

From: Heather Gray <[REDACTED]>

To: "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>, "Richard Kahn" <[REDACTED]>

Subject: sales tax audit of exchange agent

Date: Wed, 23 Aug 2017 21:12:20 +0000

Attachments: doc04570220170823154153.pdf

Inline-Images: image001.png; image002.png; image003.png

Jeffrey and Rich,

Attached is the letter our outside lawyer (Tim Noonan at Hodgson Russ) sent to the New York sales tax auditor.

Below (in blue) is the response our lawyer received from the auditor:

From: Antona, Carlo C (TAX) <[REDACTED]>
Sent: Monday, August 14, 2017 3:07 PM
To: Noonan, Timothy <[REDACTED]>
Cc: Lai, Edward (TAX) <[REDACTED]>; Sherif, Musa (TAX) <[REDACTED]>; Ferrer, Carlos (TAX) <[REDACTED]>; Cronin, Robert M (TAX) <[REDACTED]>
Subject: CDECRE EAT

Hi Tim,

I just got back from vacation and currently reviewing your position letter and all attachments. I have also shared this information to our FAM and OoC units and we are awaiting their comments. We will try to get back to you by the end of this month but since we are collaborating with two other units, there is a good chance we may need extra time to reply.

I do have some additional questions regarding this:

- In your description of the transaction in the letter, the "Relinquished Property" was placed at auction with Christie's and subsequently sold to satisfy the 1031 Like-Kind exchange. Who was the buyer and why was sales tax not collected on this sale? Was there any exemption certificate provided?
- In all the other transactions in the audit period, no sales tax was collected on the sale of the "Relinquished Properties." Can you let us know if there are exemption certificates received from these sale transactions?

Thank you,

Carlo Antona

Tax Auditor 3, Transaction Tax Field Audit Bureau
New York State Department of Taxation and Finance
1011 East Touhy Avenue, Suite 475, Des Plaines, IL 60018

[REDACTED]
www.tax.ny.gov | tax.ny.gov

Please let me know if you have any questions.

Best,
Heather

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[REDACTED]

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