

From: "jeffrey E." <jeevacation@gmail.com>
To: Valeria Chomsky <[REDACTED]>
Subject: Re: Questions from year 2016 about IRA and NCRT
Date: Wed, 03 Jan 2018 14:55:27 +0000

will you guys be in cambridge on the 12th . or tucson

On Tue, Jan 2, 2018 at 9:26 PM, Valeria Chomsky <[REDACTED]> wrote:
The only beneficiaries of the Noam Chomsky Revocable Trust are Noam's three children, as far as we know.

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

From: Valeria Chomsky <[REDACTED]>
Date: Tue, Mar 29, 2016 at 7:15 PM
Subject: Question
To: Deborah Pechet Quinan <[REDACTED]>, Nick Nichols <[REDACTED]>
Cc: Gene Landy <[REDACTED]>

Dear Deborah,

I am glad that Nick pointed out that the issue also refers to your realm.

Could the money withdrawn from the IRA be deposited directly in our account at Bank of America?

Referring to Nick's answer to my first question that if the money is going to be disbursed immediately, which has always been the case, there is no need for the intermediate step of depositing it in the revocable trust.

Since it has been requested to be immediately transferred to our account at Bank of America, I would like to know:

- 1) why do we request funds from the IRA and receive in our joint (Noam and my) bank account at Bank of America funds from the "NC Revocable Trust"?
- 2) In case Bainco has been first depositing the funds from the IRA in the "NC revocable trust," couldn't it be considered misleading, implying that the funds were intended for the trust and when we request the transfers to our account at Bank of America, we are therefore diminishing the assets of the "NC Revocable Trust"? Couldn't this give margin to some future liability?
- 3) Or couldn't the above be characterized as if we would be withdrawing the same amount from the two sources -- from the IRA and from the "NC Revocable Trust"?

In fact this time (as well as others) there was a form for an IRA withdrawal and the Memorandum from Bainco requesting Noam's signature for the transfer from the "NC Revocable Trust" to our account at Bank of America. The purpose of this transfer is for paying financial commitments and bills, including arrangements for Noam's children, such as a bi-annual rent payment of \$21,900.00 for the summer house.

I would like to have your consideration to the matter.

Valeria

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

From: **Nick Nichols** <[REDACTED]>
Date: Mon, Mar 28, 2016 at 11:31 PM
Subject: RE: RE: Bank Balance
To: Valeria Chomsky <[REDACTED]>
Cc: Deborah Pechet Quinan <[REDACTED]>

Dear Valeria,

These are all good questions and things that we want to get a firm hand on as we go forward. There are some parts of your questions that I can't answer at this moment, but we can certainly dig into the past to get them answered.

See further comments embedded below.

[REDACTED] also adding Deborah to this reply as there are some trust related matters, and she may want to weigh in on this discussion as well.

Nick

From: Valeria Chomsky [mailto:[REDACTED]]
Sent: Sunday, March 27, 2016 10:37 PM
To: Nick Nichols
Subject: Fwd: RE: Bank Balance

Dear Nick,

Thanks for your e-mail.

As far as I have seen, every time we request Bainco to have some funds transferred to our bank account at Bank of America, they send us a Bainco memorandum to be signed addressed to Pershing, requesting a wire transfer from "NC Revocable Trust". It is usually accompanied by an IRA withdrawal request, but not always. So I am not sure how these transfers are being made or from which sources -- something I would like to always be informed about.

My questions are:

1) Could the money withdrawn from the IRA be deposited directly in our account at Bank of America? Or it has to go through a Pershing account?

There is not a mandatory reason for a three step process; IRA distributions could go directly to a BoA account. But see below; there can also be good reasons to go through 3 steps. If the money was going to be further disbursed immediately, there is no need for the intermediate step.

2) If so, is it correct to go through an account that is a "revocable trust" that I imagine has some beneficiaries to it? Couldn't this cause some future questions and conflicts?

Generalizing, It's true that revocable trusts have current beneficiary(ies), ...which include the grantor of the trust while the grantor is still living. So, to my knowledge, as a CPA, not a trust lawyer, that isn't a conflict. And, it could more likely be a benefit. The reason for multiple or contingent beneficiaries is to make for a smooth transfer upon death of the grantor. So being in an account in the name of a revocable trust will avoid a non-trust account. And non-trust accounts are automatically frozen at the time of death, which can be a real problem for the beneficiaries, especially if there are large sums.

So, for example, a \$100,000 IRA distribution could first go to the revocable trust account, for the benefit described above, and then over time, smaller transfers, e.g., \$5,000 or \$10,000 could be made to the BoA account for further disbursement. Of course another solution is to make the BoA account in the name of the revocable trust too.

3) Shouldn't, then, a separate account be established for the purpose of transferring funds from the IRA without getting into a potential conflict about the assets of the "NC Revocable Trust"?

Not necessary

4) Are the funds that are coming from Bank of America actually the funds withdrawn from the IRA or they are coming from the "NC Revocable Trust" ? If they are actually coming from the Revocable Trust or are the funds withdrawn from the IRA going?

They could be from either, as described above in 2; I haven't tried to trace the past transactions yet. Consider this as the conceptual answer for the moment. And no matter what, it's always important to track all of the sources and the disbursements to make sure everything is properly accounted for.

5) Why are taxes not being withheld? Is there any reason for it? Have taxes for quarterly estimated tax payments being taken into consideration in the past and now? This is something I also would like to be sure about it, from the past and now.

It's always possible to request tax withholding from an IRA distribution (or a distribution from any retirement account). Or, no withholding can be requested. The key is staying coordinated. If there is withholding, then the quarterly estimated payments can be reduced to account for that, or, conversely, if there is no withholding, then the quarterly payments will have to be increased.

The IRS doesn't care which approach is used so long as the appropriate taxes are paid one way, or the other. This will be an important question to be addressed for 4/15/16. We need to be estimating the tax liabilities for 2015 and a provision for Q1, 16 estimated payments.

I would like if you could let me know about these questions.

I hope this helps; we can discuss further when you return.

Valeria

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

From: **Nick Nichols** <[REDACTED]>
Date: Fri, Mar 25, 2016 at 8:17 PM
Subject: RE: RE: Bank Balance
To: Valeria Chomsky <[REDACTED]>

Dear Valeria,

You have a sharp eye; and [REDACTED] glad that you were observant! I believe it is your intent to take the money from this IRA account (not from the Noam Chomsky Revocable Trust). This is the IRA with about \$3.5M. (per notes I have; not confirmed with Bainco.)

BAINCO INTERNATIONAL INVESTORS ROLLOVER INDIVIDUAL RETIREMENT IRA FBO AVRAM NOAM CHOMSKY
PERSHING LLC AS CUSTODIAN ROLLOVER ACCOUNT NO.A2A-950307

I assume you were requesting \$100,000; at least that's what it says. This will be a taxable distribution for 2016. It also says that you are electing not to have tax withholding. That's OK, but there will be tax do which we will have to take into consideration for quarterly estimated tax payments.

Nick

From: Valeria Chomsky [mailto:]
Sent: Friday, March 25, 2016 4:35 PM
To: Nick Nichols

Subject: Fwd: RE: Bank Balance

Dear Nick,

We requested to Bainco International Investors a transfer from the IRA to our Bank of America account. We received these two documents to be signed.

I would like to understand why does the document Bainco International Investors, LLC Memorandum state that the wire is from Account name: Noam Chomsky Revocable Trust.

Could you please take a look at the documents attached and let me know if they look correct?

Valeria

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

From: Kathleen Horigan < >
Date: Thu, Mar 24, 2016 at 3:06 PM
Subject: RE: RE: Bank Balance
To: Jacki Malloy < >, Noam Chomsky < >, Valeria Chomsky < >

Hi Noam,

Please sign and return both documents to initiate the transfer.

Thank you,

Kate

From: Jacki Malloy
Sent: Thursday, March 24, 2016 2:35 PM
To: Noam Chomsky; Valeria Chomsky
Cc: Kathleen Horigan

Subject: RE: RE: Bank Balance

OK – I'll copy Kate on this so she will send you an LOA for that amount.

Thank you,

Jacki

Jacki Malloy *Executive Assistant to the CEO*

BAINCO INTERNATIONAL INVESTORS

[500 Boylston Street • Suite 440 • Boston, MA 02116](#)

[REDACTED]

[REDACTED]

[REDACTED]

From: Noam Chomsky [<mailto:>]
Sent: Thursday, March 24, 2016 2:15 PM
To: Jacki Malloy; Valeria Chomsky
Subject: RE: RE: Bank Balance

Since one payment alone is about \$22,000, best idea would be to send \$100,000 for BOA.

Noam

From: Jacki Malloy [<mailto:>]
Sent: Thursday, March 24, 2016 1:17 PM
To: Valeria Chomsky < >
Cc: Noam Chomsky < >
Subject: RE: RE: Bank Balance

Hi Valeria, I know – I understand your frustration.... Seems like nothing comes in on time – especially during tax season.

I did receive the GHF check (you sent to the ■ Box)

But have not received a February invoice payment. Not sure if you sent it to my home address or the ■ Box.

No payment to Max's firm has been cashed as of today.

Please let me know what to do about the bank balance at BOA. It's currently \$21. Overdraft protection of \$2800 has been applied and used up.

Thanks,

Jacki

Jacki Malloy *Executive Assistant to the CEO*

EFTA00919656

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[500 Boylston Street • Suite 440 • Boston, MA 02116](#)

[REDACTED]

[REDACTED]

[REDACTED]

From: Valeria Chomsky [[mailto:\[REDACTED\]](mailto:[REDACTED])]
Sent: Thursday, March 24, 2016 12:34 PM
To: Jacki Malloy
Cc: [REDACTED]
Subject: Fwd: RE: Bank Balance

Jacki,

It surprises me that you never received the first check remittance for your February invoice and that you just received the GHIL check for the first half of the rent payment which Noam and I mailed to you before I travelled to Brazil, almost a month ago. It seems services are not reliable as they used to be.

What about the check to Max Kohlenberg's legal firm, has it cleared already?

Did you get my second check remittance of payment for your February invoice? Please confirm or I'll send you a third one from Tucson.

Valeria

----- Forwarded message -----
From: Jacki Malloy <jj.malloy@verizon.net>
Date: Thu, Mar 24, 2016 at 10:12 AM
Subject: Re: RE: Bank Balance
To: [REDACTED], jj.malloy@verizon.net
Cc: [REDACTED]

Hi Noam, I did just received the GHL rent check but won't be able to process it as your bank balance is \$21.00

I'll deposit this after you are able to move some funds into your BOA account. In the meantime your overdraft protection kicked in by \$2800.00

(the credit card payment and several checks to Ruberto (legal firm) cleared and brought the balance down).

Let me know how much you'd like to move over and I'll ask Kate to send you an LOA.

Take Care,

Jacki

On 03/23/16, Noam Chomsky <[REDACTED]> wrote:

Don't understand what is going on, but I know that we sent the letters with your payment and for the first half of the Gull Haven Lane rent some time ago. It should have arrived well before now.

Noam

From: Jacki Malloy [<mailto:jj.malloy@verizon.net>]

Sent: Wednesday, March 23, 2016 12:14 PM

To: Noam Chomsky <[REDACTED]>; [REDACTED]

Subject: Bank Balance

Importance: High

Hi Noam and Valeria,

Just an alert that your bank balance is below \$2300 today.

You have some automatic deposits coming up on the 1st: Social security and pension \$5,195.97

You have some automatic debits coming up: Mortgage on 4/1 \$3,820.22, 4/7 Condo Assoc fees \$1,409 -total \$5,211.00

Your first half of the Gull Haven Lane rent is due: \$21,900. (The 2nd half is due in July).

Please let me know if you want to move some money to your Bank of America account.

I'll have Kate send you an LOA to sign.

Thanks,

Jacki

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