

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** Ada Clapp  
**Sent:** Mon 9/23/2013 6:56:58 PM  
**Subject:** Re: Petition for Advisory Opinion

Hi Jeffrey--sorry, I tried to send you this response from my iPad this morning and just realized it did not go through to you:

I do not think we should mention that sales tax was paid by the grantor for the reasons we discussed relating to our not applying for the opinion in the first place. I don't think we want that to be a determinative factor in the ruling. I worry that it opens the door for a fishing expedition if NY ever looks into such a reacquisition. If still want it included in the Petition and it does become a determinative factor to issuing the opinion, it means that a grantor will only be able to substitute art for which he or she can prove sales tax was paid. I would rather not have that limitation. Let me know if you still want it included.

Regarding the administrative powers language, the Petition quotes the entire trust language which states that the grantor is exercising the power in a non-fiduciary capacity. I don't see what traction is gained by simply repeating this as part of the argument for a favorable opinion. What is your reasoning for why this bolster the lack of consideration argument? Please explain so I know what you are trying to accomplish.

Thanks.

**Ada Clapp**

Black Family Partners  
c/o Apollo Management  
9 W 57th Street  
New York NY 10019



**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 purpose of (i) avoiding tax related penalties imposed by any governmental tax authority, or (ii) promoting, 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.

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On Sep 23, 2013, at 12:16 PM, Jeffrey Epstein <jeevacation@gmail.com> wrote:

this didn't include the last changes non fiduciary , sales tax already paid.etc

On Mon, Sep 23, 2013 at 10:30 AM, Ada Clapp <[REDACTED]> wrote:

Jeffrey,

The form is set up so that you cannot save it as a document in editable format. Whomever is representing your client and submitting the Petition on his, her or its behalf will either need to (i) print out the form and type in the information (using an Attachment), or (ii) type most of the information into the form online and save it as a PDF document (the form is not flexible enough to include the lengthy response to item 4, so your representative will need to use an Attachment). The PDF document can be printed and submitted with the Attachment.

I have attached what your client's representative may wish to use as responses to items 1-4.

Item 5 addresses additional redacting you may wish for your client if you include any information other than what is on the attached draft Petition.

Item 6 relates to reserving your client's right to participate in New York's Voluntary Disclosure and Compliance program with respect to the subject of the advisory opinion. As you may know, this program is designed to encourage taxpayers to come forward and declare unpaid taxes in exchange for NY not imposing penalties or bringing criminal charges. I do not know if there is any downside to reserving the ability to participate in the VDC program-- but it would only apply to sales and use tax relating to your client's having substituted tangible personal property into a grantor trust in exchange for other property. If your client has not done this, perhaps it makes no sense to reserve this right. I am not sure if it "looks suspicious" to check this box. **Perhaps Alan has a better feel for this?**

Your representative will also need to fill out page 3 of the Petition which is the Power of Attorney and make the required declaration.

**Ada Clapp**

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On Sep 23, 2013, at 6:53 AM, Jeffrey Epstein <[jeevacation@gmail.com](mailto:jeevacation@gmail.com)> wrote:

please fill out the advisory opinion form. I suggest using the concept that the settlor is exercising administravitce powers

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