

From: Valeria Chomsky <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Subject: Letter 2
Date: Sat, 10 Feb 2018 05:18:20 +0000

[REDACTED] response.

Suggestions?

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

From: Noam Chomsky <[REDACTED]>
Date: Sat, Feb 10, 2018 at 12:11 AM
Subject: Fwd: Response to your letter
To: Valeria Chomsky <[REDACTED]>

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From: Noam Chomsky <[REDACTED]>
Date: Wed, Feb 7, 2018 at 1:20 AM
Subject: Re: Response to your letter
To: Valeria Chomsky <[REDACTED]>

Easier to add comments below. I'll write separately responding to the earlier letter.

First, an area of agreement. All of this is extremely disturbing to me. It's the one seriously -- *very* seriously -- dark spot on the new life that Valeria and I have been shaping for ourselves, and I would therefore like to get it over with and resolved as soon as possible. As I have written, I cannot understand why you are bringing any of these things up, and I think it would be very good to make everything clear, and keep nothing hidden or implicit.

Second, it's clear that we are not communicating. The reason seems to me very simple: I write you long and detailed letters explaining the facts, and you completely ignore them, not responding to anything I wrote. Not once. When I ask specific questions, you do not respond. I've repeatedly asked you for the sources of your beliefs, but you have never told me, so I can only guess. To take the most recent case, I have asked several times where you received the information about the sale of our Cambridge apartment (incorrect information, as I wrote) and the purchase of our Tucson house -- and also, why you even wanted to look into the matter, which, frankly, seems to me very strange.

Then come the areas of disagreement, which I hope we can iron out quickly and expeditiously so that we can pick up the warm and close relations that we always had, and that I'd always treasured.

More below, interspersed.

D

On Tue, Feb 6, 2018 at 9:16 AM, Diana Chomsky <dchomsky@oxfam.org.uk> wrote:
Dear Doddoy,

We really hesitated to write our long letter to you last month. We only finally decided to write it because you insisted so many times that we do so. We think, and have thought for a long time, that we need to sit down face-to-face and work through our very substantial differences with you in how we understand your estate plan, financial history, and current situation. But after you asked us so many times in December to discuss it by e-mail, we decided to give that a try. We definitely didn't intend to be legalistic and adversarial, and we really regret that that's how you found our writing. We meant our letter as a heartfelt explanation of our perspective on the issues and how we want to help you understand the problem and fix it. But it doesn't sound like you've understood what we were trying to explain and express. This strongly confirms our feeling that e-mail is not a useful way for us to communicate about these issues.

I understood very well, and responded, pointing out that the information you have received from some source -- which you do not identify, despite repeated requests -- is flatly wrong. In the letter I wrote to you, to which this one was supposed to be a response (while avoiding everything I wrote), I already had explained in some detail why your perspective is incorrect, throughout. I'm sorry that you ignored the letter, but I will repeat the main points below. If you want to sit down face-to-face, OK, though I think a conference call would make more sense.

Before going on, I frankly cannot comprehend why you think it is necessary or even appropriate. I can appreciate your being concerned about my life, just as I'm concerned about yours. That's natural in a close-knit family. Over the years, I've often been seriously concerned about the decisions and choices all of you have made, which sometimes seemed questionable or mistaken to me (Mommoy even more so, when she was alive and well). But we never felt that we had a right to interfere or to supervise. I never would have dreamed of asking you for financial statements, or even suggested that we discuss these matters. I'd have been happy to do so if you'd asked, but if not, it's your decisions and my role is only to be supportive -- as I have been, in many ways that you know and I need not review, and also by setting aside ample funds over the years to ensure that you and your children will be well provided for: that includes the trusts of which you are beneficiaries, two houses, almost all of my pension, educational Trusts for grandchildren, and lots of funding along the way for all sorts of purposes. I don't understand why you think it is any different in the present case, and I think it would be a good idea for you to explain, so that we can clear the air.

On a personal level, we are heartbroken to feel that we are kept at such a distance from you in your new life. We were thrilled to learn that you had found a new partner, but we were grieved when we began to realize that this meant we are rarely able to see you.

It didn't mean that at all. Of course, my life became different, and Valeria and I had many things to do to put our new life together. But we took time off from the conference in Mexico to see you, with much pleasure; a few months before we went to Wellfleet to spend some time with you. Harry, Amy and Alex visited in Cambridge. So did Avi, Mariola and Ernesto. I kept seeing Avi whenever we could arrange it, sometimes with Valeria, usually alone. We began spending winters in Tucson, and have now moved. I certainly don't want any distance, and am just as heartbroken as you to think that there might be.

Even email and telephone communication has become much more limited.

If so, I'm not aware of it. Until the last few weeks, when he stopped calling, I spoke to Harry weekly. I very rarely had email correspondence with Diane in the past, more often with Guillermo, which has continued. Since Avi was close by, email was always limited. As you know, I rarely used the phone in the past except for interviews, and in recent years I have been cutting back on that. Inconvenient for me.

We have also been increasingly distressed to see that instead of feeling happy and relaxed, you feel impoverished.

You misunderstand. Apart from this continued interchange, which I don't understand, I'm happy and relaxed, much more so than during the years before Valeria and I came together. As for "impoverishment," when I began to look into how my affairs had been handled, I discovered that I was

indeed facing financial problems, though far from impoverished. I've explained before in letters that you have ignored, so I will repeat briefly again.

I discovered that I have almost no pension: years ago it was turned into trusts of which you are the beneficiaries, and the very small pension I receive (less than Social Security) ends at my death, leaving nothing to Valeria.

I discovered that I was living on an IRA that was being rapidly depleted. To run through the arithmetic once again, there is a mandatory withdrawal of about \$300,000. Half of that was being distributed to 10 family members. The other half was going to payment of taxes and management fees on the entire estate. In addition, close to \$100,000 was going to expenses for Wellfleet and Alex's medical expenses. Hence before I withdrew a penny for daily life, I was already far over the mandatory withdrawal, which, by law, imposes exorbitant taxes that I also had to pay. You can work out the arithmetic for yourselves. And you will recall I'm sure that when I requested that some of the taxes be covered by the marital trust (which, by rights, I should have full access to), Harry refused unless I submitted to extensive financial analysis, which of course I refused to do on principle. There was never a request for such financial analysis when distributions were made to family, or when Max distributed funds from the marital trust, or for any other gifts over the years, and I saw, and see, no reason why I should be subjected to this humiliating demand.

In addition, as I've repeatedly explained, I bought the apartment in the Cambridge co-op on the erroneous assumption that the cost would be covered completely and quickly by the sale of the Lexington house. If I'd paid attention instead of just trusting advisers, I would have known, as they did, that I did not own the Lexington house and that the profits would go to you, so I was buying an expensive apartment in a co-op with no assets at all, a crazy decision. As I wrote, I agreed to the surreal idea of borrowing money from within the family (with interest) only on the false assumption that the loan would be for a few weeks or months, hence meaningless.

That's the "impoverishment," and I've now pretty much overcome what had been done.

All that keeps me from being "happy and relaxed" is your continued insistence on pursuing these matters, which, again, I don't understand.

You have even felt the need to hire multiple lawyers to threaten people who you had trusted for years, and who we believe have continued to do their utmost to act in your best interest and to help you navigate your new financial situation.

Again, I'd be interested in knowing your source for these claims. When you learn the true facts, as sooner or later you will, you will be surprised, and I presume seriously disturbed. You're quite right that for years I had trusted people who, it turned out, had been making decisions, such as those I have again reviewed, that were quite harmful to me. It is hard for me to comprehend how you think they would act in my best interest and help me navigate the financial difficulties they had created, in the light of what I have explained to you, repeatedly. And as I've written, that's only a part of it. I mentioned the tens of thousands of dollars we paid Max for such things as a will so outlandish that we had to trash it at once (see my letter). And there is quite a lot more. I don't understand why you completely disregard the detailed and fully accurate information I have once again reviewed, and choose instead to rely on what you are told by others.

We have in fact found your letters over the past year increasingly alarming. If we felt that you were stable and content in your new life, we would probably accept the distance that has been created. But your statements, in person, and in your letters, do not give us the impression that you feel stable and content.

I have explained before, and will repeat again, that I am very stable and content in my new life, and looking forward to the peace, tranquillity, work and life conditions that I think I have a right to enjoy after many years of hard work and ample attention to caring for the needs of my children. There was a

financial problem caused by extremely harmful decisions of advisers that I had trusted, but that's now pretty much overcome. What's causing extreme distress is your insistence, which I don't understand, on pursuing the matters we are now again discussing.

One matter that remains is that marital trust. I explained what has been happening in a letter that you seem again to have ignored, and won't repeat the details. In brief, Max has concocted an interpretation that is technically legal but that clearly makes no sense at all, based on the idea that Mommy and I decided to split our assets so that she would make decisions about allocation of her part and I would make decisions about allocation of my part. The idea that we would decide to have separate property and make independent decisions about it is insane, and never occurred to us. Max's interpretation is based on the technicality that in setting up the trust in [REDACTED] name for tax purposes, the funds were first assigned to her revocable Trust and then to the Marital Trust, which was, of course, intended for the use of the survivor -- which is, for example, why I have always selected the Trustees and should continue to do so.

Perhaps, though you haven't said so, you agree with Max, and want to ensure that the survivor (me) does not have access to the funds and that they should go to you in addition to you. And that I should not have the right to leave anything to Valeria. If that's the case -- which is hard for me to believe -- I think it would be best to say so straight out.

We have begged you to meet with us with a mediator. We renew that request. A mediator is a person trained to help different parties communicate and understand each other. This is what we want. We do not want to watch you engage in expensive legal battles, and we do not want to live in trepidation of the next angry and irrational email we might receive from you.

You have received only very rational and careful emails, which are sometimes annoyed, and for good reasons. I still am shocked at the refusal to pay part of the taxes without extensive financial scrutiny, particularly after the facts that I have again described. I don't know what you have heard about "expensive legal battles," but I strongly suspect that it is as mistaken as your beliefs about my financial situation. I'd be glad to meet, or more easily to have a collective phone call, but I cannot imagine why you want a mediator. If there are some issues, we can discuss them. In my mind at least there is no adversarial conflict for which a mediator is in order.

I do hope, again, that we can resolve this quickly. It is deeply disturbing. And unnecessary, unless you have something on your minds that you have not told me.

A few more comments below.

D

PS. About your earlier letter concerning the estate plan, though I responded explaining why you and Max are completely wrong about the Marital Trust, there are a few points I left out.

One, I'm amazed, and not a little disturbed, that you even looked into this in such detail. These are matters I never paid any attention to until I started looking into my affairs and discovered what was being done by my advisers, as I've just once again described. I do not comprehend why you felt that you should undertake this inquiry -- just it would have been unthinkable for me to have inquired into your affairs when you were making decisions I found questionable and was supporting them, financially and otherwise.

But put that aside.

The first sentence of your letter is Max's interpretation, which is flatly false, and surely ridiculous. We never thought of the crazy idea of setting up two separate Trusts, one to manage my "individual property," and the other to for M to manage her "individual property." We had property jointly, not divided into mine and hers. Again, Eric suggested this pretense solely for tax purposes. We agreed, but the idea that you (and Max) express could never have occurred to us, and I find it hard to understand how it occurred to you.

I have already reviewed the facts about the way the Marital Trust was established and the obvious intentions, so won't go through it again, but your account in the letter is entirely wrong, though it does exploit a legal technicality. It is hard for me to imagine how this weird interpretation could even have occurred to you.

Aside from many factual errors along the way, which I won't review, I'm also amazed, and shocked, to read such statements as "Carol's intention to leave some money to your children." Carol's intention? Alone? Not my intention? Is this your conception of what our family life was? I hope not. In reality, neither of us had separate "intentions." We decided together how to ensure that the children and grandchildren would be very adequately cared for from my earnings of the years, and how the survivor would be as well.

I've already explained, once again, why you are radically misled about what happened to my IRA under Max's and Bainco's supervision, until I started looking into it and ended the practices that were rapidly depleting it.

You say that you learned about Valeria in 2013 -- that is, when we met. It's quite true that I didn't consult lawyers or financial planners or Harry before we decided to get married, just as Carol and I didn't, just as none of you did. I don't frankly understand what you are thinking.

You are, again, mistaken about the sale of the Lexington house. The facts are as I have repeatedly described. I surely would never have contemplated buying a Mem Drive apartment in a co-op with regular expenses and taking out a loan from a family trust had I not assumed that the loan would be until the sale of the Lexington house that would cover the costs of the new apartment.

You report a visit by Harry and Max with an idea about using assets. I'll respond to that in my other letter. I did have a private visit with Max in my MIT office in which he explained that I'd have to sharply reduce my past lifestyle, sell the boat and other such assets, because of the way my estate had been arranged. That was the first I'd heard of any of this. At that point I began to look into what was going on and found what I've described.

You say that "as far as we know, no financial planning has occurred, despite the passage of a year and a half since Max and Harry understood we all agreed it needed to be done."

That's the first I've heard that Max and Harry have been my supervisors. I had thought that Max was my lawyer and that Harry was my son. In fact, financial planning has occurred, the first serious planning since Eric, but it never occurred to me that I was supposed to be under the control of Max and Harry.

You're right that I changed my relations with Anthony, as part of our financial planning. Again, it did not occur to me that this was anyone's business but mine. You can have your beliefs about the facts, but I have the facts available and feel I have the right to make such decisions without supervision, just as you do.

You are quite right that I can repay the loan to the marital trust, even though the profits from sale of the apartment are considerably less than your sources told you. I won't comment further about this, but you might want to think about it.

As for my lifestyle, for your information it is considerably reduced from what it used to be, though I don't understand why that is your business, any more than I inquire into your lifestyles or seek to supervise them.

The "sudden and sustained increase in spending" is fully explained by the malpractice I have once again reviewed to you. That's why the IRA was depleted. Now that I have ended these practices.

Your phrase "an independent Trustee, such as Max," is quite remarkable in the light of what I have told you, not least the legalistic chicanery about the Marital Trust. He's your lawyer, working for your benefit, which is what a lawyer is supposed to do I suppose. That explains the record I have described at length, repeatedly. But I have every right to select an independent and qualified Trustee, just as I selected the Trustees up until now.

I can only repeat what I said before. We surely should be concerned about one another. I've often been concerned about your decisions and choices, and felt that they were questionable or misguided. It never occurred to me that I should inquire into the details of your financial situation or your lifestyles or to supervise what you do. Rather, I just supported it, whatever my misgivings, financially and in other ways. Same with Mommoy when she was alive, and contrary what you seem to believe (along with Max), we were a couple, making decisions jointly, not deciding separately how to allocate funds under her or my separate control.

I do hope we can end this quickly, and pick up our lives without this blight.

D

Love, Avi, Diane and Harry

From: Noam Chomsky <[REDACTED]>
To: Avi Chomsky <achomsky@salemstate.edu>, Diana Chomsky <dchomsky@oxfam.org.uk>, Harry Chomsky <harry@chomsky.net>
Date: 03/02/2018 23:33
Subject: Response to your letter

Still surprised that you had the financial information about the apartment and our Tucson house, which we never provided to anyone, because it's no one's business, just as no one knew or raised any questions about earlier cases of purchase and sale.

However, whoever provided you with the information left a few things out, like payments to the cooperative and the costs of the sale. When these are taken into account, you'll find that what we received suffices to cover the costs of our purchase of the apartment, a bad mistake, as I've already explained, since we obviously couldn't afford it, not having the funds from the sale of the Lexington house, as I had expected. There is a little left over for a small mortgage on a much less expensive place that we can afford. In the cooperative there are retired professors, but they are people who have pensions and had property that they could sell to buy the apartment. I had neither, as you know.

Again, I don't know why you brought this up at all, but more generally, don't understand why you are

persisting with this correspondence. As I've written several times, and shouldn't have to say, I've worked hard all my life, set aside ample funds to ensure that my children and their families will be well taken care of, and think I have the right to spend my last years in peace and tranquility without being concerned with accounting for financial matters. I don't understand, but will respond to your letter. I'll also send a separate letter concerning some recent interchanges with Max, which you may or may not have heard something about.

I should say that your letter is not easy for me to read, and a response won't be easy to write, for reasons I've explained in earlier letters. In the first place, to repeat again, I'm amazed that we are having this correspondence at all, that we've wasted 5 minutes on this. I also continue to be perplexed about the difference of style: I write you personal letters, and when you respond to them (usually you don't, as in the present case), the letters read as though they are written by lawyers in an adversarial proceeding. On the matter of the loan to buy the Cambridge apartment, for example, I explained that the whole idea of a loan within a family seemed to me utterly surreal, and I agreed only because I assumed, mistakenly, that the loan was for a few weeks until the Lexington house would be sold and would cover the costs of the apartment. If I had been paying attention, I would have known that I didn't own the Lexington house. If I had had a lawyer and financial adviser who were concerned with my situation, they would have informed me that the Lexington house was not mine, and since I had no funds to pay for a new place to live, I couldn't afford to buy an apartment in Cambridge near Harvard Square, surely not a coop with continual fees. That's what I explained in my letter. Your response was a statement of the legal issues as you understood them and advice to have lawyers clarify the matter.

Same now. I wrote you several long personal letters, and this is your first response. Virtually a legal document. And I have to say I'm surprised that you have the information you include, which happens to be incorrect in crucial respects as I explained in earlier letters and will repeat.

In particular, your account of the sale of the Lexington house and the purchase of the apartment is incorrect, as I have just reviewed once again. The facts are as I have already described them, entirely unlike the story you present here, which I presume you received from Max and Sam.

Some of your letter is correct. I did not consult with lawyers before we decided to marry -- I won't comment further on this. And it is true that the earlier estate planning did not take into account that I might marry, a fact that has been causing some remarkable actions. I won't comment on this either, but will simply add below a letter I wrote to you some time ago but never sent.

You state, correctly, that it would be wrong for Valeria to end up as your tenant. But then right below you say that the preferred solution was for the apartment we bought to be in a trust of which you are the beneficiaries, which means that she would end up as your tenant. That aside, why should the apartment have been in a trust at all?

As I wrote you several times, we are very happy together. Valeria gave up her family, friends, and a flourishing professional career to be with me -- a very precious gift. I want to make sure that she is well taken care of when I die, not beholden to anyone, not anyone's tenant.

About the "scam," yes, there is one, and I have described it to you several times. To repeat again: the mandatory annual withdrawal from the IRA is about \$300,000, which certainly does sound like a lot of money, until we look at what was happening to it. About half went to distributions to the family. The remaining half was spent in taxes and management fees for the entire estate. Over and above this were the payments for Wellfleet and Alex's medical expenses, all drawn from the IRA in excess of the mandatory withdrawal and therefore subject to exorbitant taxes. That's before one cent was used for personal expenses. If I had had a lawyer/financial adviser, he would have informed me that this is going to quickly deplete the IRA. But I didn't. I finally learned about it and ended it.

Same with the demand for financial analysis. When money from my IRA was being distributed to 10 family members, no one asked them to provide a financial analysis. Or in any other case, like distributions from the Marital Trust. The demand arises only when I request money (which I should have access to anyway) for the

purpose of paying taxes that are exorbitant for the reasons I have just described again.

You say that my expenditures have gone up since then. Since you seem to have gotten information about my expenses, could you explain how they went up? I can give you some hints. We were, for example, paying tens of thousands of dollars to Max for things like making a will, which, when he finally sent it to us, was so outlandish that we simply trashed it -- for example, with a demand that we list all of our tangible assets, including teaspoons and pillow cases, presumably to make sure that nothing would go to Valeria. And other such conditions. So yes, those were expenses. If you know of other ones, please let me know.

You clearly trust Max and are accepting his version of events and circumstances rather than mine. That surprises me, but to repeat, I don't trust him at all, for good reasons, which I've explained repeatedly -- leaving out a fair amount.

Could add more, but won't. To go back to the beginning, I find it difficult to understand why you are persisting in these inquiries. We are a family. We care for each other. I don't understand why you are doing this.

D

There are some other reasons why it looks simple to me, and I think it would be helpful to make them clear and open.

Throughout this whole business, thoughts have been coming to my mind that i'm sure must have occurred to you too. Namely my own experiences.

When my mother died, in 1972, my father was 78 years old, not a good time to be alone. Knew that well enough then, but it came home like a hammer blow when Mommoy was diagnosed in 2006 with incurable brain and lung cancer, and I was privately told by her physician that she had at most months to live -- never told her of course. I couldn't help realizing that if I had died before her, and she was alone, she would have had to be put in some facility where she would suffer and die soon in misery. Since I was there, I could take care of her at home and to the great surprise of her doctors, she had two years that were tolerable and sometimes very enjoyable even as she wasted away and reverted to infancy, and was able to pass away in peace, at home.

i didn't think of all of that when my mother died, but I did understand enough to realize -- we all did -- that my father was facing a very difficult and dangerous period.

We were therefore all delighted when, a year later, he met and married Ruth. They spent the rest of his life together, happy and secure, and he too was able to pass away at home, in peace, his wife taking care of him and his children and Judy nearby.

We were, of course, very grateful that he had found Ruth, and very grateful to her. David and I owned the house, but of course we just gave it to her for the rest of her life, and for whatever she wanted to do with it.

There was never a question, a problem, a concern. All entirely natural within a family, very simple.

Like other cases I know of.

D

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

From: Noam Chomsky <[REDACTED]>
Date: Mon, Jan 8, 2018 at 6:27 PM
Subject: Re: Fwd: Fwd: Marital Trusts
To: Diana Chomsky <dchomsky@oxfam.org.uk>
Cc: Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>

Received your letter, and will go through it carefully. But even on a quick reading there are things that surprise me. To mention just one example, I would be interested in knowing where you received the information about the sale of the apartment in Cambridge and the purchase of the house in Tucson.

To clarify, Deborah is not Valeria's lawyer, she's mine and Valeria's lawyer. Max recognized that he had a conflict of interests, and recommended to me that I should have a different lawyer, so we arranged for Deborah and her firm to represent both of us.

I can see that there are many other important things to discuss and clarify.

D

On Mon, Jan 8, 2018 at 4:32 PM, Diana Chomsky <dchomsky@oxfam.org.uk> wrote:
Dear Doddoy,

Please find attached a reply to your emails which we spoke with you about before Christmas.

As we've said before, based on past experience we have a lot of doubts about how well an email exchange will work. We did attempt, a few months ago, to use email to address one small, concrete issue: the loan from the marital trust and its conditions and interest rate. We thought it would be simple to resolve our different understandings, but in the end our multiple communications—even including an explanatory memo from the lawyer who set up the loan—did not manage to clarify things at all. Nonetheless, since you've asked several times for an email exchange about the broader issues, we're willing to try.

We know that what you asked for was for us to go through your detailed emails point by point and tell you what we disagree with and why. That isn't exactly what we've done here. Instead, this is our best attempt to explain the history and circumstances as we understand them.

Why have we done this? For a number of reasons. We think that many of your underlying assumptions are far off from reality, and that your understanding of the past, the present and what we are saying about these financial issues is deeply distorted. We want to start by looking at the larger, long-term issues, where we feel you have simply rewritten history.

The attached narrative is our best attempt to do this. Please keep in mind that it is based only on our memory and a handful of documents we've seen through the years. The numbers in particular are all rough approximations, since of course we don't have access to your legal and financial files. You may very well feel we're mistaken about some details. But in order to address those issues and come to an agreement on even the basic facts, we'd really like to meet face to face, with the help of the people who actually have the documents and the information to determine whether the things each of us believe are true or not. And, with a neutral mediator, who can ensure that we all are able to listen to and understand what the other parties are trying to say.

Love, Avi, Diane and Harry

From: Noam Chomsky <[REDACTED]>
To: Diana Chomsky <dchomsky@oxfam.org.uk>
Cc: Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>
Date: 20/12/2017 12:24
Subject: Re: Fwd: Fwd: Marital Trusts

May be missing something. I don't see anything mentioned below

It's a very troubling situation, as I've outlined, and I hope we can settle it quickly. I'd like to get back to my life and work without this constant dark cloud and continual aggravation.

It's true that it looks simple to me, but I'll wait to hear from you. Soon I hope.

D

On Wed, Dec 20, 2017 at 10:01 AM, Diana Chomsky <dchomsky@oxfam.org.uk> wrote:
Dear Doddoy,

We recognize that you see a simple way forward -- we should tell you by email what we disagree with in what you have outlined to us, and what our reasons are for disagreeing - but to us this does not seem so simple, for all the reasons we mentioned below. Thus we can't answer you right now, but we didn't want to just leave your email there without any reply. We know this isn't a real response, and we'll get back to you soon with something clearer.

Love, Avi, Diane and Harry

From: Noam Chomsky <[REDACTED]>
To: Diana Chomsky <dchomsky@oxfam.org.uk>
Cc: Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>
Date: 16/12/2017 23:18
Subject: Fwd: Fwd: Marital Trusts

I'm sorry, but this is surreal.

I have repeatedly spelled out the circumstances in extensive detail. Your sole response has been that you disagree, without once saying what you disagree with or why. I have never denied anything you have tried to say, for the simple reason that you have never said anything that could either be affirmed or denied, only that you disagree with what I've spelled out but without any indication of what or why.

In this letter, for the first time, you specifically address something I have written. You write: "We can tell from your tax requests that you have been spending many hundreds of thousands of dollars every year on personal expenses, even after having successfully eliminated the extra costs that you have mentioned as a drain on your resources (the Cape house, the gifts, Anthony's salary, etc)." What I wrote you however is quite different. To repeat: there is a mandatory withdrawal from the IRA. Half of that was distributed to children, grandchildren, and spouses. The other half was spent in taxes and management fees for the entire estate. Cape house, Alex's medical expenses and other gifts, Anthony's salary, etc., were from necessary withdrawals over and above the mandatory withdrawal, hence subject to exorbitant taxes, requiring additional withdrawal. That is before we even get to ordinary living expenses. The request had nothing at all to do with personal expenses, as you can see by just looking at my letters and running through the arithmetic. So the one case you now mention is flatly incorrect.

But this tells us how to proceed: tell me explicitly what you have in mind, and then we can proceed in a reasonable fashion.

There's a simple way out of this impasse -- not by setting up an adversary proceeding with a mediator, as you suggest, but by you telling me what you disagree with in what I have outlined to you and what your reasons

are. You have not yet done that in a single letter. So, simply, why not do it right now, and then we can proceed.

Again, I've repeatedly spelled out the circumstances in extensive detail. So, simply, tell me what you disagree with and why. No mediators are necessary, just a direct response. Or if you feel that you have already done so, then re-send the letter in which you responded to my detailed account, telling me what you disagree with and why.

Meanwhile, while the impasse continues, I'm compelled to face constant aggravating and painful circumstances, not to speak of humiliating demands and by now significant costs. That can end if we simply resolve these matters quickly in a straightforward and simple way.

I haven't responded to the last part of your letter because it doesn't relate to the matter at hand. I was referring to Max's radical shift in stand, not to how affairs were managed in the past. To repeat, when distributions were made to family from the IRA, and taxes and management fees for the entire estate were drawn from the IRA -- exhausting the mandatory withdrawal -- Max, my lawyer, raised no question about the financial circumstances of the beneficiaries, nor should he have done so. But when I am requesting tax payments from the marital trust that was set up for M and me and the survivor for our lifetimes, all of a sudden he is making exorbitant and humiliating demands. What you describe below has nothing to do with this simple matter.

D

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

From: **Diana Chomsky** <dchomsky@oxfam.org.uk>

Date: Sat, Dec 16, 2017 at 8:37 PM

Subject: Re: Fwd: Marital Trusts

To: Noam Chomsky <[REDACTED]>

Cc: Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>

Dear Doddoy,

We've tried to talk to you about your financial situation several times over the past couple of years, in person, by phone, and by e-mail. The process has been extremely unpleasant for us, and we presume for you as well. More importantly, it has not led to any enlightenment on any of our parts. Much of what we've tried to say you have flatly denied; some of it we think you simply haven't understood. You seem absolutely convinced that your beliefs are correct and absolutely uninterested in trying to look at the situation in other ways, to the extent that you can't even remember these exchanges. Much of what you've said to us conflicts directly with our personal knowledge of your history and with legal and financial advice from every source we've heard from. So the conversations lead only to more stress and heartache.

We are not willing to continue trying to discuss this with you unless something changes. One change would be to include a professional in the conversation who can resolve our differences in belief about basic facts. However, you have apparently decided that because you disapprove of some of the suggestions made by your former lawyer and financial managers -- many of which were based on choices you and Mommoy had made previously -- you will now not believe anything they tell you. That leaves us with no recourse to determine the truth about anything that happened between 2007 and 2016.

We have suggested a mediator as a last resort. Perhaps with a mediator we can at least listen to each other's beliefs and perspectives, even if we can't come to agreement on key points. Perhaps a mediator could even help us find a way to investigate the questions of fact and come to some conclusions that we could all accept.

Short of being able to talk to you openly, it's very important to the three of us to protect you from future financial catastrophe. We have been trying our best to do this, and will continue to try, regardless of what happens with our communication. We believe that Eric Menoyo designed your estate plan properly to protect the interests of all parties, and we will continue to work to ensure that the plan is administered in a faithful and professional way.

We also wanted to say that we have a different interpretation of how we have balanced respect, privacy, and autonomy, versus questions and interference, in our family history. You tell us that you deeply resent being asked questions when you request financial withdrawals, and you deeply resent our questions about your financial situation. You say that you are the only one being questioned in this way. But we don't believe that's the case. Historically, as a family we have been open with

each other about our individual financial situations; we have watched out for each other and stepped in if we felt it was needed; and on the most concrete level, any request to access funds from any of the trusts has always required an explanation to go along with it.

In Avi's case, you and Mommy interfered to tell her that something was going very wrong with Sandi and that she had to get professional help; to practically force her to go meet with a lawyer Mommy found for her when she became convinced that Avi's marriage to Jon was causing harm; and to order Avi to go see a doctor and get on medication when she confessed that she couldn't handle things. That is: when Mommy saw Avi doing fine, she didn't pry or interfere. When she saw her falling apart, she stepped in to help.

In Diane's case, she discussed her financial situation with Mommy in a very open way on many, many occasions, leading Mommy to offer her things like washing machines (we all know how that turned out) and more significantly, help with rent payments during a few years in Mexico, during a period when: Oxfam had stopped paying the rent, Gmo had stopped receiving his stipend as a grad student, and Diane was still suffering from a considerable salary cut imposed by Oxfam after the move to Mexico. Diane accepted her offer, which was a huge temporary help while she got herself back on her feet.

Furthermore, on the occasions when Diane has asked Bainco for money from the trust that is in her name, she is always asked to explain exactly what it is for. This happens even though the amounts have never been very large. If anything looks odd, the trustees come back to her with questions. Harry once even phoned her because what she was asking for seemed so strange and he was concerned that something was wrong (in case you are wondering what was indeed going on, it was a small Mexican peso loan to a friend in trouble, which Diane couldn't do by other means because she was traveling at the time, and it couldn't wait until she got back home). Diane has not found this questioning to be humiliating or prying - she assumes it is the terms of the trust and the trustees are just doing their jobs.

In Harry's case, at one point in the mid-1990s he unexpectedly owed \$60,000 due to the Alternative Minimum Tax as a result of receiving stock options. He discussed this with Mommy and her accountant, and they decided she would lend him the money to pay the taxes and he would pay her back once he had a chance to exercise and liquidate the stock options, several months later.

In the current situation, the reason we are asking you questions now (and never before) is that now we are hearing from you repeatedly that your financial situation is dire. We decided to ask you about your financial circumstances - not lightly, as we said in one of our many emails, but after much thought, given that we could see that your concern about it was causing you a great deal of stress and was leading to you taking important and possibly unnecessarily radical decisions. We continue to feel that you are misinterpreting your financial situation, and that this is causing you considerable anguish. It pains us greatly to see this, as we've said before.

We can tell from your tax requests that you have been spending many hundreds of thousands of dollars every year on personal expenses, even after having successfully eliminated the extra costs that you have mentioned as a drain on your resources (the Cape house, the gifts, Anthony's salary, etc). This is far out of alignment with what we know about your lifestyle. You and Valeria should live in comfort together -- no need to adhere to your old, fairly austere living conditions -- but your expenditures seem to go far beyond that, and seem to keep rising. This makes us worry and makes us want to intervene to try to help. It also makes the trustees worry that you are not managing your finances with attention to your possible lifelong needs. Nothing in the long and detailed letters you've sent us can begin to explain why your personal spending has shot up the way it has. We can see only little pieces of your situation, because of the secretive posture you've adopted in recent years, but the pieces we do see suggest a set of problems very different from the ones you've described.

We hope this helps to explain our position and our real concern. You are right that in our last emails (and in this one) we haven't gone point by point through your affirmations, explaining our different understanding of the basic facts, but as we said at the beginning of this email, we tried to do that in the past and it didn't work. We truly hope we can find a way to talk openly about the situation.

Love, Avi, Diane and Harry

From: Noam Chomsky <[REDACTED]>
To: Diana Chomsky <dchomsky@oxfam.org.uk>
Cc: Avi Chomsky <achomsky@saalemstate.edu>, Harry Chomsky <harry@chomsky.net>
Date: 14/12/2017 18:03
Subject: Re: Fwd: Marital Trusts

I just don't understand this. I've explained the facts in detail, repeatedly, with no response. You've told me that

you have a different understanding of the basic facts, but haven't told me what it is, or what are the questions to which you want answers other than what I have told you. That is why communication cannot proceed. So, yes, frustrating.

Evidently you regard this as an adversarial proceeding, requiring a mediator. I don't understand this either. I thought we were a family discussing matters relating to us. I have no idea what a mediator would be for. Mediating what? Another reason for my frustration.

As for Bainco and Max, I have explained in part what they have been doing, causing me plenty of harm. In part. As I've told you, there is a lot more. But what I have told you is more than enough to explain that they are not reliable sources who can be trusted.

If you want them to answer your questions, OK, but it would seem rather strange if I were to ask them about your financial affairs -- a matter into which I've of course never inquired, except by asking you questions if they came up. So I find all of this quite strange. If I have questions about your lives and circumstances, I would ask you, not some investment firm or lawyer, and I wouldn't request a mediator. I don't understand why it is different in my case, and this is something else I'd like to know the explanation for.

So, yes, frustrating. For these reasons.

D

On Thu, Dec 14, 2017 at 4:27 PM, Diana Chomsky <dchomsky@oxfam.org.uk> wrote:
Dear Doddoy,

We have tried to discuss this with you but we have been frustrated—and even frightened—by the results. That's why we've asked you if we could meet with a mediator who could facilitate the discussion and make sure that we are able to actually hear each other. We would still like to do this if you are willing. Because some of the disagreements seem to be about basic facts—which could be clarified by outside sources—we have also asked if these outside sources (Bainco, Max) could be part of the conversation, or could be available to give us clear answers to some of the questions. We would still like to do this, too!

Love, Avi, Diane and Harry

From: Noam Chomsky <[REDACTED]>
To: Diana Chomsky <dchomsky@oxfam.org.uk>
Cc: Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>
Date: 14/12/2017 11:22
Subject: Re: Fwd: Marital Trusts

One way to communicate better would be to know our respective points of view. I've written to you three long and detailed letters explaining my understanding of the situation. You have only told me that your understanding is quite different, but you haven't told me anything about what your understanding is, or what its source is. What do you see differently from what I have described in detail? Without knowing that, there's no way to communicate. I have no idea what your understanding is, except that it is quite different, for reasons that I do not know.

I do not like to leave matters to lawyers, not just because of the expense, but far more importantly because the differences in understanding are matters we ought to work out among ourselves. And again, that is not possible until you let me know what you think the situation is, and why.

To clarify, the lawyers are discussing certain technical matters, but not the issues I brought up in my last letter

to you, or the earlier ones. That's personal, not for lawyers.

D

On Thu, Dec 14, 2017 at 8:51 AM, Diana Chomsky <dchomsky@oxfam.org.uk> wrote:

Thank you for your detailed email. As we said before, our understanding of many of the specific points you make is quite different from yours, but we certainly are in agreement that you should be able to live in comfort and financial security. We wish that we could sit down together to try to work this out and communicate better as a family, but since it seems that we can't right now, we'll have to resort to working through the lawyers. As you know, their discussions are underway on the issues you've brought up.

From: Noam Chomsky <[REDACTED]>
To: Diana Chomsky <dchomsky@oxfam.org.uk>, Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>
Date: 13/12/2017 15:19
Subject: Fwd: Marital Trusts

I would like to renew my request that you arrange for Max to resign as trustee for the marital trusts, and expeditiously, for reasons I will explain below.

I have already spelled out some of the reasons why I cannot trust Max. I hope you have read those detailed letters, which only tell part of the story, though it was more than enough. By now the situation has become completely intolerable.

During the years when Max was serving as my lawyer, he saw no problem when the IRA that is my source of income was being depleted by distributions to 10 family members -- which alone amounted to half of the mandatory withdrawals -- along with payment of taxes and management fees for the entire estate. All of that exhausted the annual withdrawal, and the IRA was exhausted further by payments for the Wellfleet house, Alex's medical expenses, and others that you know about, compelling me to make further withdrawals just for ordinary daily expenses, and imposing the exorbitant taxes charged for such withdrawals. Max saw no problem with that. He never suggested any financial accounting from any of the beneficiaries. I trusted him, mistakenly, as in the case of the purchase of the apartment and the outlandish loan from the marital trust, which I assumed would be for a few weeks until the Lexington house was sold, not realizing -- though he surely did -- that I would receive nothing for that and would be stuck with an expensive apartment I could not possibly afford and a loan that I never would have agreed to had I understood.

Now, all of a sudden, everything has changed. Suddenly, Max has all sorts of scruples and legalistic demands. What caused the sudden change? It is because now I am requesting that taxes be paid by the marital trust. For the first time, Max insists on extensive (and of course outrageous) financial surveillance, claiming that as trustee, he is concerned with life expectancy (I might live too long) and with the long-term effect on the trust -- matters that never concerned him while he watched my IRA being depleted with payment of taxes and management fees for the entire estate, in addition to distributions to family. No scruples, no concerns, all fine as long as it was rapidly depleting my source of income.

To make this even more outrageous, the marital trust is, of course, intended for the use of the married couple who established it, to be their main resource during their lifetimes, and the lifetime of the surviving spouse. That is the obvious intention of a marital trust, and that should end the matter, within a family. But it is even true of the wording, if we have to descend to legalities. Not just for taxes, which is what I am requesting, but for daily life.

As you know, the trusts were in Carol's name for two reasons: one, we assumed that she would be the survivor,

and two, for estate tax reasons, to assure that the three children would receive the maximum benefits after we both died.

In addition, Max has apparently been allowing distributions from the marital trust to children and grandchildren without consulting me -- and, of course, without calling for investigation of their financial circumstances. That concern is reserved for my request for tax payments from a trust to which, by rights, I should have full access.

I can think of only one explanation: Max, as your lawyer, is seeking to ensure that you receive every penny possible: not just the trusts and educational trusts of which you are the sole beneficiaries, along with the two houses, and almost all of my pension, but even the marital trusts that M and I established for ourselves. I can think of no other reason for his radical change of attitude from the time that the IRA was being exhausted before his eyes to today, with sudden concern about long-term potential problems with the marital trust and possible excessive life expectancy. No doubt he can contrive various legalisms, but I hope it is clear enough why these should not even be considered in matters such as this.

Plainly, this situation -- which I have only partially described -- is unacceptable. And it would be even apart from what I have already written to you, and you know without my spelling it out.

To repeat, I've worked hard all my life and have been very careful to provide for the needs of my children and grandchildren, and to ensure that they will be well cared for after my death, even abandoning my pension and main material possessions (the two houses), in addition to trusts of which they are beneficiaries. After M died, I assumed that I would spend my last days alone. I was lucky to meet a wonderful woman, who has given up her life, her family, and her successful professional career to be with me. We are very happy together, and have been looking forward to a new life in Tucson, in peace and tranquillity, where we can be together and pursue our work and lives. I think I have that right. Instead, I am spending exorbitant amounts of time, energy, and even lawyer's fees to obtain what should be available to me with barely a word. Alone among the people I know, I am compelled to suffer serious aggravation, and to spend time and energy away from life and work, without simple financial security. I hope you can see how unfair this is.

I would therefore like to renew my request that you inform Max that he should resign. I would then like to replace him with my financial adviser, Richard Kahn, who is experienced, highly qualified, and trustworthy. That seems simple enough.

Furthermore, it is urgent. Within the next few days, money has to be available for taxes, and Max's repeated delays and sudden scruples are going to again cost a lot of money that I should not have to spend. I hope it is also clear that I should not have to be facing this kind of situation at this stage of my life.

D

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

From: **Diana Chomsky** <dchomsky@oxfam.org.uk>

Date: Wed, Nov 22, 2017 at 6:33 PM

Subject: Re: Marital Trusts

To: Noam Chomsky <[REDACTED]>

Cc: Avi Chomsky <achomsky@salemstate.edu>, Harry Chomsky <harry@chomsky.net>

Dear Doddoy,

We were so saddened to hear about Ed Herman. What a terrible loss.

We understand that you want to live with comfort and financial security. We want that for you as well.

If you want to discuss Max stepping down as Trustee, Harry would need to meet with you to discuss that. From our past experience,

it's clear that a professional mediator would be needed at this meeting.

At this point we don't feel comfortable approving Richard Kahn to replace Max as Trustee.

Love, Avi, Diane and Harry

From: Noam Chomsky <[REDACTED]>
To: Avi Chomsky <achomsky@salemsstate.edu>, Diana Chomsky <dchomsky@oxfam.org.uk>, Harry Chomsky <harry@chomsky.net>
Date: 20/11/2017 21:52
Subject: Marital Trusts

Back from Mexico, and there's some business I'd like to take care of.

I would like to arrange for Max to step down as trustee of the marital trusts. All that this requires is that each of you authorize him to do so. I've explained some of the reasons. There are others. In general, I want to make a clean break from what has been happening for the past few years. I would then like to appoint Richard Kahn as Trustee. As you know, he is the financial advisor/accountant I have been working with, extremely competent and trustworthy.

I hope this can be done quickly and expeditiously.

In brief, I've worked hard all my life and have managed to set aside funds to ensure your security and the security of your children -- the two houses, trusts, in substantial sums. Valeria and I are very happy together. I think I now have the right to live the rest of my life in peace and tranquility, without constant financial concerns, in fact like everyone else I know

Those who remain. You have perhaps heard that my old friend Ed Herman died a few days ago.

D

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