

**From:** Heather Gray <[REDACTED]>  
**To:** "Jeffrey Epstein (jeevacation@gmail.com)" <jeevacation@gmail.com>  
**Subject:** FW: sales tax  
**Date:** Thu, 30 Apr 2015 22:33:10 +0000

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Hi Jeffrey,

Paul Weiss agrees that the trade-in credit applies to art. This is the tax partner that Alan had weigh in:  
<http://www.paulweiss.com/professionals/partners-and-counsel/richard-j-bronstein.aspx>.

Best,  
Heather

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**From:** Halperin, Alan S [mailto:[REDACTED]]  
**Sent:** Thursday, April 30, 2015 6:29 PM  
**To:** Heather Gray  
**Cc:** Ada Clapp; Bronstein, Richard J  
**Subject:** RE: sales tax

We agree. Thanks. Alan

Alan S. Halperin | Partner  
Paul, Weiss, Rifkind, Wharton & Garrison LLP  
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**From:** Heather Gray [mailto:[REDACTED]]  
**Sent:** Thursday, April 30, 2015 5:54 PM  
**To:** Halperin, Alan S  
**Cc:** Ada Clapp  
**Subject:** sales tax

Hi Alan,

So nice speaking with you earlier today, and I hope you feel better soon!

As I mentioned on our call, I wanted to check in with your sales tax people as to whether they think the trade-in credit provided under NY Sales and Use Tax Regulations section 526.5(f) applies to a trade-in of art to an art dealer. (For the record, I believe that it does.)

The scenario we are imagining is as follows: Collector wants to buy Artwork A from Gallery for \$100. Gallery is a NYC art gallery that is in the business of buying and selling works of art. Collector and Gallery agree that Collector will trade in Artwork B in part payment for Artwork A. Gallery gives Collector credit for \$75 (the value of Artwork B) and charges Collector \$25 cash plus NY sales tax on \$25. Gallery intends to sell Artwork B to a different client.

Thanks,  
Heather

Heather Gray

Elysium Management LLC

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