with Mr. Trump?

A At the end of the meeting, Mr. Trump invited me -- he -- he -- he called Rhona and -- and asked her to call me and send me an invitation to the Inauguration event.

And then he also -- I asked him -- I said, "Look, how do we communicate between each other?"

So, he said that he was going to get a cell phone and a cell number that he would give his friends, that we could use that cell phone number, which never transpired.

And that's pretty much how we left that.

Q And did you -- you said that he invited you to the Inauguration?

A Yes.

Q Did you go?

A No. I didn't go.

Q Why not?

A I didn't -- I asked my wife, and she didn't want to go. She just didn't want to attend.

And I decided that I didn't want -- I decided not to attend.

THE COURT: Is this a good time to break?

MR. STEINGLASS: Sure, Judge

THE COURT: Jurors, I'll remind you about the

admonitions

Please do not talk, either among yourselves or with anyone else, about anything related to the case.

Please continue to keep an open mind.

Do not form or express an opinion about the defendant's guilt or innocence until all the evidence is in, I have given you my final instructions on the law, and I have directed you to begin your deliberations.

Please do not request, accept, agree to accept, or discuss with any person any receipt or benefit in return for any information concerning the trial.

Report directly to me any incident within your knowledge involving an attempt by any person to improperly influence you or any member of the jury.

Do not visit or view any of the locations discussed in the testimony.

Do not use any program or electronic devices to view any place discussed in the testimony.

Do not view or read or listen to any account of the case. That would include the reading or listening to the reading of any transcripts of the trial or the reading of any posts on the court's site.

Do not attempt to research any fact, issue or law related to the case.

Do not communicate about the case by any means,

including by telephone, text message, or internet.

Do not look for any information about the law involved in the case or the people involved in the case.

I would like to start at 2:15.

Enjoy your lunch.

COURT OFFICER: All rise.

(Whereupon, the jurors and the the alternate jurors are excused.)

THE COURT: Please be seated.

Thank you, sir.

You can step down.

(Whereupon, the witness is excused.)

THE COURT: As we break for your lunch recess, I ask you to please give yourselves enough time so we can actually start up at 2:15.

Thank you.

(Whereupon, a luncheon recess is taken.)

****

(Whereupon, the case is recalled in the afternoon session.)

THE CLERK: Continuing case on trial. People v. Donald J. Trump.

All parties are present.

THE COURT: Good afternoon.

MR. STEINGLASS: Good afternoon.

THE COURT: I signed the Order to Show Cause.

I am handing out two copies to each party.

(Whereupon, documents are given to the parties by the court officer.)

MR. CONROY: Thank you, Judge.

I am also going to hand Counsel a copy of the Affirmation and a copy of the thumb drive with the Fuller video clips.

THE COURT: Thank you.

I also had a an opportunity to look, over the lunch break, at the case authority handed up and some of the articles handed up.

My decision remains the same.

MR. STEINGLASS: May I confirm, all of the exhibits that we introduced from 154 to 179 are in evidence, except for 169 and 172A?

MR. BOVE: You might remember, Judge, that before the break, I said I had one more.

MR. STEINGLASS: Right.

171A we still have to talk about.

THE COURT: You want to do it now?

MR. BOVE: Yes.

171A is another thread of text messages. This thread is between Mr. Howard and Gina Rodriguez, who, as you've heard this morning, was one of the sources that

Mr. Howard used as an intermediary for at least one of his stories.

So, our position here is that there are substantive factual assertions by Rodriguez in this text chain.

There's not a foundation that she is participating in a conspiracy. She's just reporting information to Mr. Howard.

Howard then, specifically in these messages, because of the substantive factual assertions being made to him, he's not making statements in furtherance of a conspiracy by speaking to her.

THE COURT: Do you have a copy that I could look at?

MR. STEINGLASS: I think it was in the binder that I handed up this morning.

I can give you another copy.

THE COURT: Yes. I'll take that.

MR. STEINGLASS: No problem.

(Whereupon, a document is shown to the Court.)

MR. STEINGLASS: Whenever the Court is ready, I would like to be heard on that.

THE COURT: Okay.

MR. STEINGLASS: First of all, in response to Counsels' objections, we removed a portion of the exchange

that post-dated the conspiracy; and so, we're only seeking to admit the texts that go up through October of 2016.

These are, first off, admissible as a business record, insofar as it was the regular course of AMI's business to purchase stories such as Ms. Daniels' story; and Howard conducted that business as part of the regular job responsibilities and was under the business duty to do so truthfully.

Again, even if the underlying content isn't admissible as a business record, the Court has determined Mr. Howard is a co-conspirator; and these are core statements in furtherance of the conspiracy, insofar as they involve discussions with Ms. Rodriguez involving the acquisition of the Stormy Daniels story.

I do agree with Mr. Bove, the factual statements contained in Ms. Rodriguez's texts should not be considered for the truth, and her portion of the conversation should only be admitted to contextualize Mr. Howard's conversations with her.

MR. BOVE: I think we're basically on the same page.

Our point here is, admittedly, somewhat new on this one.

Judge, in exercising your discretion about what's going to come in and how at this trial there is a tipping

point where there are factual assertions in these documents that are being put in front of the jury, we appreciate the limiting instructions.

At some point, cumulatively, it becomes cumulatively prejudicial.

It becomes extremely hard during deliberations where the juror sorts through what is the truth, what is not. They can sort through the exhibits.

These texts messages, when you look at the assertions Ms. Rodriguez is making, these are very, very substantive and go directly to what's going on.

And we're not going to have an opportunity to cross-examine her.

That's why we think for these messages, in light of that, they should not come in.

They are, admittedly, her statements; are not in furtherance of the conspiracy; and, therefore, to offer them not for their truth is unduly prejudicial to us.

MR. STEINGLASS: If you want me to say anything more?

THE COURT: It's up to you.

MR. STEINGLASS: We don't think they're too prejudicial in any way, shape or form.

This is core, the conspiracy being enacted in real time in terms of this is the effort to buy up the

Stormy Daniels story, discussions about the Stormy Daniels story. It is really a core part of the conspiracy.

So, I think any possibility of prejudice can be cured, as it has with several other documents, by instructing the jury that any factual assertions in the Rodriguez portions of those texts should not be considered for the truth, but only to contextualize Mr. Howard's responses.

If there's one or two lines that are not necessary to contextualize Ms. Rodriguez's -- Mr. Howard's communications, and Defense Counsel wants to bring those one or two lines to our attention, we can consider whether it's appropriate to redact them.

We are not looking to prove the truth of what Ms. Rodriguez is saying.

However, what she's saying is semi-important in terms of what AMI's motivation was in terms of buying up that story and preventing it from being released.

THE COURT: I'm looking at 15 pages of texts?

MR. STEINGLASS: Yes. It is 15 pages of texts.

I don't think it has to be resolved today, insofar as I don't think we're going to walk through these texts with Mr. Pecker.

So, if Your Honor wants to take a look and see if there's specific offending texts that Your Honor feels are

necessary to redact and/or other parties can do that, we can take it from there and have a summary witness look at these.

THE COURT: Yes. I appreciate that.

I would like to have some time to look at these more closely.

MR. STEINGLASS: Thank you.

Any chance I can have that binder back, and I'll give you that one?

THE COURT: All right.

We can get the witness, please.

COURT OFFICER: Witness entering.

(Whereupon, the witness, David Pecker, having been previously duly sworn and/or affirmed resumes the witness stand and testifies as follows:)

THE COURT: Good afternoon, Mr. Pecker. You're still under oath, sir.

COURT OFFICER: All rise. Jury entering.

(Whereupon, the jurors and the alternate jurors are present and properly seated.)

THE CLERK: Continuing case on trial, People v. Donald J. Trump.

All parties and all jurors are present.

CONTINUED DIRECT EXAMINATION

BY BY MR. STEINGLASS:

Q Good afternoon, Mr. Pecker.

A Good afternoon.

Q When we broke before lunch, we just finished talking about a meeting you had in Trump Tower on January 6, 2017; do you remember that?

A Yes, I do.

Q Directing your attention to July of that same year, 2017, did there come a time when you visited the White House?

A Yes, I did.

Q How did that come about?

A I received a call from President -- President Trump's office from his assistant, Madeleine -- I think it was Whitehout (phonetic) [sic]. I can't remember her last name.

And she said, "The President is on the phone."

Mr. Trump called and invited me to the White House for dinner.

Q Did he say why?

A He said it was a thank you dinner, and he invited myself and my wife.

Q And what did you say?

A I said that, "I'll speak to my wife and I'll get right back to you."

Q And did you do that?

A I did.

And my wife didn't want to go to Washington.

And I called back Mr. Trump and explained to him.

And he said, "Look. Business friends, business associates. It's your dinner."

Q "Your dinner" meaning?

A My thank you dinner.

Q So, who did you bring -- did you go?

A Yes. Yes.

Q Who did you bring?

A I brought all business associates.

Q You don't have to tell us everybody you brought.

But, among the people you brought, did it include Dylan Howard?

A Yes.

Q Did it include David Brodsky?

A Yes, it did.

Q Do you remember who you coordinated the logistics of your visit with?

A I coordinated -- we coordinate everything through Madeleine at the White House.

Q So, what happened when you went?

A When we arrived at the White House, I was taken -- we were all taken to the Oval Office.

And in the Oval Office, Jared Kushner was there, Sean Spicer was there.

And each of the people that I brought to the White House

was able to take a photo with Mr. Trump in the Oval Office.

Q Did the subject of Karen McDougal come up at all?

A At the time to have dinner, Mr. Trump asked me to join him in a walk from the Oval Office to the -- to the dining area. We passed the Rose Garden.

And as we walked out, President Trump asked me, "How is" -- "How is Karen doing?" He said, "How's Karen doing?"

So, I said, "She's doing well. She's quiet. Everything is going good."

Q And who do you understand "Karen" to be a reference to?

A "Karen" was Karen McDougal.

Q Now, you mentioned that you and Dylan Howard posed for photos in the White House that day?

A Yes, we did.

Q I'm showing you and the jury what's in evidence as People's 179.

And I just want to ask you if you recognize this series of documents. You can scroll through a little bit, if you want.

(Whereupon, exhibits are shown on the screens.)

A Yes.

Q And are these a series of texts between Dylan Howard and Keith Davidson, produced in response to a subpoena served on AMI?

A Yes, it was.

Q And does the exhibit include separate photos of yourself and Dylan Howard in the White House?

A (No response).

Q Do you need to see?

A I haven't seen these.

Q Let me show you Page 4 of this exhibit.

(Whereupon, an exhibit is shown on the screens.)

A Yes. I see a photo of Dylan Howard.

Q So, the person -- you recognize the person depicted in that photo?

A Yes. That's Dylan Howard.

Q Okay.

Do you know where that photo was taken?

A It was in the White House. I don't know which room that was.

Q All right.

Let me show you Page 3 of this exhibit --

(Whereupon, an exhibit is shown on the screens.)

Q -- and ask you if you recognize the people depicted in this photo?

A Yes.

That's myself and President Trump. We were walking to the dinner.

Q And is this when you had the conversation about Karen?

A Yes.

Q And I want to, finally, direct you to Page 2 of this exhibit.

(Whereupon, an exhibit is shown on the screens.)

Q And I'm going to ask you, is this a text between Dylan Howard and Keith Davidson?

A Yes, it is.

Q What is the body of the text?

A Dylan telling Keith how -- I guess, how the dinner went last night.

Q What day was that text sent?

A Um, July 12th.

Q So, does that mean that the dinner was on July 11th of 2017?

A Yes.

Q Thank you.

MR. STEINGLASS: Thank you.

You can take that down.

Q Directing your attention to August 11th of 2017, did you meet with Karen McDougal, personally?

A Yes, I did.

Q Where was that?

A It was at a restaurant in New York called Il Postino.

Q Who else was present at this lunch at Il Postino?

A Keith Davidson and Dylan Howard. And Karen McDougal.

Q How did this meeting come about?

A Dylan came to my office and said that he spoke to Keith Davidson, and Keith thought that it would be a good idea that if I had a lunch with Karen McDougal, they would like to come to New York for a meeting, see the offices of American Media.

Q What was the purpose of the lunch?

Let me ask you this. What was discussed at the lunch?

A When we had lunch -- when I had lunch with Karen, she talked about the articles that she was preparing with the ghost writers. She was a little bit upset because Dylan Howard had to change some of the ghost writers because they weren't working well with Karen.

And, she talked about her idea and concept of going forward and launching a -- a -- some beauty products that we talked about, originally, that she brought up in the original agreement.

Then she, subsequently, said that she wasn't pleased because everything was taking -- everything -- the articles were taking a while, she hasn't been, um -- trained for media training, because she wanted to be that anchor on the red carpet for Radar -- for the Radar digital site.

So, she was stating what she would like to get done.

From my standpoint, the purpose of the meeting was to make sure that we were complying to her agreement and that she was comfortable with what we committed to her on what we were going

to provide.

Q Why did you want her to believe that?

A I wanted her to remain within our -- family; I should say, whereby she was comfortable that we were complying with what we promised her in the original agreement and that she was -- she would not go out and speak to the press. After what happened after The Washington -- after The Wall Street Journal article and all the press that came out of that. So, I wanted to see how comfortable she was.

Q So, now, I want to direct your attention to January of 2008.

You just reminded us about the article that came out about Karen McDougal in The Wall Street Journal in -- on November 4th of 2016.

Did another article come out in The Wall Street Journal in January of 2018, in which the press publicly reported that Michael Cohen paid Stormy Daniels not to discuss her sexual relationship with Mr. Trump?

A Yes.

Q Do you remember when that was?

A (No response).

Q What date it was?

A I thought it was either early January...

Q All right.

Let me show you, privately, People's Exhibit 181.

(Whereupon, an exhibit is shown to the witness on his screen.)

Q Do you see it?

A Yes, I do.

Q Is this the article that revealed that Michael Cohen had paid Stormy Daniels to keep quiet about her affair with Donald Trump?

A Yes, it is.

MR. STEINGLASS: I offer it into evidence.

MR. BOVE: No objection, subject to a limiting instruction.

THE COURT: It's accepted into evidence. Again, subject to the same instructions I've given you before.

It's being offered not for the truth of the matter asserted, but just to demonstrate that it was, in fact, printed on that date.

MR. STEINGLASS: Now we can display it to everybody, please.

(Whereupon, an exhibit is shown on the screens.)

Q Let me just ask you, Mr. Pecker, what was the date of this article?

A January 12, 2018.

Q What outfit published it?

A This was -- this was published by the -- The Wall Street Journal.

Q Now, once again, did AMI issue a press release -- withdrawn.

Directing your attention now to March of 2018, did you come to learn that Karen McDougal was interviewed by Anderson Cooper?

A Yes.

Q Do you recall when that interview took place?

A I thought it -- it was in March of 2018. I remember the middle of March. March 18th?

Q Somewhere around there?

A Somewhere around that area.

Q Did you watch it when it aired?

A Yes, I did.

Q Did Mr. Trump contact you in connection with Ms. McDougal's appearance on Anderson Cooper?

A The following day, I received a call from Mr. Trump.

Q Can you tell the jury about that call?

A Yes.

Donald called, and he said to me, he says -- he said, "Did you see the interview last night with Anderson Cooper and Stormy Daniels?"

I said, "Yes."

He said --

Q Before you go on, right now I'm just asking you about the airing of the Anderson Cooper interview with Karen

McDougal.

We'll get to the Stormy Daniels' interview later.

A Oh.

Q So, my question is, did Mr. Trump call you in connection with Karen McDougal's appearance?

A Yes, he did.

Q Now, please, tell us what he told you about that.

A So, Mr. Trump said when he called me that, he said, "Did you see the Anderson Cooper interview with Karen McDougal?"

I said, "Yes."

He said, "I thought you had and we had an agreement with Karen McDougal that she can't give any interviews or -- or be on any television shows."

So, I said, "Yes." I said, "We have an agreement, but I amended it to allow her to speak to the press."

So, Mr. Trump got very aggravated when he heard that I amended it, and he couldn't understand why.

I said, "Karen has a two-year agreement. She was flooded with requests from the press for interviews. And I amended her agreement at that time."

He said, "Well, then you paid her?"

I said, "Yes, I paid her, and I amended the agreement."

So, he with was very upset. He couldn't understand why I did it.

And that was, basically, the conversation.

Q When you said "he was very upset", "he couldn't" believe that you "did it", who is the "he" you're referring to?

A "He", referring to Donald Trump.

Q Did there come a time after that when you spoke with Mr. Trump and other members of his White House staff?

A Yes.

Q When in relation to the call that you had with Mr. Trump alone?

A I -- it was right after the call that I had with Mr. Trump.

Q And who else was part of that call, besides yourself and Mr. Trump?

A Hope Hicks. And Sanders.

Q Okay.

Can you tell the jury about that call a bit?

A Well -- on that call, what I was planning to do -- and I mentioned it on the previous call to Mr. Trump, that I was going to extend Karen McDougal's contract. It was for six months. The contract was up. And I felt that from that last lunch that I had with her, that we had fulfilled some of the obligations that she was looking for, specifically her beauty products and media training. So, I was gonna send a contract.

He thought that was -- on our original conversation, he thought that that was also a bad idea.

So, when I received the second call, when I got the call back, and Hope Hicks and Huckabee -- Sanders Huckabee, when she was on the call, I explained to them, to the two of them, that -- why I was going to extend her agreement.

And both of them said that they thought that it was a good idea.

Q What was the reason that you gave for why you wanted to extend Karen McDougal's contract?

A I wanted to extend her contract so she would not go out and give any further interviews or talk to the press or say negative comments about American Media or about Mr. Trump.

Q Now, you said when you had your individual conversation with Mr. Trump, he was skeptical of that?

A Yes.

Q How about when you explained the reason that you wanted to extend her contract to Mr. Trump, Ms. Hicks and Ms. Sanders; how did Mr. Trump react to the new plan, or how did he react to that plan during that second conversation?

A He said, "It's your business. You do whatever you plan on doing."

Q Directing your attention to March of 2018, did there come a time when Ms. McDougal filed a lawsuit against AMI?

A Yes, she did.

Q Briefly, what was the nature of that lawsuit?

A The lawsuit was -- was, basically, for one reason. She

wanted -- "she" being Karen McDougal -- wanted to get back her lifetime rights.

Q So, she wanted out of the Non-Disclosure Agreement?

A That's correct.

Q How was that lawsuit, ultimately, resolved?

A We settled, and I returned her lifetime rights back to Karen.

Q Did you ever communicate with Michael Cohen about the lawsuit while it was pending?

A Yes, I did.

Q And did you tell him what you were planning to do?

A I did.

And he thought that was a very bad idea. He couldn't understand why I would agree to anything like that.

And I told him that she's very upset, I'm not going to continue on with the potential litigation, and I'm just gonna give her back her rights.

Q Is that what you did?

A Yes.

Q Now, a few days after Ms. McDougal's appearance on Anderson Cooper, did you also come to learn that Stormy Daniels was interviewed by Anderson Cooper?

A Yes.

Q And did you watch that broadcast when it aired?

A I did.

Q Did Mr. Trump contact you in connection with Ms. Daniels' appearance on Anderson Cooper?

A Yes, he did.

Q Can you describe for the jury how that conversation went?

A When Mr. Trump called me, he said to me the same. He asked me if I saw the Stormy Daniels interview with Anderson Cooper.

I said, "Yes, I did."

He said that, "We have an agreement with Stormy Daniels that she cannot mention my name or do anything like this. And each time she breaches the agreement, it's $1 million penalty. And based on the interview with Anderson Cooper, Stormy Daniels owes Donald Trump $24 million."

Q That's what Donald Trump told you?

A That's what he told me.

Q Directing your attention to early 2018, do you remember receiving a letter from the Federal Election Commission around that time?

A Yes, I do.

Q Did you speak with Michael Cohen after receiving the letter?

A Yes.

Q Can you describe that conversation for us?

A When I received the letter from the Federal Election

Commission, the FEC, I called up Michael Cohen immediately.

And he -- and I asked him, I said, "Michael," I said, "I just received this letter."

So, he -- so, Michael Cohen said, "So did I."

I said, "What are you gonna do about that?"

He said, "I'm gonna respond and I'm gonna send them a letter."

I said, "I'm very worried."

And Michael Cohen says to me, "Why are you worried?"

I said, "What do you mean?"

He says, "Jeff Sessions is the Attorney General, and Donald Trump has him in his pocket."

I said, "I'm very worried."

Q Directing your attention to September 21, 2018, were you aware that AMI entered into a Non-Prosecution Agreement and a Statement of Facts with the Southern District of New York?

A Yes.

Q And is the Southern District of New York, is it your understanding that those are federal prosecutors?

A Yes. I understand that.

Q Were you still CEO of AMI at the time that agreement was executed?

A Yes, I was.

Q What is your understanding of that Non-Prosecution Agreement?

A We admitted to a campaign violation.

Q And --

MR. BOVE: Objection.

Move to strike.

THE COURT: Overruled.

Please approach.

(Whereupon, the following proceedings were held at sidebar:)

THE COURT: What's the objection?

MR. BOVE: I may have misheard.

I thought I may have heard he admitted to a election violation.

THE COURT: Can you read that back?

(Whereupon, the requested portion was read back by the court reporter.)

MR. BOVE: I think that's a mischaracterization of the agreement.

We understand the agreement is coming in with a limited instruction.

We don't think there should be testimony about what he did there.

THE COURT: The agreement is coming in?

MR. BOVE: Yes. We're not going to object.

It's coming in subject to the limiting instructions.

THE COURT: When would you like the limiting instructions?

MR. BOVE: When it's admitted, please.

MR. STEINGLASS: I actually do think that's a fair characterization of it.

In any event, to the extent that the operation of the witness' mind differs from the agreement, the agreement will be in, and everything will be cleared up.

That's how I read the agreement, is that they admitted to a campaign finance violation.

(Whereupon, the following proceedings were held in open court:)

(Whereupon, the following proceedings were held in open court:)

THE COURT: The objection is overruled.

Q In addition to that, did this agreement impose a requirement on AMI and its representatives to cooperate and give truthful testimony and information?

A Yes.

Q And as a result of that, would AMI not be criminally prosecuted for campaign finance violations?

A That is correct.

Q As part of that agreement, did AMI make several admissions, including in Statements of Facts?

A Yes, they did.

Q As CEO at the time, did you review that Statement of Facts before anyone from AMI signed the Non-Prosecution Agreement?

A Yes, I did.

MR. STEINGLASS: I would like to show the witness, privately, what's been marked for identification as People's Exhibit 182.

(Whereupon, an exhibit is shown on the witness' screen.)

Q Do you have that in front of you?

A Yes, I do.

Q I'm going to ask you, do you recognize that exhibit?

A Yes.

Q Is that an exact copy of the Non-Prosecution Agreement that AMI entered into with the Southern District of New York, along with the Statement of Admitted Facts that's attached to the Agreement?

A Yes, it is.

MR. STEINGLASS: I offer it into evidence.

MR. BOVE: No objection.

THE COURT: Would you like the instruction at this time?

MR. BOVE: Yes, Your Honor.

Thank you.

THE COURT: Jurors, we have just heard testimony

that while David Pecker was an executive at AMI, AMI entered into a Non-Prosecution Agreement with federal prosecutors, as well as a Conciliation Agreement with the Federal Election Commission.

That evidence was permitted to assist you, the jury, in assessing David Pecker's credibility and to help provide context for some of those surrounding events.

You may consider that testimony for those purposes only.

Neither the Non-Prosecution Agreement, nor the Conciliation Agreement is evidence of the Defendant's guilt, and you may not consider them in determining whether the Defendant is guilty or not guilty of the charged crimes.

MR. BOVE: Thank you, Judge.

(Whereupon, the exhibit is received in evidence.)

MR. STEINGLASS: Now we can display that to everyone, please.

(Whereupon, the exhibit is shown on the screens.)

Q I'm going to ask you, Mr. Pecker, what is the date of this Non-Prosecution Agreement?

A September 20, 2018.

Q Okay.

I am going to ask you to walk us through portions of it.

I apologize in advance.

MR. STEINGLASS: Can we please blow up Page 1, Paragraph 1?

Q Can you read that, or would you rather have me read it and tell me if I get it right? That's up to you.

A You want me to read the entire paragraph?

Q Whichever you prefer.

A Sure.

"Based on the cooperation and implementation of remedial measures described below, and strictly subject to the terms, conditions and understandings set forth herein, the Office of the United States Attorney for the Southern District of New York will not criminally prosecute American Media for any crimes, except for criminal tax violations, if any, as to which this Office cannot and does not make any agreement," closed paren, "related to its participation, between in or about August 2015 up to and including in or about October 2016, in making a contribution and expenditure, aggregating $25,000 and more during the 2016 calendar year, to the campaign of a candidate for President of the United States. This conduct is described more fully in the Statement of Facts, which is" --

THE COURT: You may have missed a line. After "President of the United States" comma.

THE WITNESS: Oh.

"President of the United States," comma, "to the extent AMI has disclosed such participation to this Office

as of the date of this agreement." Period. "This conduct is described more fully in the Statement of Facts, which is attached hereto as Exhibit A, and incorporated by reference herein. AMI accepts and acknowledges as true the facts set forth in the Statement of Facts. Counsel for AMI hereby represents and warrants that the Board of Directors has authorized counsel to enter into this agreement."

Q I'm sorry to ask you such a silly question, but who did you understand the candidate for President of the United States in this paragraph to be referring to?

A Donald Trump.

(Whereupon, Senior Court Reporter Laurie Eisenberg is relieved by Senior Court Reporter Lisa Kramsky, and the transcript continues on the following page.)

(The following proceedings are continued from the previous page.)

******

CONTINUED DIRECT EXAMINATION

BY MR. STEINGLASS:

Q Okay. I'm now going to skip to the statement of admitted facts, which is on Page 4.

It starts on Page 4, and I'm going to ask you to walk us through some of these paragraphs, please, most of these paragraphs, actually, starting with Paragraph 2.

Go ahead.

A To read the --

Q Just read it.

A Just read it.

"As set forth in more detail below, on or about August 10, 2016, AMI made a payment in the amount of $150,000 in cooperation, consultation and concert with and at the request and suggestion of one or more members or agents of a candidate's 2016 presidential campaign to ensure that a woman did not publicize damaging allegations about that candidate before the 2016 presidential election and thereby influence that election."

Q And, once again, is that candidate Donald Trump?

A Yes.

Q Okay. Paragraph 3, please.

(Displayed.)

****

A "In or about August 2015, David Pecker, the Chairman and Chief Executive Officer of AMI, met with Michael Cohen, an attorney for a presidential candidate, and at least one other member of the campaign."

"At the meeting, Pecker offered to help deal with negative stories about that presidential candidate's relationships with women by, among other things, assisting the campaign by identifying such stories so they could be purchased and their publication avoided."

"Pecker agreed to keep Cohen apprised of any such negative stories."

Q Paragraph 4.

(Displayed.)

****

Q I'm sorry. Before you read Paragraph 4, did you understand Paragraph 3 to be a reference to that August 2015 meeting that you described several times at Trump Tower involving yourself, Mr. Cohen and Mr. Trump?

A That's correct.

Q Okay. I'm sorry.

Paragraph 4.

A "In or about June 2016, an attorney representing a model and actress attempting to sell her story of her alleged extramarital affair with the aforementioned presidential

candidate, contacted an editor of the National Enquirer."

"Pecker and the editor called Cohen and informed him of the story."

"At Cohen's urging and subject to Cohen's promise that AMI would be reimbursed, the editor began negotiating for the purchase of the story."

"On June 20th, 2016, the editor interviewed the model about her story."

"Following the interview, AMI communicated to Cohen that it would acquire the story to prevent its publication."

Q And who did you understand that model, when that paragraph refers to a model, who did you understand that to be a reference to?

A Karen McDougal.

Q Thank you.

Paragraph 5, please.

(Displayed.)

****

A "On or about August 5th, 2016, AMI entered into an agreement with the model to acquire her limited life rights to the story of her relationship with any then-married man, in exchange for $150,000."

"It was also agreed that AMI would feature her on two magazine covers and could publish over 100 magazine articles authorized by her."

"AMI agreed to pay the model $150,000 -- substantially more money than AMI otherwise would have paid to acquire the story -- because of Cohen's assurances to Pecker that AMI would ultimately be reimbursed for the payment."

"Despite the cover and article features to the agreement, AMI's principle purpose in entering into the agreement was to suppress the model's story so as to prevent it from influencing the election."

"At no time during the negotiation for or acquisition of the model's story did AMI intend to publish the story or disseminate information about it publicly."

On or about August 10th, 2016, AMI sent $150,000 to an attorney representing the model."

Q Okay. Paragraph 6, please.

(Displayed.)

****

A "Between in or about late August 2016 and September 2016, Cohen called Pecker and stated that he wanted to be assigned to the limited life rights portion of AMI's agreement with the model, which included the requirement that the model not otherwise disclose her story."

"Pecker agreed to assign the rights to Cohen for $125,000."

"Pecker instructed a consultant who works for AMI to complete the assignment through a company unaffiliated with AMI."

"On September 30th, 2016, Pecker signed" --

Q Let me just stop you for one second. That consultant, who is that?

A That is Daniel Rotstein.

Q Okay. Keep going.

A "On September 30th, 2016, Pecker signed an Assignment Agreement, which contemplated the transfer of the limited life rights portion of AMI's agreement to an entity that had been set up by Cohen for $125,000."

"The consultant delivered the signed Assignment Agreement to Cohen, along with an invoice from a shell corporation incorporated by the consultant for the payment of $125,000, which falsely stated the payment was for an 'agreed upon' 'flat fee' for advisory services."

"However, in or about early October 2016, after the Assignment Agreement was signed, but before Cohen had paid the $125,000, Pecker contacted Cohen and told him that the deal was off and that Cohen should tear up the Assignment Agreement."

Q And Paragraph 7.

(Displayed.)

A "Following the 2016 presidential election, AMI published articles written by the model in OK! Magazine and Star Magazine, featured on the cover of Muscle and Fitness, Hers, and published articles in Radar Online featuring the model."

"The publication of these articles was intended, at least in part, to keep the model from commenting publicly about her story and her agreement with AMI."

Q Paragraph 8, please.

(Displayed.)

****

A At all relevant times, AMI knew that corporations such as AMI are subject to Federal Campaign Finance Laws, and that expenditures by corporations, made for purposes of influencing an election and in coordination with or at the request of a candidate or campaign are unlawful."

"At no time did AMI report to the Federal Election Commission that it had made the $150,000 payment to the model."

Q And, lastly, Paragraph 9, please.

(Displayed.)

****

A "AMI has cooperated with the United States Attorney's Office for the Southern District of New York and the Federal Bureau of Investigation during its investigation and provided substantial and important assistance to the investigating agents and prosecutors during the course of the Grand Jury investigation in the Southern District of New York."

"Among other things, AMI has made various personnel from AMI available for numerous interviews, engaged outside counsel to ensure the integrity of its compliance with and responses to

subpoenas, and responded to numerous requests from Prosecutors for various specific items of information."

AMI has also agreed in connection with the Non-Prosecution Agreement to implement specific improvements to its internal compliance to prevent future violations of the Federal Campaign Finance Laws."

Q Thank you. Now --

MR. STEINGLASS: You can take that down. Thank you.

Oh, actually, I'm sorry, I jumped the gun.

Q I was just going to ask you --

MR. STEINGLASS: If we can go back to Page 3.

(Displayed.)

****

Q Can you tell us who signed the Non-Prosecution Agreement that had the statement of admitted facts appended to it?

Who signed the Non-Prosecution Agreement on behalf of AMI?

A Eric Klee, who was the general counsel of American Media.

Q At the time?

A At the time.

Q And what was the date that the Non-Prosecution Agreement was signed?

A September 21st, 2018.

Q Was it also signed by AMI's attorneys?
A Yes.
Q Outside attorneys?
A Yes, outside attorneys.
Q Thank you for correcting me.
A Okay.
Q Thank you.
MR. STEINGLASS: Now we can take it down. Sorry.
Q Did there also come a time when you agreed to cooperate with an investigation being conducted by the New York County District Attorney's Office?
A Yes.
Q As part of that agreement, did you, your lawyer, AMI's lawyer and a representative from the District Attorney's Office sign a Cooperation Letter?
A Yes.
Q I am now showing you privately what has been marked for identification as People's Exhibit 183.
(Displayed only for the witness.)
****
Q Do you recognize that?
A Yes, I do.
Q And is that an exact copy of the Agreement you entered into with the New York County District Attorney's Office prior to assisting with their investigation?

A Yes, it is.

MR. STEINGLASS: I offer it into evidence.

MR. BOVE: No objection.

THE COURT: I accept it into evidence.

MR. STEINGLASS: Thank you, your Honor.

(So marked in evidence.)

****

MR. STEINGLASS: We can now display it to everybody.

(Displayed.)

****

Q And I'm just going to ask you: What was the date of this agreement?

A October 25th, 2019.

Q Do you know what, rather -- let me just ask you about some portions of the agreement rather than have you read the whole thing.

MR. STEINGLASS: Can we look at the bottom of Page 1 and the top of Page 2, maybe.

(Displayed.)

****

MR. STEINGLASS: Perfect. Thank you.

Q Can you read that portion of the agreement.

A Yes.

"David Pecker has agreed to speak with DANY on October 25th,

2019, regarding his knowledge of:"

"One. Meetings with Donald J. Trump, Michael Cohen, and other employees of the Trump Organization concerning Donald J. Trump;"

"Two. Transactions between American Media and Karen McDougal;"

"Three. Transactions between American Media and Michael Cohen;"

"Four. Transactions between Michael Cohen and Stephanie Clifford."

"And, five, any information relevant to the background and context of the above subjects."

Q Okay. Thank you.

I'm going to skip to the bottom of Page 2 and the top of Page 3.

(Displayed.)

****

MR. STEINGLASS: Thank you.

Q Can you read that part, please?

A "Examples of materially false or incompetent information or testimony include, but are not limited to the following:"

Q Can I just stop you for a second before you answer that.

Was it your understanding that you were obligated to tell

the truth or you could face perjury charges?

A Yes, I do.

Q And does this portion that you are about to read give you examples of what would be considered not being truthful?

A Yes.

Q I'm sorry. Now you can go back and read them.

A "One. Withholding the name of a person involved in criminal activity;"

"Two. Identifying as a participant a person who is not involved in criminal activity."

"Three. Transposing the roles of participants in criminal activity."

"Four. Knowingly giving incorrect or misleading information about his participation or the participation of others in criminal activity."

"Five. Misrepresenting the source of his knowledge."

Q And, Mr. Pecker, was it your understanding that if you did any of these five things, you would be breaching your agreement with the New York County District Attorney's office?

A Yes, I understand that.

Q And as part of your agreement, were you also required to attend meetings as requested?

A Yes.

Q And was AMI obligated to furnish non-privileged documents and records?

A Yes, they were.

Q And, do you remember, as you sit here today, what the obligations of the New York County District Attorney's Office were in connection with this agreement?

A I'm not --

Q Well, let me ask you --

A Yeah.

Q You just told us what you have to do.

A Yes.

Q Okay. What did we have to do? What did the District Attorney's office have to do?

A Well, the District Attorney's Office had to do the entire investigation and interview me as well as others, I'm assuming.

Q And maybe you could read these couple of paragraphs from Page 2, just to be perfectly clear for the jury.

A Okay. "DANY agrees to recognize and treat David Pecker and the American Media as immunized on the subjects of David Pecker's statements made to the Office during the above-referenced October 25th, 2019 meeting and any subsequent meeting as to which the parties agree in writing, email sufficing, that the terms of this agreement apply."

"David Pecker has also agreed that, if asked, he will testify in the Grand Jury regarding his knowledge of the above subjects."

"If David Pecker testifies in the Grand Jury concerning the above subjects, DANY will not request that he waive immunity pursuant to Section 190.45 of the Criminal Procedure Law, and he will thus be immunized from prosecution on the subjects of his testimony."

Q Now, did you understand -- withdrawn.

You testified, I think on Monday, that you are represented by counsel in connection with this case?

A Yes.

Q Did you understand that any witness who testifies in the Grand Jury is given automatic immunity unless they waive immunity?

A Yes.

Q Did you understand this paragraph to mean that DANY or the District Attorney of New York would not require you to waive, and would not require you to waive immunity when you testified before the Grand Jury?

A Yes, I understand that.

Q And did you, in fact, testify before the Grand Jury?

A I did.

Q And were you given immunity as a result of that testimony?

A I was.

Q And directing your attention to the paragraph above that, did you understand that paragraph to mean that even though

you hadn't yet testified, what you were saying would be treated -- you would basically be getting immunity for what you were saying in terms of the pre-Grand Jury interviews?

A Yes, I understood that.

Q Did you sign similar Letters in connection with subsequent meetings with members of the DA's Office?

A I did.

Q Directing your attention now to May --

MR. STEINGLASS: We can take that down. Thank you.

Q Directing your attention to May of 2021. Did AMI enter in a Conciliation Agreement with the Federal Election Commission?

A Yes, they did.

Q And did someone sign that agreement on behalf of AMI?

A Yes.

Q Do you remember who?

A Jeff Pascoe, who is the current general counsel.

Q And as part of that Agreement, did AMI agree, quote, "not to the contest that AMI's payment to Karen McDougal to purchase a limited life story, right, combined with its decision not to publish the story in consultation with an agent of Donald J. Trump and for the purpose of influencing the election, constituted a prohibited corporate in-kind contribution in violation of 552 USC Section 30118 (a)?"

A Yes.
Q Did you read that Conciliation Agreement at the time?
A I did.
Q And what did you understand 52 USC Section 30118 (a) to prohibit?
A (Pause.)
Q Do you want me to re-ask that question again?
A Yes, please.
Q I think that you just testified that you -- let me ask you the question.
What did you understand 52 USC Section 30118 (a) to prohibit?
A It's my understanding that we -- that I left the company in August of -- in August of '20, so this happened post my leaving.
And the Board of Directors of the company agreed to this agreement.
And it was my understanding that they paid a fine, I think it was $180,000.
And that was my understanding of -- what I remember.
Q So my question to you is: Did you have an understanding at the time that AMI was entering into this Conciliation Agreement?
A Yes, I did.
Q And did you understand what AMI was agreeing not to --

what law AMI was agreeing not to contest having violated?

A Oh. It agreed that -- they agreed that they violated the campaign violation.

Q And -- withdrawn.

Directing your attention to April of 2018.

Did you come to learn that the FBI had conducted search warrants at the home and office of Michael Cohen?

A Yes.

Q How did you learn that?

A The FBI came to my home on that same day and had a search warrant for my phone.

And I subsequently received a call from Dylan Howard that he received -- that he had his phone also taken by search warrant from the FBI.

And he mentioned to me that he also heard that Michael Cohen had the same -- had a -- had his office or apartment at that time, if I recollect, received a search warrant and took his office equipment and telephone.

MR. STEINGLASS: Just one moment, please.

(Pause.)

****

Q The phone that the FBI seized on that day, your phone, is that the phone that you had been using to communicate via text with Dylan Howard and Michael Cohen and other people relevant to this case?

A Yes.

Q When was the last time that you saw or spoke to the defendant, roughly?

A It would -- the last time we spoke was, I think, January or February of 2019.

Q And has he tried to reach out to you since then?

A Not directly.

I have friends who belong to Mar-a-Lago, and they run into Mr. Trump and he sends his regards.

Q Did you ever respond?

A No, I did not.

Q Why not?

A I felt that with the investigation that was going on at the same time, I thought that it would be inappropriate to respond or have any conversations at all with Mr. Trump.

Q Mr. Pecker, as you sit here today, do you have any bad feelings or ill will towards the defendant?

A Not at all. To the contrary.

As I talked about, I think it was on Monday, I felt that Donald Trump was my mentor.

He helped me throughout my career.

And if I could just give one additional example: In 2001, after the 9/11 attack, my offices in Boca Raton, the American Media building, I had just renovated it, it took about a year to renovate it, and I just consolidated all of the tabloids in this

building.

And in the first week or the second week of October of 2001, we received multiple Anthrax letters in white envelopes to the various magazines.

One of the editors opened up the envelope, inhaled weaponized Anthrax and then -- and ended up dying not too long after that.

And at the same time, within a matter of hours or within a day, the FBI took quarantine of the building because the building was filled with Anthrax.

I then -- at that time, all of the content that I -- that the tabloids had, photos, stories, was all quarantined and we had to vacate the building, as I said.

And I, basically, was in a very, very, difficult place from a business standpoint, a personal standpoint.

And the first person who called me, asked if I needed help, was Donald Trump.

And he was very helpful.

He gave me -- he recommended an attorney.

He helped introduce me to -- at that time Sandy Weill was the Chairman of the Travelers Insurance Company, who had the insurance on the building, and helped tremendously in continuing on with my business.

So I have no ill will at all.

And I still consider him a close -- I still, even though we

haven't spoken, I still consider him a friend.

Q I didn't hear that last part?

A I said: Even though we haven't spoken and I haven't seen him, I still consider him a friend.

Q Thank you very much, Mr. Pecker.

MR. STEINGLASS: No further questions.

THE COURT: Your witness.

MR. BOVE: Thank you, Judge.

MR. STEINGLASS: Can we approach for one minute, Judge?

THE COURT: Yes.

(At Side Bar.)

******

THE COURT: Yes?

MR. STEINGLASS: We don't have any exhibits for this witness, if they are planning on using any on cross.

And we would ask that we be provided them so that we don't have to delay every time they try to show an exhibit that we haven't seen yet.

THE COURT: Is there anything that you need to turn over?

MR. BOVE: I don't have anything that I intend on offering.

I have exhibits -- I have documents and exhibits

that I'm going to use to refresh his recollection, and if I need to lay a foundation on a document that may impeach him with an inconsistent statement, but right now I don't intend on offering anything.

MR. STEINGLASS: Which is fine, but if he's going to show this witness documents -- do you have copies of the documents that you are going to show him for us?

MR. BOVE: Yes.

MR. STEINGLASS: Great. Perfect. That's all I would ask for.

MR. BOVE: Yes.

MR. STEINGLASS: Thank you.

(Side bar concluded.)

****

THE COURT: You may inquire.

MR. BOVE: Thank you, Judge.

****

CROSS-EXAMINATION

BY MR. BOVE:

Q Mr. Pecker, my name is Emil Bove. And I represent President Trump.

Now, you testified that you were an executive at AMI from about '99 to 2020; right?

A That's correct.

Q And, though, your title in that period were

President --

A It was Chairman, President and CEO.

Q Chairman of the Board of Directors; correct?

A Yes.

Q And as part of your work as a Chairman of the Board of Directors, you met with the other directors?

A Yes.

Q You got to know them well; correct?

A Yes.

Q And AMI also had investors; right?

A Yes.

Q And I think you said you owned 10 percent of AMI during this period?

A That's correct.

Q Do you still have equity in AMI's successor?

A Yes. But a lesser of an amount.

Q And in this same time frame, while you were an executive at AMI, the investors were sophisticated people; right?

A Correct.

Q Experienced in business?

A Yes.

Q And you had fiduciary obligation to those investors; correct?

A I do.

Q And you know what that means; right?
A Yes.
Q You basically had to look out for the investors' interests?
A Yes.
Q And that included making money for your investors?
A That is correct.
Q And making money for yourself, right, as one of those investors?
A Yes.
Q AMI wasn't a charity?
A No, it was not.
Q Not a nonprofit?
A No.
Q And based on that fiduciary obligation, the whole time that you were an executive there, you managed the company to make money; correct?
A That's correct.
Q And you have said before, I think, this was a business; right?
A Yes.
Q Part of AMI's business model was to purchase stories; correct?
A Yes, it was.
Q And I think you've distinguished between AMI's model

and ABC's model earlier this morning; right?

A Yes, I did.

Q And, on Tuesday, you referred to AMI's model as checkbook journalism; correct?

A That's correct.

Q And in connection with AMI's checkbook journalism, under your watch, you only published about half of the stories that you purchased; correct?

A I would say that's about right.

Q And all of those -- in all of those instances where AMI examined stories, it included Source Agreements; right?

A That's correct.

Q And in connection with those Agreements, you would purchase the rights to a story?

A Yes.

Q And the Agreements typically required the source of the information not to disclose it to others?

A That is correct.

Q And that's a basic non-disclosure tradition; right?

A Yes, that's correct.

Q And the thinking there is that the story is less valuable to AMI if the source discloses it to someone else; correct?

A Correct.

Q And these Source Agreements gave you a measure of

control over the information that was going to be a part of the story?

A Yes, that's correct.

Q Standard operating procedure; correct?

A Yes.

Q They gave you control over how the information would be released; right?

A Yes.

Q When it would be released, if at all; correct?

A Yes.

Q And sometimes you would decide not to run the story?

A That is correct.

Q And there were a lot of reasons that you made those decisions between '99 and 2020; correct?

A Yes.

Q Can you give us some examples?

A Well, when we purchased a story, before we would publish it, is:

One. We would want to make sure that a story is true or not.

So we would have to vet the story and have the editors go and check what the source is saying.

Two. We would take the story, I'm using general terms, and see if -- and review it and make sure that if this is something -- if we're going to publish it, that the readers want

to read about.

And then, three, we might have the story and we don't think it's enough to publish and we would try to trade the story for a better one.

Q And there were also some instances where the story got overtaken by current events; right?

A Yes. That's correct.

Q There was something else hotter, so it didn't make sense to publish what you had the Source Agreement for; is that right?

A That's correct.

Q And there were also instances where AMI purchased a story in order to use it as leverage against a celebrity; correct?

A Yes.

Q To use it as leverage, to use something like to get the celebrity to participate in an interview?

A That's correct.

Q Or sometimes to get the celebrity to allow AMI to use the celebrity's likeness?

A Yes.

Q And in those situations, where you purchased the story to use as leverage, you had no intention of running the story itself, right, that wasn't the point?

A That's correct.

Q The point was to use it against the celebrity?
A Yes.
Q And in all of the scenarios that we just talked about, your ability as an executive and leader at AMI was to control the release of the story was standard --
A Yes.
Q Standard operating procedure at AMI between 1999 and 2020?
A Yes.
Q And, in fact, AMI had predecessors, right, it has been around for a long, long, time?
A 85 years plus.
Q And AMI has used hundreds of thousands of Source Agreements in the ways that we just talked about; correct?
A Yes.
Q Now, you've talked both on Tuesday and today about employees at AMI who help you do those things; right?
A Yes.
Q One of them is Dylan Howard?
A That's correct.
Q And let's focus on 2015 to 2017?
A Okay.
Q Mr. Howard was the Chief Content Officer at AMI?
A Correct.
Q And he had some other titles in the subsidiary

publications; right?

A He --

Q I think it was Editor-in-Chief of the National Enquirer?

A Yes.

Q And you also mentioned a man today named Daniel Rotstein; right?

A Yes.

Q And he worked at AMI prior to 2015; right?

A Correct.

Q And in this period that I'm focused on, 2015 to 2017, he was a consultant; correct?

A Yes.

Q And he had a consulting company named Investor Advisory Services?

A Yes.

MR. BOVE: Can we take a look at People's 161 in evidence.

(Displayed.)

****

Q And this is an invoice that we talked about this morning that Mr. Rotstein prepared; correct?

A That is correct.

Q And you used Mr. Rotstein to take care of large or sensitive payments on behalf of AMI; right?

A Yes.
Q And your purpose in doing that --
MR. BOVE: We can show this publicly, I'm sorry, thank you.
(Displayed.)
****
Q Let me just step back a minute.
A Sure.
Q Now that everybody can see this, this is one of the invoices that Mr. Rotstein prepared; right?
A That's correct.
Q And you saw it around the time that he prepared it; correct?
A Yes.
Q And so this is his company; right?
A This is his company.
Q And when you were at AMI during this period, 2015 to 2017, you were using Mr. Rotstein to take care of large or sensitive payments on behalf of AMI; right?
A I did.
Q And you did that because you were concerned about leaks; right?
A Yes.
Q That's the purpose of using Mr. Rotstein?
A Yes.

Q You had had situations at AMI prior to 2015 where information got to the employees and then those employees leaked it to the public and that was commercially damaging to AMI; correct?

A Correct.

Q And so that's now why you were using Mr. Rotstein in this period, 2015 to 2017?

A Yes.

MR. BOVE: We can take that down.

Thank you.

Q In late 2016, did you have a sense of what the average paid circulation of the National Enquirer was?

A Around 350,000.

Q And in that same timeframe, late 2016, as the election was approaching, you know that the circulation and subscribership of the New York Times was many, many multiples of that; correct?

A Yes.

Q And you had been indicating during this period, in the lead up to the election, that 70 percent of AMI's revenue came from newsstand sales; correct?

A Yes.

Q And you believed that basically the rest of AMI's revenue came from ad sales and subscriptions?

A That's correct.

Q And there was a bit of a science to the way that you were running AMI and the National Enquirer in this timeframe; right?

A Yes.

Q This timeframe being 2016 and a lead up to the election; correct?

A That's correct.

Q You had researchers who calculated and assigned a score or a rating for potential stories; right?

A Yes.

Q And the purpose of having them do the research was to figure out how to maximize profit for AMI; right?

A Yes.

Q Getting back to the fiduciary duty that we talked about.

A Yes.

Q You actually participated in those meetings; correct?

A Yes.

Q In quantitative assessment of how AMI was going to make money based on stories was something that you were personally involved in?

A Yes, I was.

Q And focused on?

A Yes.

Q And I think you said on Tuesday that by that time, the

Celebrity Apprentice -- the research showed that President Trump was the top celebrity in terms of helping sell the National Enquirer?

A Absolutely.

Q And, so, that's the Celebrity Apprentice that we are talking about in the early 2000s; correct?

A Yes.

Q And that was already established in your mind that President Trump was one of the people who could drive the most sales and maximize the most profit for the National Enquirer; right?

A Yes.

Q And so you ran articles about President Trump because it was good for business; correct?

A It was good for business.

Q Let's talk a little bit about how you met President Trump.

A Yes.

Q You have known him for about 40 years; right?

A That's right.

Q And so that takes us back to around the late 1980s?

A Yes.

Q And I think you said on Tuesday that you met him through Ron Perelman and Nick Ribis?

A Yes.

Q You had a launch party for George Magazine at Mar-a-Lago.

Do you remember that?

A Yes.

Q That was in '95?

A Yes, I did.

Q And Mar-a-Lago is President's Trump's residence in Palm Beach; right?

A Yes.

Q And that night you introduced President Trump to John F. Kennedy, Jr.?

A Yes, I did.

Q And George Pataki -- Mr. Pataki was the Governor of New York at the time; right?

A Yes, he was.

Q And you testified on Tuesday that you also worked with President Trump on a magazine called Trump Style.

Do you remember that?

A Yes, I do.

Q And Trump Style came after George; correct?

A It came before George.

Q Do you remember that the first issue of Trump Style was published around 1997?

A Oh. I didn't realize. I forgot about that.

Q Well, do you remember that?

A I thought it came earlier.
Q What was the Trump Style?
A It was a magazine that -- it's a custom -- I would say it's a custom magazine, and the editorial point of view was everything about Mr. Trump: His brand, the concept of the magazine, his hotels, the apartments, the casinos, and then we wrote the editorials surrounding that.
Q And so we can agree that Trump Style is in the early or mid '90s; is that more consistent with your recollection?
A Yes.
Q So even by that period you were looking to President Trump as somebody who can help the National Enquirer make money; correct?
A Yes.
Q And it was always your intention, dating back to the early parts of this friendship, to not publish negative stories about President Trump; correct?
A Yes.
Q It was not good for business; correct?
A Yes.
Q And it was not good for your relationship with President Trump; right?
A Yes.
Q And that was not unique to President Trump; was it?
A Can you rephrase that, please.

Q Nobody likes bad publicity?
A Oh, no. (Laughter.)
Q Now, 1998 was one of the first times that you gave President Trump a head's up about a potentially negative story; correct?
A Yes.
Q Just before you took over at the National Enquirer?
A Yes.
Q And this was a story relating to Marla Maples; right?
A Yes.
Q And you tried to stop the story from running; correct?
A Yes.
Q And you tried, but failed?
A Yes.
Q It ran?
A Yes.
Q But this was the first time that you made that effort to reach out to President Trump about a story and to prevent it?
A Yes.
Q And that's almost 17 years prior to the meeting that you described in August of 2015; right?
A That's correct.
Q So, 17 years of providing President Trump with a head's up about potentially negative publicity; correct?

A That's correct.
Q Fair to say that predated that meeting at Trump Tower in August 2015 by a long time?
A Yes.
Q It was a lot of interactions; correct?
A Yes.
Q And several stories; right?
A Yes.
Q In addition to Trump Style, you also used the National Enquirer to run positive stories about President Trump; right?
A Yes, I did.
Q Again, long before 2015; correct?
A Yes.
Q And because that was good for business; right?
A Yes.
Q And this sort of took off, this idea of using the National Enquirer to promote President Trump because it was good for you around the time of The Apprentice, the first show?
A That's correct.
Q And this is in the early 2000s; correct?
A Yes.
Q And I think you said on Tuesday, by that time, early 2000s, you and President Trump had a mutually-beneficial relationship; correct?
A That is correct.

Q In addition to a friendship?
A Yes.
Q And on the mutually-beneficial relationship side of things, President Trump was giving you content to run in the National Enquirer; correct?
A Yes.
Q And that included information about ratings relating to The Apprentice?
A That's correct.
Q And what was going on with the show?
A Yes.
Q Access to participants on The Apprentice; right?
A Yes.
Q And that helped you; correct?
A Yes, it did.
Q And in exchange for that, as part of this friendship, you also continued to provide President Trump with information about potentially negative stories?
A Yes.
Q And you also promoted some of President Trump's positive stories; correct?
A I did.
Q Before this investigation started, you had not heard the phrase "catch-and-kill," correct?
A That's correct.

Q Never heard of it?
A That's right.
Q The first time you heard that phrase was from a Prosecutor; right?
A That's correct.
Q This relationship that you had with President Trump, this mutually-beneficial relationship, you had similar relationships with other people; right?
A I did.
Q Meaning that there were other people for which you would provide a head's up if there was a potentially negative story; correct?
A Yes.
Q And other people that you would promote in the National Enquirer because it was good for you and it was good for them; right?
A Yes.
Q And that included celebrities; right?
A Yes.
Q And most celebrities want positive treatment in all publications; right?
A They do.
Q And you also had a relationships like this with other politicians; correct?
A Yes.

Q And you are aware that many politicians worked with the media to try and promote their image; right?
A Yes.
Q And to promote their brand; correct?
A Yes.
Q To facilitate their campaigns; correct?
A Yes.
Q Standard operating procedure as you understand it; correct?
A Yes.
Q And then sometimes when the politicians are doing that, that is to try and win elections; right?
A Yes.
Q Nothing surprising about that; is there?
A No.
Q And that's your personal experience; correct?
A Yes.
Q And you are also aware from your decades of experience in this industry; right?
A Yes.
Q That includes even presidential candidates; correct?
A Yes.
Q Long before 2016; right?
A That's correct.
Q We talked a little bit, you and I, about Mr. Ron

Perelman; right?

A Yes.

Q And he's one of these people that you have a mutually-beneficial relationship with; correct?

A Yes.

Q There are instances where you have provided him a head's up about potentially negative stories?

A I did.

Q And instances where you've promoted him in your publications; correct?

A Yes.

Q And that relationship dates back to Mr. Perelman being one of your biggest advertisers through Revlon; correct?

A Yes.

Q You were making a lot of money through Revlon; right?

A Yes.

Q And in connection with that, you developed a friendship?

A I did.

Q And also this mutually-beneficial business relationship?

A Yes.

Q And, so, as one example, in 1996, there was a story that was going to run in Premiere Magazine. Do you remember this?

A Yes.
Q And it was a story that was sort of calling into question the Planet Hollywood restaurant chain; is that right?
A Yes.
Q And Mr. Perelman was a part owner of the Planet Hollywood restaurant; is that right?
A Yes.
Q And you happened to be President and Chief Executive Officer of Premiere at that time, and you prevented this story from running; correct?
A I did.
Q And that was because you understood that Mr. Perelman would have wanted that; right?
A Yes.
Q And you were protecting his interests; correct?
A I was.
Q And there is nothing wrong with that; is there?
A No.
Q And you testified today about having done something similar for Arnold Schwarzenegger; correct?
A I did.
Q Around the time that he was running for the Governor of California; right?
A Yes.
Q That was in 2003?

A Yes.
Q And in that period, were you trying to acquire AMI's holding into the fitness phase; right?
A I did.
Q And I think you mentioned some of the publications, Shape, Muscle and Fitness, Men's Fitness, Flex; correct?
A That's correct.
Q And as you tried to make those acquisitions, it was a huge deal; right?
A Yes.
Q Worth about $365 million?
A That's correct.
Q And so you wanted this to go through very much; correct?
A I did.
Q And I think you said it this morning, that you talked about it with Joe Weider?
A Yes, I did.
Q Who was sort of a celebrity in the fitness phase and owned some of these publications?
A Yes.
Q And Mr. Weider said: "I'm interested, but we need Arnold's blessing," correct?
A Yes.
Q And in order to move forward with this -- would you

call it a giant acquisition, $365 million?

A Yes.

Q To move forward with this giant acquisition, you needed Arnold's blessing; correct?

A Yes.

Q And so you went and met Arnold personally?

A I did.

Q And you reached an agreement?

A Yes, we did.

Q And there were a few aspects to this agreement, is that correct, at the time; right?

A Yes.

Q And at the time of this agreement, he had not yet announced his candidacy to become the Governor of California; right?

A That's correct.

Q And so one aspect of the agreement was that Mr. Schwarzenegger did not want any more negative stories written about him in your magazines; right?

A Yes.

Q And I think you said this morning that he had expressed some concerns with you that in the past the National Enquirer had run some pieces that he didn't like?

A Yes.

Q And you agreed, did you not, to make that happen, to

stop running negative stories about Arnold Schwarzenegger?

A I did.

Q And Mr. Schwarzenegger also asked for help because he thought that there were a number of women that were going to come out and make accusations once he announced his campaign; is that correct?

A Yes.

Q And you agreed to help him with that; correct?

A I did.

Q And in addition to that, Mr. Schwarzenegger we given equity in AMI; correct?

A Yes.

Q How much equity was he given in AMI in 2003?

A I -- I remember it was less than ten percent.

Q How much was that worth at the time?

A It was probably worth at the time around $50 million.

Q So, $50 million in equity on a $365 million acquisition; right?

A Well, it was equity of the whole company.

Q It's a significant amount, relative to the size of the deal?

A Yes.

Q And Mr. Schwarzenegger was also given executive positions, executive titles, at least, in AMI's affiliates; right?

A Yes.
Q And then he announced his candidacy; correct?
A Yes.
Q And I think you've said before that at that time women started coming out of the woodwork; right?
A That's correct.
Q And so this morning you mentioned one story that you purchased for Arnold Schwarzenegger; correct?
A Yes.
Q Purchased in 2003; right?
A Yes.
Q But, in fact, 30 or 40 women came to you and AMI was following that, the announcement of his candidacy; correct?
A Yes.
Q And you spent almost a million dollars purchasing the rights to those stories; correct?
A I didn't think it was that high.
Q Several hundred thousand?
A It was hundreds of thousands of dollars.
Q And Mr. Schwarzenegger never paid you back for that; correct?
A No, he did not.
Q Now, I think that the one story that you described purchasing this morning, was it -- the source of that was Gigi Goyette?

A Yes.

Q And you bought the rights to a book that she wanted to publish about her relationship with Mr. Schwarzenegger; correct?

A That's correct.

Q And you actually, during the candidacy, sent reporters to Ms. Goyette to bring her to Hawaii to get her away from California so that Mr. Schwarzenegger could campaign; correct?

A I did.

Q And at some point there was some backlash over this; correct?

A Yes.

Q And that happened when you were investigated about an FEC's disclosure relating to the equity interest granted to Mr. Schwarzenegger; right?

A That's correct.

Q And I think you testified this morning that there was an investigation in California?

A Yes.

Q There were no findings against AMI in connection with that investigation; correct?

A No.

Q And as a result -- there was also an internal investigation at AMI; correct?

A Yes.

Q And I don't want to get into what you said to your attorneys or not, but as a result of that investigation, you and AMI decided to implement new policies and procedures around this type of issue with assisting a campaign like Mr. Schwarzenegger's; right?

A Yes.

Q And you did that, right, you implemented policies and procedures?

A We did.

Q And you followed them; correct?

A I did.

Q Followed them, including in connection with the events you described in 2015, 2016 and 2017; correct?

A I thought I did.

Q You thought you did?

A Yes.

Q You have also purchased a story relating to Tiger Woods; right?

A I didn't -- we didn't purchase -- I should say, yes, it was a Source Agreement, so we did purchase it, yes.

Q And you purchased some photographs; right?

A We purchased a story about Tiger Woods from a source, but all the investigating photographs, all the investigative works was done internally.

Q And the photographs that we're talking about are photographs of a woman meeting with Tiger Woods at a parking lot in Florida; right?

A That's correct.

Q And this is one of those instances where you bought the rights to a story in order to leverage it against a celebrity; correct?

A Yes.

Q To use the access that you had to this information and the exclusive rights that you had to get Tiger Woods to do something that you wanted?

A Yes.

Q And in this instance -- and this is around 2007; correct?

A That's correct.

Q And in that instance, what you wanted was for Mr. Woods to appear on the cover of Men's Health; right?

A It was Men's Fitness.

Q Thank you. Men's Fitness.

And you also wanted him to do an interview; correct?

A Yes.

Q And at the time, Mr. Woods, if not locked up exclusively, he had a relationship with Conde Nast; right?

A The answer is yes.

And he also had an exclusive with, I think it was Golf

Illustrated.

Q So he needed some convincing to sit down with AMI; right?

A Yes.

Q And so you bought the rights to these photographs; correct?

A Yes.

Q And at the time that you bought the photographs, you had no intention of running the story; correct?

A No. I wasn't going to run it.

Q The purpose of buying the story --

A Oh, I'm sorry. Excuse me.

Q The purpose of buying the photographs was to leverage them against Tiger Woods to get him in the magazine; right?

A Yes.

Q Now, we talked about these mutally-beneficial relationships?

A Yes.

Q Another one you had was with a man named Ari Emanuel?

A Yes.

Q Who is he?

A He's the chairman and CEO -- excuse me. He's the CEO of Endeavor.

Q And you've known him since the 90s; right?

A Yes. Since the early 90s.

Q And since that time, if you hear a negative story about Mr. Emanuel, you will let him know; correct?

A Yes, I do.

Q And where you have an opportunity and a way that you think would be beneficial to him, you run stories to promote him; correct?

A Yes.

Q And there have been instances, have there not, where you helped him suppress potentially negative stories relating to Ari Emanuel; right?

A There are.

I just want to clarify. Maybe it might not be Ari Emanuel personally, but one of his celebrities.

Q Tell us which celebrities that work with Mr. Emanuel that you have helped suppress negative stories for?

A A story on Mark Wahlberg.

Q What was the story about Mr. Wahlberg?

A He had a -- this is going back awhile ago. He had an argument or -- with his wife and that -- and this story was bubbling and going to come out.

Q And so at the request of Mr. Emanuel, AMI acquired the rights to that story; correct?

A We didn't publish the story.

Q You did not publish the story?

A That's correct.

Q But you acquired the rights to it; right?
A We didn't acquire the rights.
Q Tell us how you prevented the story from being published?
A I advised Mr. Wahlberg's group on where they should purchase the rights for the story from. And I didn't publish -- and we didn't publish it.
Q Going back to Mr. Emanuel?
A Yes.
Q You also helped his brother Rahm; correct?
A Yes.
Q And that was in about 2009; correct?
A Yes.
Q And Ari Emanuel reached out to you because Rahm had a problem?
A Yes.
Q And in this timeframe, Rahm Emanuel had just left his position with President Obama; right?
A Yes.
Q And he left that position to go campaign to be the Mayor of Chicago; correct?
A Yes.
Q And it was while his campaign was active at the time that Ari Emanuel reached out to you; right?
A Yes.

Q And you have -- you donated to that campaign, correct, in 2009 and 2010?
A I did.
Q And what Mr. Ari Emanuel wanted help with was a story about an affair that Rahm Emanuel had had; correct?
A Yes.
Q An affair that happened in 2009 after Rahm Emanuel left the White House; right?
A Yes.
Q And you did help suppress that story; correct?
A I did.
Q You acquired the rights to it?
A I did.
Q And with the intention of not making it public; right?
A Yes.
Q And you did that for Ari Emanuel and for Rahm; correct?
A Yes.
Q And during that timeframe, you were negotiating a business deal with Chicago; correct?
A That I don't recollect.
Q You weren't working to negotiate with the advisory firm that Rahm Emanuel was associated with in Chicago in 2009 and 2010?
A Oh. Rahm Emanuel worked for, I think, Wasserstein and Perella.

I'm sorry. Yes, yes.

Q And so you were --

A We were thinking about -- right, we were thinking about trying to acquire Playboy.

Q And in connection with those negotiations, those negotiations were going on at the time you suppressed this story; right?

A Yes.

Q And you did that in a manner that you believed was consistent with the policies and the procedures that you implemented after the incident with Mr. Schwarzenegger; correct?

A Yes.

Q And there were no issues with the FEC following that; correct?

A No.

Q And no issues with any other regulators; correct?

A No.

Q And the story was, in fact, suppressed at that time because AMI purchased the rights; correct?

A Yes.

Q How much did that cost?

A $20,000.

Q Now, you testified on Tuesday about a meeting at Trump Tower that you said happened in August of 2015.

Do you remember that?

A Yes.
Q And on Tuesday you said that the meeting took place in the middle of August.
Do you remember that?
A Yes.
Q In previous discussions about prosecutors, you've said that that meeting occurred in the first week of August; right?
A Yes.
Q And that was a mistake; correct?
A Yes.
Q And the Prosecutors corrected you by letting you know that President Trump was actually at a debate in the first week of August 2015.
Right?
MR. STEINGLASS: Objection.
THE COURT: Overruled.
Q You can answer.
A I didn't know he was out -- he was at a debate. I wasn't informed of that.
Q And in fairness --
A Yes.
Q -- these are things that happened a long time ago; right?
A Yes.

Q And so in preparation for your testimony, the People have brought to your attention certain events that helps place your memory within dates; right?

A Well, any time I have spoken to a Prosecutor, they asked me -- when they asked me any of these questions, they always said: Do you remember, to the best of your knowledge, and to be as truthful as you can.

Q So you testified -- you said that you've testified in Grand Jury proceedings with the District Attorney; correct?

A Yes.

Q And that was in 2023; right? Last year.

A Yes.

Q And during those Grand Jury proceedings, you stated, did you not, that the meeting took place in the first week of August 2015; right?

A Yes.

Q And you changed your testimony here; right?

A Yes, when I discovered that it was in the middle -- that it was the middle of August.

Q And when you say that you "discovered," what you mean is that somebody told you that, notwithstanding what you testified about in the Grand Jury, President Trump was actually not in New York City during the first week of August; correct?

MR. STEINGLASS: Objection.

THE COURT: Overruled.

A I -- I don't recall anyone telling me about that, that Mr. Trump was away in the first week of August.

Q So in the Grand Jury you were under oath; right?

A Yes.

Q And there was a court reporter, like the one who is sitting in front of you now; right?

A Yes.

Q And you understood that it was what you said was being taken down; right?

A Yes.

Q Important to tell the truth, obviously?

A Yes.

Q And you wanted to; right?

A Yes.

Q And, in 2023, you said that your best memory was that this meeting took place in the first week of August; right?

Correct?

A Yes.

Q And then you changed your testimony, this week, on that issue; right?

A Yes, that's correct.

Q And you are saying that you are not aware that President Trump was not in New York City during the first week of August 2015?

MR. STEINGLASS: Objection.

THE COURT: Sustained.

Q Why did you change your testimony?

A I thought that -- I didn't know the exact date. I thought -- I know it was in the first half of August, so I thought it was the middle of August, that's what I recollected.

That's why I corrected my -- the dates, yes.

Q Well, you --

A I didn't believe that the exact date was --

Q I understand. And I don't mean to put you on the spot.

What I'm getting at, though, is that these things happened a long time ago; right?

A Yes.

Q And even when you're doing your best, and I'm sure you are right now, it's hard to remember exactly what happened when; right?

A Yes.

Q And when you are remembering about conversations that you had, it's hard to remember what people said almost ten years ago; correct?

A You -- Ahhhh, yes.

Q And so there are some instances where your mind sort of fills in gaps; right?

A To the best of my knowledge.

Q And you do your best to explain what happened in a way that makes sense; correct?

A To what I remember.

Q Yeah, to what you remember.

And you fill in some details to keep things in sequence; right, and to make them sound logical?

A I try to make them -- to what I remember. And to be truthful.

Q I understand.

But there are some gaps; correct?

A Yes.

Q Because it was a long time ago; right?

A Yes.

Q And when you are describing one of these meetings that happened almost ten years ago, there are times when there are gaps in your memory and you have to fill in with what you assume happened based on other events; correct?

A I didn't feel that I added in language or things that I remembered for whatever the event would be, it's what I best remembered from the meeting that I had --

Q Did --

MR. STEINGLASS: Objection. He didn't finish his answer.

THE COURT: Sustained. Please allow him to finish.

Q I apologize. You can finish your answer.
A Oh. No. What I'm saying is that in any of these meetings, it was my best recollection at the time that I remembered today or at the time that I gave the testimony to the Grand Jury and when I gave my testimony today.
Q And you have had a lot of meetings with Prosecutors and law enforcement to discuss these things; right?
A Yes.
Q You met with the Prosecutors who are here?
A Yes.
Q To prepare your testimony; right?
A I met with Prosecutors here; that's correct.
Q When was the most recent meetings that you had with the Prosecutors?
A 2 or 3 weeks ago.
Q And how many -- how many meetings would you say that you had this year with the Prosecutors?
A Over the year, maybe three or four meetings, maybe five in total.
Q It sounds like a lot.
Do you remember when they were?
MR. STEINGLASS: Objection.
THE COURT: Sustained.
Q Do you remember when the meetings were?
A Well, I remember the last -- there was meetings in

March.

And I think December or January, February, around those months.

Q So December of 2023; correct?

A Yes.

Q And February of 2024?

A February of 2024, I -- you know, I don't have my calendar in front of me so I don't remember all of the dates.

Q Because, in fairness, it's hard to remember the dates of these things even when they happen a few months ago; right?

A Yes.

Q You've also met with Federal Prosecutors; correct?

A I did.

Q And you testified about that a little bit today; correct?

A Yes.

Q How many meetings did you have with Federal Prosecutors?

A I remember five to six meetings.

Q And do you remember, roughly, when those were?

A They would have been in June and July and August of 2018.

(Whereupon, Official Senior Court Reporter Laurie Eisenberg relieved Official Senior Court Reporter Lisa Kramsky.)

Q I think you said that you mentioned that agreement in September of 2018; correct?
A Yes.
Q And then you started to meet with the District Attorney's Office; right?
A Not until 2019.
Q The following year?
A The following year.
Q And the first -- one of the first meetings was in October of 2019; correct?
A Yes.
Q That was a meeting where you were asked a lot of questions; right?
A Yes.
Q And it helped to refresh your recollection; right?
A Pardon me?
Q You were shown documents; correct?
A Yes. Yes.
Q And those documents gave you a sense of when you thought things might have happened?
A Yes.
Q And then you were asked to testify in the grand jury; we talked about that; right?
A Yes.
Q And that was in 2023?

A That was in 2023.
Q And then you had a series of meetings before the trial with the prosecutors; correct?
A Yes.
Q And they tried to give you a sense of what this would be like?
A Yes.
Q They asked you questions that sounded a lot like the questions that Mr. Steinglass asked over the last couple of days; right?
A Like the questions, yes.
Q I'm sorry. I didn't hear that.
A The answer is yes.
Q Very similar; right?
A Yes.
Q Maybe not a script, but you knew what was coming; right?
A Yes.
Q You understood the topics that you would be asked about; right?
A Yes.
And I also went through the -- my -- the -- I also -- as you mentioned earlier, I did appear in front of the grand jury twice.
Q Right.

And so -- so, to help you remember things today that you did not remember very well at the time --

MR. STEINGLASS: Objection.

THE COURT: Overruled.

Q Let me start that over.

To help you remember things from your testimony today that you didn't remember at the time of your preparation, you went back and read things that you said in 2018 and 2019; correct?

MR. STEINGLASS: Objection.

THE COURT: Sustained as to form.

Please rephrase.

Q There are things that you did not remember very well that you testified about today that you used other documents to refresh yourself on; correct?

A Yes.

Q Things that you, independently, don't have a strong recollection of, so you're going based on what you said previously?

A (Pause). Um -- any documents that I reviewed, I was consistent to what I said when I -- when I'm going back to the original grand jury testimonies that I had.

Q And that was important, right, to be consistent with what you had said previously?

A No.

Just refresh my memory.

Q But, you also understood that you couldn't say anything different than what you said under oath previously; right?

A What I said under oath was the truth.

That's all I planned on doing today.

Q And so, when you met with Mr. Steinglass and the other prosecutors, they gave you a sense of what you'd be asked today; correct?

A Uh, yes.

Q Maybe not a script, but there were no questions that were a surprise to you; correct?

A It was not a script. And -- I wouldn't say about being surprised.

Q You were not surprised; correct?

A No.

Q Now, let's get back to that August 2015 meeting.

You testified that Michael Cohen invited you to this meeting; right?

A Yes.

Q And you had actually known Cohen since the Two Thousands; correct?

A Yes.

Q And in your relationship with Michael Cohen, he was somebody that always wanted something for himself; correct?

A Yes.

Q He asked you to promote businesses that were separate from President Trump's work; right?
A Yes.
Q One of them was a mixed martial arts company; right?
A Yes.
Q There were times when he asked you to arrange for paparazzi shoots of himself; right?
A Yes.
Q To promote himself; right?
A Yes.
Q He also asked you to promote his daughter's rock climbing; correct?
A Yes.
Q So, you had an independent relationship with Michael Cohen; right?
A Yes.
Q President Trump introduced you to Michael Cohen around 2007, I think you said?
A Yes.
Q And at that time, President Trump told you that Cohen was his personal lawyer; right?
A That's correct.
Q And that's the only job that you knew Cohen was doing for President Trump; right? Personal lawyer?
A Yes.

Q And so, once you met Mr. Cohen, you started to work with him on a mutually-beneficial relationship for President Trump; right?
A Can you repeat that again, please?
Q He became sort of an intermediary to help you provide information to President Trump about potentially negative stories; right?
A Yes.
Q And also when there were situations where President Trump could be promoted in the National Enquirer; right?
A Yes.
Q You started to work with President Trump's personal attorney, Michael Cohen, on those issues; correct?
A Yes.
Q For at least eight years prior to the August 2015 meeting; right?
A Yes.
Q And in 2015 and 2016, Cohen was always clear with you that he was not working for the campaign; correct?
A Yes.
Q He was his personal attorney; right?
A Yes.
Q And you testified on Tuesday about this August 2015 meeting in Trump Tower?
A Yes.

Q That Hope Hicks was in on the meeting; do you remember saying that?
A Yes.
Q You've had to describe this meeting to law enforcement several times; right?
A Yes.
Q Getting back to all these meetings that we talked about a moment ago; correct?
A Yes.
Q And one of the first times you were asked about this meeting was in July of 2018; right?
A (Pause). Yes.
Q And that was a meeting with federal prosecutors; correct?
A Yes.
Q Here in Manhattan; right?
A Yes.
Q And there were FBI agents present; right?
A Yes.
Q And you understood that that was serious business; correct?
A Yes.
Q You had to be honest with them; right?
A Of course.
Q And forthcoming; correct?

A Yes.
Q It was a crime to withhold information in that meeting; correct?
A Yes.
Q And they actually said that to you; you were warned about that; right?
A I was.
Q And your lawyers were present, also; right?
A Yes.
Q And so, you understood how serious this was; right?
A Yes.
Q Some of the things had been in the news at that point; right?
A Yes.
Q You testified earlier about a discussion with Dylan Howard about FBI agents coming to see you and Mr. Howard; right?
A Yes.
Q And by that point, Mr. Cohen as well; right?
A Yes.
Q You also testified by that point you received a federal inquiry from the Federal Election Commission; right?
A I received from the Federal Election Commission, it was in -- in March of 2018. February, March of 2018.
Q And so, you understood that in this July 2018 meeting,

it was really important to get all the details out; correct?

A Yes.

Q That's what the prosecutors demanded; right?

A Yes.

Q And that's what the agents demanded; right?

A Yes.

Q And in this meeting, the July 26, 2018 meeting, you did not tell anyone that Hope Hicks participated in the August 2015 meeting; correct?

MR. STEINGLASS: Objection.

THE COURT: Please approach.

(Whereupon, the following proceedings were held at sidebar:)

THE COURT: What's the objection?

MR. STEINGLASS: My objection is Bornholdt.

THE COURT: It's what?

MR. STEINGLASS: Bornholdt.

He hasn't laid the foundation that Mr. Pecker was asked that question; so he's trying to impeach by omission, without laying the foundation.

Either he was specifically asked about that, or the omission would be unnatural. It's certainly not that level of fact that qualifies as an admission being unnatural.

It's, clearly, a Bornholdt violation.

MR. BOVE: I can do a little more work on this, Judge. I can lay the foundation.

THE COURT: Thank you.

(Whereupon, the following proceedings were held in open court:)

THE COURT: Sustained.

Q Before that break, we were talking about a meeting with prosecutors and agents in July of 2018; right?

A Yes.

Q And the prosecutor and agents asked you to tell them everything that you knew about the events that were later listed in the Non-Prosecution Agreement; correct?

A Yes.

Q And you -- one of the topics that you covered for them was the August 2015 meeting; correct?

A Yes.

Q And they wanted to know what happened at the meeting; right?

A Yes.

Q In order to tell them what happened at the meeting, you had to tell them who was there; correct?

A Yes.

Q And when you were asked that question about who was there, you did not mention Hope Hicks; correct?

A Could I see the -- what you're referring to?

Q Give me one second.

MR. BOVE: This is just for Mr. Pecker, the parties, and the Court, please. The document marked for identification as Defense Exhibit 1.

(Whereupon, an exhibit is shown on the witness' screen and on the parties' screens.)

Q To make this easier, I'm going to hand you a copy of the report, as well.

Okay?

(Whereupon, documents are shown to the People and are shown to the witness.)

Q Mr. Pecker, that is a copy of what's been marked for identification as Defense Exhibit A101.

Do you see that?

A Yes.

Q A101

Q This is a report of the meeting that we're talking about; right?

A Yes.

Q And Mr. Steinglass showed you a copy of this report during your testimony earlier; right?

A Yes.

Q And no place in this report does it indicate that you told the government during the July 26, 2018 meeting that Hope Hicks was present in August 2015 at Trump Tower; correct?

A I don't know which page you're referring to.
That talks about --
Q That's why I wanted to give it to you.
My question is, at no point in that document does it indicate that you told the government that Hope Hicks was at your August 2015 meeting?
(Whereupon, the witness reviews the exhibit.)
THE COURT: Can we pull up for ourselves just the other pages in the document?
MR. BOVE: Yes.
And we can flip through, Judge?
THE COURT: Please.
(Whereupon, documents are shown on the witness' screen and on the parties' screens.)
MR. BOVE: If we could go directly to Page 11, please.
Zoom in on the paragraph beginning: "Later in 2015."
Q Do you see that, Mr. Pecker?
A I do.
Q That's a point in the meeting where you were specifically asked about what happened during a August 2015 meeting at Trump Tower; right?
(Whereupon, the witness reviews the exhibit.)
A Yes.

Q And you did not mention Hope Hicks being there; correct?

A No.

But, I -- I don't know --

Q Just yes or no.

A Um, no.

Q And you had another meeting with the prosecutors in August of 2018, you said; right?

A Yes.

Q I think that was on August 2, 2018; correct?

A I don't remember the exact date.

Q You remember it was in August; right?

A In August.

Q And you remember being asked about the August 2015 meeting again; correct?

A I don't remember.

Q You don't remember if it came up?

A Well, I have to see it. I --

Q You need to see the report to remember what you're asked about?

A Yes.

MR. BOVE: Will you bring up, please, for the Court, the witness, and the parties, the document marked for identification as Defense A102.

(Whereupon, the exhibit is shown on the witness'

screen and on the parties' screens.)

(Whereupon, documents are shown to the witness.)

Q Do you have that, Mr. Pecker?

A I have that.

Can you point me to which paragraph that we're talking about?

Q Well, the first question is, at no point during this meeting --

(Whereupon, Mr. Steinglass stands.)

THE COURT: Please let him finish the question.

Q At no point during this meeting did you tell the government that Hope Hicks was present in August of 2015 at Trump Tower; correct?

MR. STEINGLASS: Objection.

THE COURT: Overruled.

You can answer if you remember. If you can, answer the question.

A I -- I don't remember.

Q And you also testified in the federal grand jury following this meeting; correct?

MR. STEINGLASS: Objection.

Can we approach, please, Judge?

THE COURT: Sure.

(Whereupon, the following proceedings were held at sidebar:)

THE COURT: Yes?

MR. STEINGLASS: Now I'm looking at Defendant's A102, and I don't see a single paragraph where he's asked anything about that meeting.

The witness asked to be shown the paragraph where he's asked about the meeting.

It's, clearly, not in here.

I objected. You overruled the objection.

He was allowed to ask: At any point, did you mention that Hope Hicks was at that meeting?

And, yet, he was never asked -- I don't see any paragraph in which he was asked.

The witness asked to be directed to the paragraph, and Mr. Bove went on to another topic.

THE COURT: Is it anywhere that he was asked there?

MR. BOVE: This is a report. It isn't memorializing the questions.

THE COURT: Well, then how can he answer the question?

The question is: Were you asked?

MR. BOVE: I am entitled to put questions to this witness that he went into the meeting, that he would have had the ability to correct if he remembered --

THE COURT: The question is, you're asking him:

At no time did you say -- at no time did you say that Hope Hicks was there; and you handed him the document.

Right?

MR. BOVE: Uh-huh.

THE COURT: Presumably, to refresh his recollection.

So, I just asked you, is there anything in that document that says you were asked that question.

Your answer is, well, they don't write down the questions.

So, it's a bit disingenuous to hand the witness a document to refresh his recollection.

I take it we're not going to finish today?

MR. BOVE: No.

I have a little more on this topic.

THE COURT: And then redirect?

MR. STEINGLASS: Yes. There's redirect.

Do you know how much more this is going to be?

I am trying to plan for tomorrow.

MR. BOVE: At least a couple of hours.

(Whereupon, the following proceedings were held in open court:)

THE COURT: Jurors, we're going to stop at this time.

Before I excuse you, I ask you not to discuss the

case, either among yourselves or with anyone else. Do not discuss anything about the case.

You may tell the people with who you live and your employer you are a juror and give them information about when you are required to be in court, but you may not talk to them or anyone else about anything related to the case.

Do not any any time during the trial request, accept, agree to accept, or discuss with any person the receipt or acceptance of any payment or benefit in return for supplying any information concerning the trial.

You must promptly report directly to me any incident within your knowledge involving an attempt by any person to improperly influence you or any member of the jury.

Do not visit or view any locations discussed in the testimony.

Do not read, view or listen to any accounts or discussions of the case reported by newspapers, television, radio, the internet, or any other news media. This would include the reading or the listening to the reading of the transcripts.

Do not attempt to research any fact, issue or law related to the case, whether by discussion with others, by research in a library, or on the internet, or by any other

source. This includes visiting any court sites.

I want to emphasize that in addition to not speaking face-to-face with anyone about the case, you must not communicate about the case with anyone by any other means, including by telephone, text messages, emails, chat rooms, blogs, or social websites.

You must not provide any information about the case to anyone by any means whatsoever. That includes posting of information on the case or what you're doing on the case on any device or internet sites, including blogs, chat rooms, social websites, or any other means.

Finally, you must not Google or search for any information about the case or the law which applies to the case or the people involved in the case, including the defendant, the witnesses, the lawyers or myself.

See you tomorrow morning at 9:30.

Have a good evening.

COURT OFFICER: All rise.

(Whereupon, the jurors and the alternate jurors are excused.)

THE COURT: Thank you, sir.

You can step down.

(Whereupon, the witness is excused.)

THE COURT: Please be seated.

Mr. Steinglass, can you elaborate on your

objection, please?

MR. STEINGLASS: Yes.

My objection is an objection under People v. Bornholdt.

I think Mr. Bove, arguably, laid a foundation to ask about People's A101, which at least contains some reference, a paragraph that references the August 2015 Trump Tower meeting.

However, he then showed the witness People's Exhibit A102, which, insofar as I can tell, doesn't have anything at all about the August 2015 meeting.

He asked a question: Did you ever say anything about the presence of Hope Hicks at this meeting?

The witness says: I don't know. I need to see the document. I need to look through it.

He wasn't given that opportunity.

I objected because I thought that question was improper, because I thought it violated Bornholdt.

There was no indication the witness was asked about the August 15th meeting during the interview, and there was no indication that admitting it would be an unnatural omission under People v. Bornholdt.

The witness asked to be shown the document so he could look and it and be shown if there was a discussion in the August 2015 meeting at Trump Tower.

I don't see any.

Perhaps Counsel sees one.

But, I think that was a totally improper line of questioning. I think it left the jury with the misimpression that the witness was asked about it and omitted it. That's a prior inconsistent statement; and I think it's a prior omission by Bornholdt.

THE COURT: Is there anything in that that says he was asked if Hope Hicks was there and his response to that?

MR. BOVE: I don't have a specific response to that.

The question to the witness was, does he recall discussing that.

This document was marked Defense A102.

It contains a substantial set of redactions, so I don't know what's underneath those, and I don't know what came up.

It's appropriate for me to ask if he remembers.

He then asked me to show a document.

THE COURT: He didn't ask for A102.

MR. BOVE: He understood. He asked for a document to refresh his recollection about the meeting he was talking about.

So I gave it to him.

THE COURT: Well, you gave him A102, which gives the impression that there's something in this document that will refresh his recollection.

MR. BOVE: What I perceive refreshed his recollection was he did not recollect this meeting with Hope Hicks.

THE COURT: Hear me out.

If a witness says, "I don't remember. Do you have anything you can give me that might refresh my recollection?", and then you hand him the document, the message that sends to the jury and to everyone else in this room is there's something in that document that's going to refresh your recollection.

But, there wasn't anything in that document; and, therefore, it's misleading.

So, we're going to correct this tomorrow morning in the presence of the jury.

I'm going to ask you to please be very careful with that.

I'm not accusing you of having done it deliberately.

But, it still left the jury with the misimpression that he had omitted something.

If you want to hand him something to refresh his recollection, you should actually hand him something that

will actually do it.

MR. BOVE: What I was seeking to refresh his recollection on is that her name was not in the document.

I understand your ruling, that amounts to there was something improper or needs a correction instruction.

The point of my question was, she was not in there.

THE COURT: Mr. Bove, are you missing my point?

I don't think you're responding to what I'm saying.

I'm saying you asked him the question. You gave him a document in response to that question, which gave everybody the impression that what he was looking for was contained in that document.

And that was not the case; right?

MR. BOVE: Yes.

THE COURT: So, please be careful.

Anything else?

MR. STEINGLASS: Yes, Judge.

Mr. Colangelo has an application.

MR. COLANGELO: Thank you, Your Honor.

If the Court permits the People to make an application tomorrow to compel compliance with a third party subpoena, this is a witness from The Trump Organization for a custodial witness.

I am only asking now if the Court will permit us to make the application tomorrow.

I don't want to discuss the member of The Trump Organization we have been working with.

We gave notice to the Counsel of the Trump Organization.

We will be asking the Court -- my understanding is, Counsel of the Trump Organization will be present tomorrow on the Court's application, except for the very end of the day because of Sabbath observance.

THE COURT: The best time to do it is at the end of the morning. The best time to do it will be before we break for lunch. You can do it then.

See you tomorrow at 9:30.

Just for the record, the Order to Show Cause, certain dates I believe -- I don't have a copy in front of me right now.

I believe the Defense has been given until Monday at 5:00 PM to respond, and we're going to have a hearing on that on Wednesday at 2:15.

Thank you.

(Whereupon, the case is adjourned to April 26, 2024.)