

**To:** Erika Kellerhals [REDACTED]  
**From:** Jeffrey Epstein  
**Sent:** Fri 1/4/2013 1:38:57 PM  
**Subject:** Re:

so what structure would work, for the bank? do i, or do they own the cumulative preferred, ?  
what limits, how do they get a tax deferral with little risk

On Fri, Jan 4, 2013 at 8:51 AM, Erika Kellerhals <[REDACTED]> wrote:

If you own bulk of cs its okay  
Also depends on types of income company is generating  
Active vs non-active income

Erika A. Kellerhals



KELLERHALS FERGUSON FLETCHER KROBLIN LLP

Partner  
Kellerhals Ferguson Fletcher Kroblin LLP  
[REDACTED]

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**From:** Jeffrey Epstein <jeevacation@gmail.com>  
**Date:** Friday, January 4, 2013 8:49 AM  
**To:** Erika Kellerhals <[REDACTED]>  
**Subject:** Re:

so if us residents own common shares in our new bank,? why is my holding of a 100 percent interest as a us person not included,

On Fri, Jan 4, 2013 at 8:32 AM, Erika Kellerhals <[REDACTED]> wrote:

An entity incorporated in the USVI is considered a foreign corporation for the purposes of the unmirrored Internal Revenue Code. Therefore, when U.S. shareholders control a USVI corporation under the 50% rule ( U.S. shareholders own more than 50% of the combined voting power of its stock or more than 50% of the total value of the stock) the USVI corporation is treated as a CFC (a "USVI CFC"). To the extent that a USVI CFC invests its earnings in United States property or earns subpart F income in the form of foreign base company sales income, foreign base company services income, or foreign personal holding company income, its United States shareholders are taxed on such investment in United States property and subpart F income to the same extent as if such corporation were formed in a foreign country

Erika A. Kellerhals



KELLERHALS FERGUSON FLETCHER KROBLIN LLP


Partner  
Kellerhals Ferguson Fletcher Kroblin LLP



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**From:** Jeffrey Epstein <[jeevacation@gmail.com](mailto:jeevacation@gmail.com)>  
**Date:** Thursday, January 3, 2013 7:00 PM  
**To:** Erika Kellerhals <>  
**Subject:** <no subject>

how do the cfc rules apply to us residents holding shares in vi corp.

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Jeffrey Epstein

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