



July 16, 2014

Via Email: M [REDACTED]; L [REDACTED]

Ms. Marcia Murrell
Supervisory Entry Specialist
Customs & Border Protection
Ron de Lugo Federal Building & Courthouse
5500 Veterans Drive, Room 248
St. Thomas, VI 00802

Mr. Louis W. Harrigan
Area Port Director
U.S. Customs and Border Protection
Ron de Lugo Federal Building & Courthouse
5500 Veterans Drive, Room 248
St. Thomas, VI 00802

Re: LSJE, LLC

Dear Ms. Murrell & Mr. Harrigan:

I am counsel to LSJE, LLC, a U.S. Virgin Islands limited liability company beneficially owned by Mr. Jeffrey Epstein. I understand that concerns have been raised by your agency, U.S. Customs & Border Protection, as to whether LSJE, LLC is engaged in a trade or business, for example, by holding Little St. James out for rent to the public, and whether imported items are being brought into the Virgin Islands by LSJE, LLC for commercial use. I have addressed each of your concerns below:

1. LSJE, LLC is not engaged in a trade or business, and, in fact, has neither applied for nor has it ever been required to obtain a business license.

LSJE, LLC is not engaged in a trade or business. It was formed solely for the purpose of providing liability protection to its beneficial owner, Mr. Epstein, in running Mr. Epstein's personal household and residence known as Little St. James. LSJE, LLC is treated as a disregarded entity for tax purposes, receives absolutely no income and incurs no gross receipts tax obligations. There was no profit motive behind the formation of LSJE, LLC and there is none in the conduct of its affairs. Although Virgin Islands Code, Title 27, section 301 of the Virgin Islands Code requires that every person or association wishing to engage in any business, occupation, profession, or trade must obtain a business license, LSJE, LLC is not required to obtain a business license because it is not engaged in any business and is, therefore, exempt from the requirement to obtain a business license.

2. Little St. James is not a vacation rental property and is the personal residence of its owner.

I have been made aware that your agency has performed internet searches to determine whether or not LSJE, LLC is engaged in a commercial enterprise. Your agency has directed us to <http://www.fortmyers.com/turks/crusvil.stjames.html> as evidence that Little St. James is actually a vacation rental property. Little St. James is not a vacation rental property. As stated above, it is the primary personal residence of its beneficial owner, Mr. Jeffrey Epstein, and is not leased to third parties. With respect to the particular website noted above, that website is from 1997. Mr. Epstein purchased the island in 1998, at which time it became his primary residence. Our client has made numerous attempts to get the listing removed from this particular website but has been unsuccessful in its attempts thus far.

3. All of the items being imported are for personal use.

All of the items brought in are for the personal use of the owner. The property being furnished is a seventy-five (75) acre estate with multiple indoor and outdoor living areas. The types and amount of property being imported is consistent with the use, maintenance and operation of a personal residence of that size.

Should you have any questions or need additional information, please do not hesitate to contact me at the number listed above.

Very truly yours,



Erika Kellerhals

Enc.

cc: Daphne Wallace via email [REDACTED]

LSJE, LLC
6100 Red Hook Quarter B3
St. Thomas, USVI 00802

April 2, 2013

Government of the U.S. Virgin Islands
Bureau of Internal Revenue
St. Thomas, V.I. 00802

Re: LSJ Employees, LLC 66-0776615
Name Change

Dear Madam/Sirs:

Please be advised that effective March 13, 2013 the above referenced Limited Liability Company duly organized and existing under the laws of the United States Virgin Islands amended its Articles of Organization to reflect a *change of name* from LSJ Employees, LLC to LSJE, LLC.

The Company is attaching an Updated Form 8832 for the sole purpose of reflecting the Company Name Change.

LSJE, LLC
6100 Red Hook Quarter, B3
St. Thomas, USVI 00802

If you have any questions please contact Jeanne Brennan at 775-2525.

Sincerely yours,


Jeanne Brennan
Manager

RECEIVED
PROCESSING & ACCOUNTS NO. 18
APR 02 2013

VIRGIN ISLANDS BUREAU OF
INTERNAL REVENUE ST. THOMAS VI

Attachment: Form 8832
CC: Atty. Tamarah Smalls

Form **8832**
 (Rev. January 2012)
 Department of the Treasury
 Internal Revenue Service

Entity Classification Election

OMB No. 1545-1516

Type or Print	Name of eligible entity making election <u>LSJE, LLC</u>	Employer identification number <u>66-0776615</u>
	Number, street, and room or suite no. If a P.O. box, see instructions. <u>6100 Red Hook Quarter B3</u>	
	City or town, state, and ZIP code. If a foreign address, enter city, province or state, postal code and country. Follow the country's practice for entering the postal code. <u>St. Thomas, USVI 00802</u>	

- ▶ Check if: Address change Late classification relief sought under Revenue Procedure 2009-41
 Relief for a late change of entity classification election sought under Revenue Procedure 2010-32

Part I Election Information

1 Type of election (see instructions):

- a Initial classification by a newly-formed entity. Skip lines 2a and 2b and go to line 3.
 b Change in current classification. Go to line 2a.

2a Has the eligible entity previously filed an entity election that had an effective date within the last 60 months?

- Yes. Go to line 2b.
 No. Skip line 2b and go to line 3.

2b Was the eligible entity's prior election an initial classification election by a newly formed entity that was effective on the date of formation?

- Yes. Go to line 3.
 No. Stop here. You generally are not currently eligible to make the election (see instructions).

3 Does the eligible entity have more than one owner?

- Yes. You can elect to be classified as a partnership or an association taxable as a corporation. Skip line 4 and go to line 5.
 No. You can elect to be classified as an association taxable as a corporation or to be disregarded as a separate entity. Go to line 4.

4 If the eligible entity has only one owner, provide the following information:

- a Name of owner ▶ Jeffrey Epstein
 b Identifying number of owner ▶ [REDACTED]

5 If the eligible entity is owned by one or more affiliated corporations that file a consolidated return, provide the name and employer identification number of the parent corporation:

- a Name of parent corporation ▶ _____
 b Employer identification number ▶ _____

