

**From:** Heather Gray <[REDACTED]>  
**To:** jeffrey E. <[REDACTED]>  
**CC:** Melanie Spinella <[REDACTED]>, Brad Wechsler <[REDACTED]>, Richard Joslin <[REDACTED]>  
**Subject:** RE: question re: possible 1031  
**Date:** Wed, 15 Apr 2015 13:55:31 +0000

---

Leon told me on Thursday of last week that he was selling the Calder, and I received the consignment agreement from Christie's on Monday. I think Christie's only approached Leon about the sale last week, but Melanie and Leon can tell you the exact timeline.

Great, I'll go ahead and include in the consignment agreement our right to assign to a QI.

**From:** jeffrey E. [mailto:jeevacation@gmail.com]  
**Sent:** Wednesday, April 15, 2015 9:57 AM  
**To:** Melanie Spinella; Heather Gray  
**Subject:** Fwd: question re: possible 1031

when was this decided , ?? and yes assignment to a QI

----- Forwarded message -----

**From:** Heather Gray <[REDACTED]>  
**Date:** Wed, Apr 15, 2015 at 9:33 AM  
**Subject:** question re: possible 1031  
**To:** "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>  
**Cc:** Brad Wechsler <[REDACTED]>, Richard Joslin <[REDACTED]>

Good morning, Jeffrey,

Narrows Holdings LLC is consigning a Calder mobile to Christie's for their May 11<sup>th</sup> *Looking Forward to the Past* sale. Leon bought the Calder from PaceWildenstein in 2009 for \$3,758,125 (including NY sales tax) and transferred it to Narrows as part of the 2012 contribution of all art to Narrows that Ralph prepared. Christie's is giving Narrows a guarantee of \$6.5 million, plus 80% of any overage (the amount of the hammer price above \$6.5 million).

Should we try to structure this sale as a possible 1031 exchange?

We have to sign the Christie's consignment agreement today because they are at their publication deadline, but I can include a provision in the consignment agreement that allows us to assign the agreement to a qualified intermediary if you think we might want to do a 1031.

If we decide to move forward, we would need to decide who to use as QI (an art dealer or a corporate QI), and Leon would need to identify within 45 days of the auction art that he might want to acquire. The only things I have heard about that he may be buying are some Old Master drawings coming from Europe, so those would not work for the exchange, but the big Impressionist and Contemporary sales are the first two weeks in May, so there may be things in those sales that he is interested in.

I have not previously done a 1031 with a single-member LLC, but I can't see any reason why it wouldn't work, and we have outside tax counsel that I'll ask to weigh in and work on the exchange if you want to take this forward.

I'm in the office and happy to discuss (at [REDACTED]).

Best,  
Heather

**Heather Gray**

Elysium Management LLC

445 Park Avenue

Suite 1401

New York, New York 10022

Direct Dial: [REDACTED]

Fax: [REDACTED]

Email: [REDACTED]

--

please note

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of JEE

Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to [jeevacation@gmail.com](mailto:jeevacation@gmail.com), and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved