

To: Jeffrey Epstein[jeevacation@gmail.com]
From: Richard Joslin
Sent: Thur 3/20/2014 10:29:03 PM
Subject: odds and ends

I spoke to Katie Gregory today - I'd like to update you on basis step up and the sharing of amortization deductions FY 2013. There apparently is more 2013 corporate taxable income than amortization deductions arising from the 2007 step up and some step up generated in 2013 by MR/JH is giving rise to a TRA payment. As a consequence, TRA for 2014 will be paid to MR.JH based on a split utilization. I think there was also a Nov 2013 step up due to JH sale.

KG indicated that she is working with Brad Okun on two alternatives on how the principals will share TRA if two or more principals have generated step ups due to sale of Apollo shares and there is not full utilization in the current year and the amortization deductions carry over to a subsequent year. This seems to be heading toward FIFO approach vs 44/28/28. Some models are being drawn up at the request of LDB to KG. I asked KG if Patrick Fenn was involved with her analysis and she indicated PF was an adviser to the principals and she was mostly dealing with BO.

Another topic is Bedford fire

Another very minor topic is deducting home mortgage on three residences