

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** Alan S Halperin  
**Sent:** Sun 9/22/2013 12:20:16 PM  
**Subject:** Re:

Jeffrey, you will recall that the primary concerns with the freeze partnership were: Leon's indirect access to the art would involve the trust and [REDACTED]; and if [REDACTED] ceased to be a beneficiary, Leon would be forced to pay rent and that rent would be subject to sales tax. Yet, these very concerns would be present if Leon used art as currency when he acquires trust property. The freeze partnership, again, seems superior because it avoids the sales tax issue in connection with the original transaction, and provides a freeze which allows Leon to keep the cashflow for life. Further, once the freeze partnership is in place, we can have transactions with the grantor trust. What am I missing?

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**From:** "Jeffrey Epstein" [jeevacation@gmail.com]  
**Sent:** 09/22/2013 07:26 AM AST  
**To:** Alan Halperin; "Ada Clapp" [REDACTED]

my argument is that leon is owner for fed income tax purposed of the promissory note, he owns the consideration. and substitutes the art. It cannot be recognized for sales taz as he owns the same consideration before and after. its not that there is no consideration it is the ownership of that consideration did not change.

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