

**From:** Jeffrey Epstein <jeevacation@gmail.com>  
**To:** Melanie Spinella <[REDACTED]>  
**Subject:** Fwd: Estate Overview  
**Date:** Mon, 23 Sep 2013 22:30:25 +0000  
**Attachments:** Black\_EstatePlanningAnalysis\_2013\_(9.23.13).pdf

---

????????

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

**From:** Ada Clapp <[REDACTED]>  
**Date:** Mon, Sep 23, 2013 at 6:07 PM  
**Subject:** Estate Overview  
**To:** Jeffrey Epstein <jeevacation@gmail.com>, Eileen Alexanderson <[REDACTED]>

Hi Jeffrey and Eileen,

Attached is the revised Estate Planning Overview prepared by US Trust. As I mentioned, the prior Overview was inaccurate because their program was not updated and calculated the tax using the 35% rate in effect for 2012. The attached Overview reflects the 45% tax rate currently in effect.

Items to highlight (noted with the last version):

- The Overview illustrates the 1997 Trust and the 2006 Trust already decanted into the Heritage Trust.
- BFP interests are discounted 30% to reflect the reality of the Note substitution. This deflates the value of Leon's estate (good for estate tax but the children's inheritance appears smaller). As Leon monetizes AGM shares, the discounts will "disappear". Assuming no principal repayments, the note value will remain frozen at the discounted value.
- **The Overview assumes that Debra has transferred title to all residences to Leon.** Leon's new Will and Revocable Trust are drafted as if Leon owns all residences individually. In fact, all but two parcels are owned jointly by Debra and Leon. Unless she transfer her title to Leon, the residences will pass to her outright on Leon's death rather than to the Marital Trust (and later the Heritage Trust) as Leon wants. **Leon needs to be reminded of this.**
- The Overview assumes Leon selects \$200 million of art from his estate and \$100 million from the Heritage Trust to be held in each child's Legacy Trust. Leon's selection of what passes to the Legacy Trusts will dramatically influence the estate tax calculation. The greater the amount of includible art that passes to the Legacy Trusts on Debra's death, the greater the estate tax.

- If Leon died today, the Overview assumes (i) art would be sold to pay the Bank of America Loans and cover estate tax and (ii) all of his BFP interest would be used to repay the Note to the Heritage Trust and the Note to BFP. Debra's Marital Trust would be funded with art, residences and the GST exemption amount (\$1,750,000). No other investment assets. Of course, Debra could require the Trustees to sell art and reinvest the proceeds to produce income. As Leon pays down the Note to the Heritage Trust and monetizes AGM over time, there should be more liquid assets to pass to the Marital Trust. That is because he will either pay-off the "discounted" Note with non discounted assets such as cash from monetization, or with appreciated BFP interests, assuming appreciation.

I will bring the Estate Overview to our meeting with Leon on Wednesday so we can walk him through it.

Best regards,

**Ada Clapp**

Black Family Partners  
c/o Apollo Management



**IRS Circular 230 Disclosure:**

Pursuant to IRS regulations, I inform you that any tax advice contained in this communication (including attachments) is not intended or written to be used, and cannot be used by any person or entity for the purpose of (i) avoiding tax related penalties imposed by any governmental tax authority, or (ii) promoting, marketing or recommending to another party any transaction or matter discussed herein. I advise you to consult with an independent tax advisor on your particular tax circumstances.

This communication, and any attachment, is for the intended recipient(s) only and may contain information that is privileged, confidential and/or proprietary. If you are not the intended recipient, you are hereby notified that further dissemination of this communication and its attachments is prohibited. Please delete all copies of this communication and its attachments and notify me immediately that you have received them in error.

--  
\*\*\*\*\*

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 Jeffrey Epstein. 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  
???