

Subject: Richard Kahn: Private Placement Variable Annuity (PPVA) Investment Account
From: Michael Liebeskind [REDACTED]
Date: Wed, 10 Sep 2014 17:45:58 -0400
To: Paul Morris <[REDACTED]>
Cc: Brian Gartner <[REDACTED]>

Paul,

I don't recall hearing back from Richard Kahn. Should I reach out to him for a status report?

Michael

From: Michael Liebeskind
Sent: Tuesday, June 10, 2014 1:24 PM
To: 'Richard Kahn'
Cc: [REDACTED]; Brian Gartner
Subject: RE: Private Placement Variable Annuity (PPVA) Investment Account

Hi Rich,

How did the meeting with your Principal go?

Michael

From: Michael Liebeskind

Sent: Friday, June 06, 2014 1:34 PM
To: 'Richard Kahn'
Cc: [REDACTED]; Brian Gartner
Subject: RE: Private Placement Variable Annuity (PPVA) Investment Account

There will be no estate taxes. The value of the PPVA Investment Account is included in the taxable estate, but there is a dollar-for-dollar estate charitable tax deduction.

From: Richard Kahn [mailto:[REDACTED]]
Sent: Friday, June 06, 2014 1:30 PM
To: Michael Liebeskind
Cc: Brian Gartner
Subject: Re: Private Placement Variable Annuity (PPVA) Investment Account

i do remember if we spoke about estate taxes
if at death funds are going to charity are they out of your estate
assume they are includable if individual has in his name at death
please advise

thank you

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022
tel 212-971-1306

fax 646-350-0954

cell [REDACTED]

On Jun 6, 2014, at 8:31 AM, Michael Liebeskind <[REDACTED]> wrote:

Rich,

It was a pleasure speaking with you. Good luck with your meeting.

Thanks to Paul for making the connection.

Michael

From: Richard Kahn [mailto:[REDACTED]]

Sent: Thursday, June 05, 2014 8:58 PM

To: Brian Gartner

Cc: [REDACTED]; Michael Liebeskind

Subject: Re: Private Placement Variable Annuity (PPVA) Investment Account

Thank you both for your time this afternoon

Conversation was very useful and I look forward to presenting PPVA to my principal

I will be back in touch tomorrow or Monday

Have a nice evening

Rich

From: Brian Gartner <[REDACTED]>
Date: Thu, 5 Jun 2014 22:43:14 +0000
To: Richard Kahn <[REDACTED]>
Cc: "[REDACTED]" <[REDACTED]>, Michael Liebeskind
[REDACTED]
Subject: Private Placement Variable Annuity (PPVA) Investment Account

Rich,

It was nice speaking with you today.

As promised, directly below is Michael's contact information. I have also attached his v-card for your convenience.

Michael B. Liebeskind

Winged Keel Group

1700 Broadway, 34th Floor

New York, NY 10019

Email: [REDACTED]

Phone: 212-527-8020

Fax: 212-527-8098

Also, when we got off the call, Michael and I thought it may be helpful for you to have the Willkie Farr & Gallagher Tax Memorandum at your fingertips for when you meet with the Principal tomorrow (see "Willkie Farr & Gallagher LLP Memorandum," attached). We asked Willkie Farr & Gallagher to research the tax treatment of the charitable legacy application of a Private Placement Variable Annuity (PPVA) Investment Account. They were able to confirm the tax results we had anticipated, namely that all taxes on investment gains are eliminated to the extent that the PPVA Investment Account is bequeathed to a tax-exempt charity or private foundation. We hope you find this helpful for your conversation tomorrow.

Please let us know if you have any questions prior to your discussion with the Principal or if any arise as a result of tomorrow's conversation.

Brian

From: Brian Gartner

Sent: Thursday, June 05, 2014 4:47 PM

To: [REDACTED]; [REDACTED]

Cc: Michael Liebeskind ([REDACTED])

Subject: FW: Private Placement Variable Annuity (PPVA) Investment Account

Paul and Rich,

The third attachment to this email is the reporting example Michael was referring to. Here is a brief description of the document:

PPVA Sample Statement: This is a redacted version of an actual client statement for the month ending December 31, 2013. The PPVA Investment Account has now shielded \$6,537,565 of investment gains from current period taxation for an incremental fee of \$407,101. This particular client had earmarked \$20 million to bequeath to her private foundation, but she did not want to give up ownership and control of the assets during her lifetime. Needless to say, she is delighted with the results that have been achieved.

Brian

From: Brian Gartner
Sent: Thursday, June 05, 2014 4:09 PM
To: [REDACTED]
Cc: Michael Liebeskind ([REDACTED])
Subject: FW: Private Placement Variable Annuity (PPVA) Investment Account

Paul and Rich,

Here is the material Michael is referring to that will help guide the discussion.

PPVA Overview: This document is a simple one-page summary of a PPVA Investment Account. Under IRC Section 72, an investment account administered by an insurance company qualifies for deferral of investment gains from current period taxation. A client can open a PPVA Investment Account and invest in traditional and/or alternative asset class investment funds. The PPVA Investment Account has no restriction on contributions or

withdrawals (other than those imposed by an investment manager) and no surrender charges. Withdrawals are taxed on a LIFO basis (the gain element is recognized first and taxed at ordinary income rates, and then the cost basis is returned tax-free). There is a 10% excise tax applicable to the gain element of any withdrawals from the PPVA Investment Account taken prior to the owner's age 59.5. If a client bequeaths the PPVA Investment Account to a private foundation or public charity, the deferred taxes are eliminated altogether, and the charity will receive the full value of the account.

PPVA Investment Accounts should be considered when the client's objectives are: 1) deferral of income taxes on investment allocations to asset classes that would otherwise be highly tax-inefficient, and/or 2) optimization of the value that will ultimately be bequeathed to a private foundation or public charity.

Optimizing Planned Gifts to a Private Foundation or Public Charity: This one-page presentation highlights the attributes and economics of utilizing a PPVA Investment Account for assets earmarked for charitable bequests. The private foundation or public charities will receive more than double the asset value in 20 years and nearly triple the asset value in 30 years simply by locating the investment portfolio within a tax-deferred environment versus continuing to expose the investment portfolio to current period income taxes. The PPVA Investment Account is unique in that it allows the owner to:

- maintain control of the investment portfolio throughout his/her lifetime
- defer investment portfolio gains from current period taxation
- allocate investment portfolio values to any of the registered and non-registered investment funds made available by the insurance company
- avoid required distributions until the owner's age 95 or 100 (at which time the distributions can be taken over a 30 year period of time)
- eliminate the taxes on investment gains altogether if a private foundation or public charity is named as the beneficiary. This beneficiary designation is completely revocable and can be adjusted at any time.

Brian

Brian Gartner

Winged Keel Group, Inc.

212-527-8063

212-527-8098 (fax)


www.wingedkeel.com

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