

To: Jeffrey Epstein[jeevacation@gmail.com]
From: [REDACTED]
Sent: Tue 6/3/2014 3:00:30 PM
Subject: Fwd: For Jeffrey: supporting organization roadmap

Sent from my iPhone

Begin forwarded message:

From: "Russo, Raphael M" <[REDACTED]>
Date: June 3, 2014, 10:54:53 AM EDT
To: "[REDACTED]" <[REDACTED]>
Cc: "Ezring, Gregory A" <[REDACTED]>
Subject: For Jeffrey: supporting organization roadmap

We took a look over the weekend at the supporting organization roadmap that you sent us and have the following observations:

Most importantly, there are a number of features described in the roadmap that suggest a level of oversight by the Parent that could deem it to control the SO. By way of example:

- The donor is entitled to appoint only a minority of the board of the SO (pg 2). The Parent must elect a majority of the SO board (pg 4).
- The SO board may not be controlled by "disqualified persons" which includes major donors and their related parties (pg 4).
- The SO must be free to accept/ reject any suggestion or request made by the donor (pg 2) and in the case of NPT, has rejected some grant requests in the past (pg 5)
- Concentrated positions may be retained by the SO "if good investments" and "the aggregate public charity asset allocation is prudently diversified" (pg 3). This suggests a level of investment oversight at the Parent level or at the SO level under the direction of the Parent.
- Parent may delegate or accept recommendations from the SO subcommittees with regard to investments and grantmaking (pg 4).
- SO is subject to prudent investing standards (pg 5).

Taken together, these features suggest to us that while it should be possible to establish information barriers to separate the SOs from each other and the Parent for insider trading purposes, you would have to aggregate holdings at the parent level for purposes of Section 13d and Section 16.

Let us know if you want to discuss this further or otherwise prepare for tonight's call.

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