

Subject: RE: WSJ: Jeffrey Epstein Burrowed Into the Lives of the Rich and Made a Fortune [I] [SC]
From: Stewart Oldfield <[REDACTED]>
Date: Fri, 26 Jul 2019 11:39:45 -0400
To: Patrick Campion <[REDACTED]>
Bcc: [REDACTED],
[REDACTED]

Classification: Strictly Confidential

There's an article today about Epstein's charity receiving IPO allocations from Morgan Stanley as recently as 2017. We understood him to have been in the syndicate at MS and at least one other bank while Paul was running some of his trading.

Thanks

From: Stewart Oldfield
Sent: Thursday, July 25, 2019 7:23 PM
To: Patrick Campion <[REDACTED]>
Subject: Re: WSJ: Jeffrey Epstein Burrowed Into the Lives of the Rich and Made a Fortune [I]

Paul Barrett was the head of GIO at JPM who handled trading for Jeffrey through his (Paul's) RIA. Would need to look back to see when he started that, but I think it was probably 2017.

Thanks.

Stewart Oldfield, CFA, CAIA

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On Jul 25, 2019, at 6:47 PM, Patrick Campion <[REDACTED]> wrote:

See below. Do you remember the name of the JPMorgan guy who left to run Epstein's family office?

Sent with BlackBerry Work
(www.blackberry.com)

From: Adrian Cox <[REDACTED]>

Date: Thursday, Jul 25, 2019, 6:33 PM

To: Fabrizio Campelli <[REDACTED]>, Patrick Campion
<[REDACTED]>

Subject: FW: WSJ: Jeffrey Epstein Burrowed Into the Lives of the Rich and Made a Fortune [I]

Classification: For internal use only

FYI

From: Adrian Cox

Sent: 25 July 2019 23:33

To: Troy Gravitt <[REDACTED]>

Subject: WSJ: Jeffrey Epstein Burrowed Into the Lives of the Rich and Made a Fortune [I]

Classification: For internal use only

Hi Troy -- interesting this all-encompassing WSJ Epstein story just out, with Jenny Strasburg as one of the writers, doesn't mention DB at all. Best, A

<https://www.wsj.com/articles/jeffrey-epstein-burrowed-into-the-lives-of-the-rich-and-made-a-fortune-11564092553>

Jeffrey Epstein Burrowed Into the Lives of the Rich and Made a Fortune

Financier now jailed on sex-trafficking charges was a savvy salesman who advised a small group of super wealthy clients, including retail mogul Leslie Wexner

By Khadeeja Safdar, Rebecca Davis O'Brien, Gregory Zuckerman and Jenny Strasburg

July 25, 2019 6:09 pm ET

EFTA01410770

Jeffrey Epstein built a fortune of more than half a billion dollars leveraging unusually close relationships with a small group of rich and powerful individuals over four decades.

He became deeply entwined in the financial lives of his clients, who put him in charge of their charities, placed his name on deeds for their properties and let him control their savings.

Mr. Epstein profited from associations with retail magnate Leslie Wexner, financier Leon Black, Johnson & Johnson heiress Elizabeth Johnson and hedge-fund billionaire Glenn Dubin, among others. He pitched clients tax-saving strategies, handled prenuptial agreements, estate planning and other personal matters, and inserted himself into one of the largest hedge-fund deals on record, increasing his wealth each step along the way.

Mr. Epstein earned more than \$200 million from Mr. Wexner alone, according to estimates by people familiar with the relationship. For more than 15 years, a power-of-attorney document allowed Mr. Epstein to act on Mr. Wexner's behalf in legal or financial dealings.

A detailed account of his professional life, based on legal documents and interviews with a wide range of his associates, shows how Mr. Epstein, a college dropout from Coney Island in Brooklyn, also benefited from good timing and a knack for self-promotion, latching onto deep-pocketed clients as their wealth soared and markets surged.

People sought out Mr. Epstein because they were convinced he "was the only person capable of turning their money into exponentially more," said a person who worked with him in the 1980s and 1990s. "He was charming, smart, a very likable guy."

Earlier this month, Mr. Epstein pleaded not guilty to sex-trafficking counts stemming from what federal prosecutors alleged was a yearslong scheme to procure and sexually abuse dozens of girls. He faces up to 45 years in prison if convicted. Mr. Epstein has been denied bail and is in federal custody.

On Tuesday, Mr. Epstein was moved to a suicide-watch unit at the detention center where he is being held, after officers found him unconscious in his cell with marks on his neck, according to people familiar with the matter.

His July 6 arrest came amid criticism of a 2007 nonprosecution agreement with federal prosecutors in Florida, which he signed to resolve an investigation into similar allegations. As part of that deal, Mr. Epstein pleaded guilty in 2008 to state prostitution counts and spent much of his 13-month sentence outside prison due to work-release privileges.

In a court filing after his arrest this month, Mr. Epstein listed assets worth more than \$550 million, an accounting a federal prosecutor said in court "is more significant for what it does not include than what it does." Mr. Epstein listed no debts, and no art; he gave no indication of foreign accounts.

People who have known or worked with Mr. Epstein over the past four decades say the figure likely doesn't represent the full picture of his fortune. While he may have made money from overseas investments or other endeavors, the bulk of his wealth appears to have come from a small number of very wealthy clients.

Lawyers for Mr. Epstein didn't respond to requests for comment.

Early in his career, Mr. Epstein forged profitable relationships, often by charming powerful people. As a math teacher at Manhattan's elite Dalton School, he so impressed the father of one student that the father urged a friend—Bear Stearns Cos. Chief Executive Alan "Ace" Greenberg—to hire Mr. Epstein. Mr. Greenberg did so in 1976.

At Bear Stearns, Mr. Epstein worked for Michael Tennenbaum, a senior executive, selling the firm's analyses of stock options to clients. Soon, Mr. Tennenbaum learned that Mr. Epstein had padded his resumé, falsely claiming to have graduated from Stanford University, Mr. Tennenbaum said in an interview and in a forthcoming memoir.

Mr. Epstein confessed, telling Mr. Tennenbaum he had embellished his

background to get a teaching job, according to the book. "I wanted to tell you the truth," he told Mr. Tennenbaum, who gave him a second chance.

Mr. Epstein was an effective salesman, say those who worked with him. He rubbed some executives the wrong way, however, becoming known for roaming the halls of the firm and treating his position with a certain nonchalance, two former executives said.

"He smiled and kidded around," one former executive said. "It was all a game with him."

In four years, Mr. Epstein became a limited partner. A year later he was let go, according to people at Bear Stearns, which was sold to JP Morgan Chase & Co. in spring 2008. He was alleged to have allocated shares of initial public offerings to people who shouldn't have received them, according to people who worked with him. One person said Bear Stearns brought up alleged expense-report infractions and inaccuracies on Mr. Epstein's brokerage registration form.

"The Bear period got him in touch with the big money," recalls a former colleague. "It was his first taste."

In 1982, he started J. Epstein & Co., which he pitched as a one-stop shop for wealth management—tax advice, estate planning, accounting—to extremely wealthy individuals in the U.S. and overseas. Those who worked or socialized with Mr. Epstein in the 1980s described him as a self-taught financial whiz who cultivated what one person described as an "aura of success."

Mr. Wexner, an up-and-coming retail magnate from Ohio, became his key client. Mr. Wexner's company controlled the chains Abercrombie & Fitch, The Limited, Express and Victoria's Secret, and his wealth would eventually grow to more than \$7 billion, by a Forbes estimate. Mr. Epstein managed his money.

For almost a decade, Mr. Epstein co-managed up to 7% of the retail company's stock through trusts he controlled, federal filings show. Working in an office in Midtown Manhattan with 10 to 15 lawyers, accountants and administrative staff, Mr. Epstein helped with the apparel mogul's taxes,

managed his stock investments and ran his charities and trusts. He also became president of a company Mr. Wexner set up to develop the town where he lives near Columbus, Ohio, a business document shows.

In 1991, Mr. Wexner granted Mr. Epstein authority to borrow money, pay expenses, sign contracts and handle other financial dealings on his behalf, according to power-of-attorney documents filed in Franklin County, Ohio. "He had absolute control" of Mr. Wexner's wealth, one person said.

Mr. Epstein drafted the prenuptial agreement between Mr. Wexner and his wife, Abigail, according to people familiar with the matter. The retail company sold Mr. Epstein a Boeing 727, and Mr. Wexner sold him his large Upper East Side Manhattan townhouse, which law-enforcement agents raided this month.

When Mr. Wexner did deals for assets such as real estate, Mr. Epstein would take a cut, said one of the people. As Mr. Wexner's personal money manager, Mr. Epstein received a percentage of investment gains, totaling millions of dollars annually.

In a companywide email this month, Mr. Wexner said he wasn't aware of Mr. Epstein's alleged behavior with women and said he had severed ties with Mr. Epstein nearly 12 years ago. "I would not have continued to work with any individual capable of such egregious, sickening behavior as has been reported about him," he said.

On Wednesday, Mr. Wexner's L Brands Inc. said its board hired a law firm to conduct a review of Mr. Epstein's role. "We do not believe he was ever employed by nor served as an authorized representative of the company," an L Brands spokeswoman said.

Mr. Epstein's association with Mr. Wexner gave him legitimacy as a money manager for the wealthy, and he began handling the portfolio of Elizabeth Ross Johnson, the heiress of the Johnson & Johnson fortune. Ms. Johnson, known as Libet, was a tabloid fixture in New York with five husbands and years of family drama.

Once again, the relationship went beyond money management—Mr. Epstein's name appears briefly on property records for Ms. Johnson's home in Vail and several land parcels in Dutchess County, N.Y., north of New York City.

Ms. Johnson died in 2017. A spokesman for the Johnson family declined to comment.

Around 1995, Mr. Epstein brought his staff to meet with Apollo Global Management LLC, a private-equity firm run by Leon Black, to pitch his company as an ideal service for Apollo's wealthy clients, including tax strategy. "He found every single provision that could justifiably be utilized, and he worked with some very smart tax lawyers," said a person who attended the meeting.

Tax work can be especially lucrative because the savings can be huge. And since clients don't want extra scrutiny of their taxes, the strategies often remain under the radar.

Mr. Epstein started providing Mr. Black with tax and estate-planning advice around 1997 and began serving as a director of Mr. Black's family foundation. Over time, Mr. Epstein earned millions in fees advising Mr. Black.

Mr. Black already was getting advice on taxes and estate planning from top accountants and attorneys. An adviser from a prominent law firm expressed concerns over the aggressiveness of Mr. Epstein's tax-minimization strategies, said a person familiar with the matter.

Mr. Black and two other Apollo executives each donated \$167,000 to a foundation associated with Mr. Epstein, a 1999 charity filing shows. The contributions were payment for getting them a good deal on a private plane, said a person familiar with the donations.

Charity filings show Mr. Epstein remained on the board of Mr. Black's foundation until 2012. Mr. Epstein resigned in 2007, according to a spokeswoman for the foundation and Delaware tax filings. The spokeswoman said his name mistakenly appeared on the filings until 2012, when it was

noticed and subsequent filings were corrected.

In 2015, Gratitude America Ltd., a Virgin Islands-based foundation associated with Mr. Epstein, received a \$10 million cash gift from a Black-related entity, according to charity filings and a person familiar with the transaction.

A spokesman for Apollo and a spokeswoman for Mr. Black didn't provide a comment.

By the late 1990s, Mr. Epstein's connections with wealthy people had drawn the attention of top executives of JPMorgan, where he was a client. One of the executives told the newly named head of its private bank, Jes Staley, to get to know Mr. Epstein, according to a person familiar with the matter.

Mr. Epstein was a master at introducing an eclectic mix of wealthy, connected people to each other, and he started connecting a string of acquaintances to Mr. Staley and recommending JPMorgan's private bank--something he would do for another seven years--a person close to the relationship said.

Mr. Epstein connected JP Morgan to Glenn Dubin, co-founder of Highbridge Capital Management, one of the fastest-growing hedge-fund firms of the 2000s. In the 1980s, Mr. Epstein had dated the woman who would later become Mr. Dubin's wife, Eva Andersson-Dubin, who is a physician and former model. In the early 1990s, Mr. Dubin, accompanied by Ms. Andersson, met Mr. Epstein at a political fundraiser Mr. Epstein hosted, according to a person close to Mr. Dubin.

JPMorgan hired Mr. Dubin's fund to manage assets tied to offshore reinsurance products that helped private-banking clients minimize taxes, said people close to Highbridge. Mr. Staley was impressed with the performance and started funneling private-banking clients' money directly into Highbridge's growing hedge fund.

A \$10 million investment Mr. Epstein made in Highbridge in 1999 turned into roughly \$29 million, the people said. He also pitched tax strategies to

managers of the firm, said someone familiar with those discussions.

JPMorgan bought control of Highbridge in 2004 for more than \$1 billion. Mr. Epstein earned a fee of around \$15 million from Highbridge, according to people familiar with the payment. One said the fee stemmed from Mr. Epstein's role introducing Mr. Dubin to Mr. Staley years earlier.

There was confusion at times among senior people inside Highbridge, including by co-founder Henry Swieca, about the fee's purpose. Some people felt it was odd to compensate someone for an introduction years earlier between people who could have met many different ways, given their Wall Street connections.

Asked about this, Mr. Swieca said he and Mr. Dubin agreed to the transaction's terms, including fees.

On deal documents, Mr. Epstein was listed as an adviser on the Highbridge side, along with Goldman Sachs Group Inc., said people familiar with the documents. Unlike Goldman's role, Mr. Epstein's wasn't publicly disclosed.

A spokeswoman for Mr. Dubin and Ms. Andersson-Dubin said they are "horrified by the new allegations against Jeffrey Epstein, which bear no resemblance to the person they knew." The spokeswoman said Mr. Dubin had an "extremely limited" business relationship with Mr. Dubin that ended more than a decade ago, and that in remaining friends, the Dubins believed Mr. Epstein "had rehabilitated himself after his 2008 plea and deserved a second chance."

According to a person close to Mr. Staley, now CEO of Barclays PLC, he hasn't had contact with Mr. Epstein in several years. JPMorgan terminated its relationship with Mr. Epstein sometime around 2013, in part based on reputational concerns, people familiar with the bank said. A spokesman for the bank declined to comment.

Mr. Epstein continued to mine his relationships after his 2008 guilty plea to prostitution charges in Florida. A few years ago, Apollo's Mr. Black asked Marc Rowan, a senior managing director and co-founder of Apollo, to attend a meeting at Mr. Epstein's house with a woman representing a wealthy

family, according to a person familiar with the meeting, who said two blonde women who appeared to be in their 20s greeted guests at the door.

Mr. Rowan didn't respond to a request for comment made via an Apollo spokesman.

Mr. Epstein long spoke of having other sources of income, including a currency-trading business that earned tens of millions of dollars, according to a person familiar with the matter. This person said Mr. Epstein also claimed to work for the U.S. Treasury Department on cryptocurrency and anti-hacking efforts and told people he worked for sovereign-wealth funds, including some in the Middle East, helping them move money and find assets.

During the week of the United Nations General Assembly meeting in New York this year, the person said, a steady stream of dignitaries could be seen arriving at Mr. Epstein's townhouse.

Mr. Epstein's good timing with clients was matched by good timing in markets for stocks and real estate. The New York townhouse he bought from Mr. Wexner for \$20 million is now worth about \$70 million, and the stock market is up sevenfold in the past 25 years.

—Miriam Gottfried, Maureen Farrell, Andrea Fuller, Nicole Hong, Inti Pacheco and Ben Chapman contributed to this article.

Write to Khadeeja Safdar at [REDACTED], Rebecca Davis O'Brien at [REDACTED], Gregory Zuckerman at [REDACTED] and Jenny Strasburg at [REDACTED]