

From: "Barry J. Cohen" <[REDACTED]>
To: jeffrey E. <jeevacation@gmail.com>
Subject: RE: Art valuation
Date: Mon, 18 Sep 2017 13:09:12 +0000

Let me make sure I understand your concern. If we donate the art to a CLAT, foundation or charity, we get an estate tax deduction, at the valuation. So from an estate tax standpoint, we don't care what the valuation is, right? However, if we donate it to a CLAT, we would like the valuation to be as low as possible to optimize chances of the remainder having value. Right?

If we sell art within 6 months of death, there is no argument over valuation, and the cash in the CLAT will equal the starting CLAT valuation of the art. If we sell art after that, there is a chance that the valuation will be higher than the proceeds, leading to the problem mentioned above.

There is a concern that if the estate sells art (quickly or otherwise) that it will sell it poorly. We are better off if Leon sells art before he dies because he will do it better. We simply don't believe that that Leon has any interest in doing that, but maybe we're wrong.

We are assuming that if art is sold within a year or two of death, there will be a heavy presumption that the sale price should be the IRS's estate valuation price, absent a material move in the art market. I'm not sure you agree with that.

The biggest concern we have is regarding the portion of the art that will inevitably take years to sell. We could be stuck with a CLAT valuation that is much higher than the ultimate proceeds.

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From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Monday, September 18, 2017 8:51 AM
To: Barry J. Cohen <[REDACTED]>
Subject: Re: Art valuation date

no, I said that all art had to be valued by the art advisory board. dates immaterial

On Mon, Sep 18, 2017 at 8:50 AM, Barry J. Cohen <[REDACTED]> wrote:

Did I understand you to say that art is not eligible for the alternative valuation date (6 months after death) and must be valued on the date of death? I thought that we had the option to value it at (a) date of death, (b) 6 months after or (c) at the sale price if sold within 6 months after death.

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please note

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