

From: "jeffrey E." <jeevacation@gmail.com>

To: Valeria Chomsky <[REDACTED]>

Subject: Re: Letter

Date: Tue, 09 Jan 2018 23:55:58 +0000

Inline-Images: image001.gif

no, i want her to understand that she bears great responsibility for what has happened, she wants to talk to me too. . . the letter was disgusting

On Tue, Jan 9, 2018 at 6:27 PM, Valeria Chomsky <[REDACTED]> wrote:

Regarding your suggestion to ask [REDACTED] advice about how to respond to the letter from [REDACTED] children, from yesterday, January 8th, we have reached to [REDACTED] advice previously, but her reply was, somehow, reinforcing the children's and Max's positions and I had to correct her in many points, as you can see below. So, we don't think it is worth. Although, I agree that, as our lawyer, D would have the obligation to do something about it, especially about all the serious insinuations and accusations that are implicit and some explicit in the children's letter. I can't understand this. It seems they want to prepare the ground, creating their own reality by ignoring over and over the facts that Noam has presented repeatedly in his several letters to them about how the money was being used. They seem to want to manipulate information according to their own interests and repeat it until it becomes convincing to anyone who reads their explanation -- that for someone who is not aware of all the details, it sounds very reasonable. All very difficult and exhausting.

Valeria

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From: Valeria Chomsky <[REDACTED]>

Date: Tue, Feb 14, 2017 at 1:09 PM

Subject: Clarifications

To: Deborah Pechet Quinan <[REDACTED]>, Gene Landy <[REDACTED]>

Cc: Noam Chomsky <[REDACTED]>, Valeria Chomsky <[REDACTED]>

Deborah,

I would like to have things even clearer and I think the nomenclature we use is extremely important to establish the truth of the facts and not give false ideas and illusions to anyone, including ourselves (Noam and me) in our communication. So I would like if you could review the files and let us know about these issues.

First, I think we need to refer to the IRA accounts by their identification numbers, not as the "large" or "smaller", even because the one that is larger it had been used for other family members (distributions, taxes, Wellfleet, medical expenses, etc) and might become the "smaller", even because it keep being used for our living costs and other expenses (mortgage, lawyers, accountant, etc).

Noam's estate (even when he is **not** making use of it, has **no** access to it, or **has** transferred it to his children), as far as I know, involves the following:

1) IRA Accounts

(Bainco has listed at least three different Account numbers when sending the "IRA/ESA Distribution Request" Forms, so I am not sure how many there are for sure, but the Account numbers that have appeared in Bainco's

forms are the following ABA500094, ABA950422, ABA950307. These Accounts were recently renamed as "A2A" replacing the "ABA", but maintaining their following respective numbers.

2) **Noam Chomsky Revocable Trust**

3) **Carol Chomsky Non-Exempt Trust**

4) **Carol Chomsky Exempt Trust**

5) **Gull Haven Lane**

6) **Lexington house**

7) **Noam's Intellectual Property**

8) **Cambridge Apartment** (subject to a mortgage and a loan to Carol Trust)

Items (2), (3), (4), (5) and (6) already have Noam's children as the beneficiaries.

From these assets Noam has designated one of the IRAs to me. So, it is NOT correct to say that "Valeria receives the totality of Noam's estate" -- as you wrote.

When Bainco sends us the forms for the IRA distribution, they do not always include the IRA account from which the withdrawal is being made. Noam used to sign the forms without having the information filled in. But considering the amount that was available in the larger IRA in 2015 and the one that is there now, it seems that most, **if not ALL** the major distributions are being made from the IRA account that Noam has designated me as the beneficiary. Our living expenses, taxes, Wellfleet rent, distribution to 10 family members seemed to have been withdrawn from this one IRA though this is now not being done. So if something is left from this IRA, I will be entitled to receive whatever is left there.

I have some additional comments below (in green).

Valeria

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From: **Deborah Pechet Quinan** <[REDACTED]>

Date: Fri, Feb 10, 2017 at 3:22 PM

Subject: FW: Letter from the three of us (Avi, Diane, Harry)

To: "Valeria Chomsky ([REDACTED])" <[REDACTED]>, "Noam Chomsky ([REDACTED])" <[REDACTED]>

Cc: Gene Landy <[REDACTED]>

Dear Valeria and Noam,

Please see my clarifying comments embedded in the text of the letter, below, and please let me know if you have any questions or comments.

Best,

Deborah

Deborah Pechet Quinan, Esq. [REDACTED]

Shareholder

Chair, Trusts & Estates Group



From: Gene Landy

Sent: Wednesday, February 01, 2017 5:06 PM

To: Deborah Pechet Quinan

Subject: FW: Letter from the three of us (Avi, Diane, Harry)

From: Valeria Chomsky [REDACTED]

Sent: Monday, January 30, 2017 12:41 PM

To: Gene Landy

Subject: Fwd: Letter from the three of us (Avi, Diane, Harry)

Gene,

Hope the operation went well.

Thank you so much for your advice. Noam wrote this answer and I think it is polite and covers everything. Do you have any advice?

Valeria

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

From: **Noam Chomsky** <[REDACTED]>

EFTA00915616

Date: Mon, Jan 30, 2017 at 12:30 PM

Subject: Fwd: Letter from the three of us (Avi, Diane, Harry)

To: Valeria Chomsky <[REDACTED]>

Very good to talk to you yesterday evening, Diane.

Read your letter carefully of course. Many times.. And needless to say, very glad to know of your concerns. I would, however, like to clarify some very serious misconceptions.

I have no idea what information you are receiving, but it is completely false. In fact, I do not even understand how you are receiving this information. Whatever the source, it is radically wrong. We have in fact seen some highly misleading information from Bainco. In the category of our expenses, they have included all sorts of things that do not belong there, such as distributions, airline expenses but not the fact these were reimbursed as planned, and many other quite misleading calculations. However, whatever the source of what you have heard, it is completely mistaken.

Our expenses in fact have gone down, but not entirely. In Lexington we were living rent free. As I explained to Avi, I thought the house was in my name, and we would never have agreed with the advice from Max and Sam to move into an apartment in Cambridge if we hadn't thought that the sale of the Lexington house would cover the new apartment. That was very bad advice, and if I'd known that I did not own the Lexington house, I never would have accepted it.

As it now stands, we have expenses for the apartment that we never had before. We cannot figure out what is happening to royalties, but we are barely receiving them. There is virtually no pension because, about 20 years ago, it was restructured as an IRA which we then invested in the estate that will be left to the three of you when I die. DPQ: Is this the smaller IRA at Bainco? The large one is being left to Valeria based on the change in beneficiary designation that you informed us of, and regarding which I await written documentation from Bainco when they provide the materials I have requested.

VC: There are three IRA accounts, according to the IRA/ESA Distribution Request Forms that Bainco has been sending us along the years, as I mentioned above in this letter. I would like if you could check on this.

As I also explained to Avi, years ago when the estate was planned, the prime concern of the lawyers was avoiding estate taxes. The investments were assigned to trusts in Mommy's name, since we assumed that I would die first. The intention of course was that the money would be available to the survivor, but things did not work out as we had anticipated and now, as the trusts are written, it seems that I have no access to them. DPQ: This is not entirely accurate as Noam is the income beneficiary of these trusts and must receive all the net income annually, and he is also entitled to principal distributions as the trustees "consider advisable". At my death, the estate goes to you. DPQ: Carol's trusts are left to the children at Noam's death. Except for the small amount of assets currently in Noam's revocable trust (we will be updating this trust after we meet in March), Noam's estate is left to Valeria under the terms of his new will and pursuant to the beneficiary designation of the large IRA at Bainco which I am awaiting documentation to confirm. The term "estate" references the totality of a decedent's assets so the balance of Carol's estate, i.e. the Marital Trusts, go to the children, but Noam's estate does not.

VC: We have not been informed that Noam has been receiving ANY of the Trusts net income nor principal distributions.

That leaves us with the IRA. I did not realize this, but though Bainco was aware that the IRA was my only source of funds, and was of course diminishing, they continued to make distributions to ten family recipients. We were also paying almost \$50,000 a year for Wellfleet, and paying other expenses, like Alex's medical bills.

It seems that we were also paying taxes for the entire estate. DPQ: I think Noam is referring to Carol's Marital Trusts here. Am I correct?

VC: No, Deborah. The money for all this has been coming from distributions from the IRA (and most of it, if not ALL, from the one Noam has designated me as the beneficiary).

Just to give you an idea of the scale, there is an automatic \$300,000 deduction a year from the IRA. DPQ: In the interest of being accurate the Minimum Required Distribution changes somewhat each year depending on market fluctuations and Noam's age. This is not a deduction from the IRA, rather, this is the minimum distribution to Noam as required under our tax laws. This is perhaps just a semantic point. Distributions and taxes come close to the total deduction from the IRA, and other expenses of the kind just mentioned (plus Anthony) carry expenses well beyond the funds coming in.

VC: Although a requirement under the tax laws, the distributions (withdrawals) from the IRA were being used for donations to family members and other expenses that we should not be responsible for, considering that the IRA is the only stable source of money left for Noam.

Plainly, we cannot continue any of this while living on a diminishing IRA. I did request that a marital trust pay the taxes on the IRA, but Harry insisted on conditions that I could not possibly accept, and I was very surprised, frankly, that any conditions were even considered. Perhaps that had to do with the serious misconceptions about our expenses, whatever their source.

Naturally, I want make sure that when I die, Valeria will at least have a place to live and something to live on. DPQ: I might re-word this as it is Noam's intent as expressed to me and Gene that Valeria receives the totality of Noam's estate, and not just an amount that will give her subsistence.

VC: Again, Deborah. This is the main and extremely important point of my letter. I might be entitled to receive whatever will be left from one of the IRA, if something will be left, but not the "totality" of Noam's estate.

She came here, abandoning everything in Brazil, to be with me in my last years. We are very happy together, and care for each other. It is a joy I never anticipated after Mommy died and after the years I spent alone.

That's the situation. It is entirely different from what you heard. Again, I do not know what the source of your information is, but it is completely inaccurate.

I should add, perhaps, that in earlier years, I was indeed careless about expenses, leaving it to Mommy. Valeria has taken over, and for the past three years, both of us have been monitoring expenses carefully and know exactly what is coming in and what is being spent. We have all the facts very clearly laid out, and are planning accordingly. I am glad that the three of you will be well taken care of from the estate, the way it was planned years ago. DPQ: As above the reference here should be to Carol's Marital Trusts, just to be clear that the that is the children's inheritance.

VC: I disagree, Deborah. The reference here should be to what corresponds to reality -- Noam's children will be taken care from his estate. Not only from Carol's Marital Trust that were composed by Noam as the grantor, established to make use of the guarantees for the children and tax issues, but still part of Noam's estate, as we all know.

Frankly, I always assumed that I would be able to disregard financial concerns in my last years, but as a result of careless and faulty decisions taken long ago, and some bad recent advice, that is not the way things are turning out.

D

On Sun, Jan 29, 2017 at 10:35 PM, Diana Chomsky <dchomsky@oxfam.org.uk> wrote:

Dear Doddoy and Valeria,

It was really nice to talk to both of you just now - we'll have to do it more often.

As I mentioned, I'm sending you a letter from all three of us (Avi and Harry in copy).

We decided to write this letter because we are very worried about what we've been hearing from you about your financial situation and the amount of stress it is causing you. We have been worried for many months now, but the situation seems to be becoming more and more dire and we feel like we can't just stand by and watch it happen any more. We want to help find solutions that might be less drastic than what we understand you are considering.

We have heard you express that you don't have enough money, and this is leading you to make big decisions that we're afraid could have harmful consequences for you. Moving is exhausting, and moving twice in three years even more so. We would hate to see you to leave your condo unless you somehow aren't happy there. Moving out of the Boston area would be more disruptive still -- again, we'd happily support that if it's what you both want for yourselves, but you shouldn't have to do it because of misconceptions about money. Teaching classes could be both rewarding and draining for you; doing it just to chase down a little bit of extra salary money does not make sense in your circumstances. And we definitely don't want to see you drop services that are important to your research and your legacy, like your journal subscriptions or Anthony's invaluable work on your publications.

Most of all, we are concerned that you are experiencing such high levels of stress that are simply misplaced.

We don't understand why you need to worry about money. We know that you have several million dollars in your IRA and that you receive hundreds of thousands of dollars each year in IRA distributions, as well as significant income from royalties and other sources. Of course, many of your expenses have risen, because of some wonderful changes you've made in your life: adding Valeria to the family, moving to Cambridge, and enjoying some sightseeing as part of your travels. We've been thrilled to see your life develop like this. We were relieved that money did not pose an obstacle to you living this phase of your life in the best way possible for you, as well as providing some long-term support for Valeria.

But something else has changed very dramatically in the way your money is flowing. Your spending has shot up, way out of proportion to the expenses we're aware of. It looks to us as if the money is just disappearing. You have enough money to support the lifestyle you and Valeria have been living, but not enough to keep spending at the rate you have been.

We understand that it is distressing and even frightening to worry about the money running out. We can see why you are grasping for solutions like considering disruptive lifestyle changes and looking for other sources of money. We know these decisions are ultimately up to the two of you to take, but they are not the solutions we want for you. We don't want you to suffer the strain and dislocation; and also we don't believe these small changes to your cash flow will solve the bigger problem of your startlingly high spending rate. Some may even cost more money than they save.

We believe that you two -- while you are both brilliant at so many things -- have never developed the practical skills of money management. Your troubles began when you stopped working cooperatively with the professionals who had always succeeded in helping you meet your goals in the past. We want you to find some financial professional who can help you live your lives comfortably and free of financial worry. They can help you outline your goals, both as two individuals and as a couple; show you what resources you have; figure out if you have enough to meet your goals; figure out if you have been spending money faster than you need to; and suggest the least painful compromises you might make to save money, if that proves necessary after all. They can do this with utmost discretion. But you need to make it a priority to find the right person, communicate promptly and openly with them, and take their advice seriously.

It pains us to see you trying to figure it all out on your own and coming up with horrifying and ineffective solutions. You should be enjoying your life together and feeling confident about your futures. You've earned a lot of money through a lifetime of hard work -- please get the help you need to use it effectively.

You also need to make a clear decision about the role you want the rest of your family to have in your financial affairs. The three of us would be delighted to join you and your financial advisor in discussing the whole family's circumstances, including the history of your estate planning and the many gifts you've given us. We used to discuss this regularly with Max and Bainco, and they would help us develop unified plans to meet the whole extended family's needs. Meetings like

this don't require us to share all the details of our private financial affairs with each other, the way one does with one's individual advisor -- but the more we share, the more opportunities we may find to help each other. It is up to you whether to continue this kind of open discussion with us.

Writing this letter is not something we are undertaking lightly. We are doing this because we are truly, deeply, concerned about your acute distress and about what this is doing to your relationships with your loved ones (especially us).

Love, Avi, Diane and Harry

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