

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** McGraw, Thomas  
**Sent:** Tue 3/19/2013 4:17:32 PM  
**Subject:** RE:

Assuming first that the partnership, the option contract & capital account positions/values are respected, then I think an option written that deeply in the money (in return for the economic interest of preferred cash flow on the units) would raise issues not only as to sale of the art for income tax purposes depending on capital account provisions & subsequent distributions out of the partnership but also as to a sale for NY sales tax purposes which as I'm sure you are aware is a rather liberal definition in NY including precedents on various conditional sales transactions

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**From:** Jeffrey Epstein [mailto:jeevacation@gmail.com]  
**Sent:** Monday, March 18, 2013 2:46 PM  
**To:** McGraw, Thomas  
**Subject:**

if i could separate title from value, it seems to me easy to exchange the value in my art for the partnership interest. Ifc with two classes one holds title. ( vote ), the other full value, , if i contributed an option at 50 million for the value, currently at 2 billion , I might have a disguised sale purpose for federal , grantor trust no issue, but i can't imagine a disguised sales tax ?

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