

To: Jeffrey Epstein[jeevacation@gmail.com]
Cc: Eileen Alexanderson [REDACTED]
From: Ada Clapp
Sent: Wed 4/30/2014 4:13:10 PM
Subject: Estate Planning Overview

Hi Jeffrey,

The initial draft of the overview values all of Leon and Debra's assets other than the GRATs as of April 16, 2014 but models the GRATs differently. The GRATs are shown as if Leon survived each of the terms, received back all his annuity payments and paid a remainder to the Heritage Trust based on income and appreciation projections Eileen provided. This is a "quick and dirty" way of showing how the assets would pass if the GRATs are successful. It is not "technically accurate" from an estate tax standpoint. I discussed the approach with Alan and asked whether he thought this was a "meaningful" yet practical approach to take. Alan noted that it depended entirely on what you were using the Overview for—broad view of the flow of assets and liabilities on the death of Leon and Debra or an accurate picture of estate tax for liquidity planning purposes.

He and I agreed that for the Overview to be a "more accurate" picture of Leon's estate tax, we will need to do a much more complex analysis that would require engaging Paul Weiss's fiduciary account (Carlos has apparently assisted another family office in a similar situation in this regard). Carlos would look at each GRAT on April 16, 2014 to determine whether the GRAT would be deemed to have failed (based on the April 7520 rate) and determine what portion of the GRAT corpus (likely all) would be included Leon's estate. Carlos would also do a more accurate projection of the GRAT remainders based on variables we give him, such as (i) the date and amount of each dividend payment, (ii) what portion of each payment was made with BFP stock, (iii) application of a discount to the amount of BFP stock used to pay the dividend—which would require projected values of the stock, and (iv) value of the TRA applicable to each GRAT after each annuity payment. He could also build in assumptions such as Leon selling a portion of the AGM units during the GRAT terms.

If Leon were only planning to do one or two GRATs, I am not sure the above exercise would be worthwhile. However, because we expect Leon to re-GRAT over time, and there could be many GRATs in place at any one time, it may be a very useful spreadsheet to have so that at any given time we have a more accurate picture of Leon's estate tax liquidity needs. However, I wanted to confirm with you that you and Leon would benefit from the more detailed analysis before engaging Paul Weiss to prepare it. I ask because, as you may recall, Leon's only comment when I gave him the last Overview was "What did this cost me?"

Please let me know how you wish me to proceed.

Ada Clapp

Elysium Management LLC

445 Park Avenue

Suite 1401

New York, New York 10022

Direct Dial: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

IRS Circular 230 Disclosure: Pursuant to IRS regulations, I inform you that any tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used, by any person or entity for the purposes of (i) avoiding tax related penalties imposed by any governmental tax authority, or (ii) proposing, marketing or recommending to another party any transaction or matter discussed herein. I advise you to consult with an independent tax advisor on your particular tax circumstances.

This communication and any attachment is for the intended recipient(s) only and may contain information that is privileged, confidential and/or proprietary. If you are not the intended recipient, you are hereby notified that further dissemination of this communication and its attachments is prohibited. Please delete all copies of this communication and its attachments and notify me immediately that you have received them in error. Thank you.