

**From:** Jeffrey Epstein <jeevacation@gmail.com>

**To:** Eileen Alexanderson <[REDACTED]>

**Subject:** Re: FW: Leon's draft Will and Revocable Trust

**Date:** Mon, 25 Mar 2013 22:28:54 +0000

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On Mon, Mar 25, 2013 at 11:21 PM, Eileen Alexanderson <[REDACTED]> wrote:

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**From:** Clapp, Ada [mailto:[REDACTED]]

**Sent:** Wednesday, August 22, 2012 4:12 PM

**To:** Eileen Alexanderson

**Cc:** Maus, John

**Subject:** Leon's draft Will and Revocable Trust

Dear Eileen,

Attached are US Trust's comments to Leon's 2012 draft Will and Revocable Trust. I have not yet reviewed the drafts of the amended 1997 and 2006 Trust but we are honored to see that Leon is appointing us as corporate fiduciary of the trusts for his children (which will hold the bulk of his probate assets upon the death of Leon and Debra) .

However, as I mentioned, I am wondering why Leon has not appointed us as Executor under his Will or Trustee under his Revocable Trust. Leon's estate is of such size and complexity that I think he should give serious consideration to naming U.S. Trust as co-Executor with Debra (and, if he wishes, one of Barry, John or Richard) if she survives him, or with an individual or individuals, if Debra predeceases him. If Leon funds his Revocable Trust during his lifetime, I think he should consider the same appointments for Trustee of his Revocable Trust (who will function like an Executor until the marital trust or CLATs are funded). As you know, Leon has currently named Debra, Barry, John and Richard, collectively, in such roles.

I do not think Leon would have named these 4 individuals if he fully appreciated what administration of his estate will entail. I also wonder whether these individuals will be up to and willing to undertake the task when the time comes (they are roughly Leon's age I would guess). Of course the Executors can always hire a law firm or retain a bank to do the administrative tasks, but their fees will be paid by the estate and the Executors will generally still be entitled to receive their full commissions. This is why I think having U.S. Trust serve as Executor or co-Executor can be very beneficial to Leon's estate as we can be a single service provider for all aspects of the estate administration.

To briefly summarize what is involved, the administration of an estate can typically take 3 years to complete (longer if the estate is complex or there is an extensive audit). During that time, in addition to ensuring that the provisions of

Leon's Will are carried out, the Executor's duties include:

- Winding up Leon's financial and business affairs (this could be very complex in Leon's case and could take years);
- Collecting, valuing (including obtaining appraisals), insuring, safekeeping and ultimately distributing all probate assets—including stocks, bonds, real estate, tangibles (including Leon's impressive art collection, his yacht, etc.), business interests and closely held interests;
- Coordinating estate tax valuations for all non-probate assets included in Leon's gross estate for estate tax purposes (such as jointly owned property, assets passing by beneficiary designation or by operation of law);
- Consulting with attorneys and valuation experts in connection with any valuation discounts that might apply to Leon's various LLC and LP interests;
- Managing and continually reviewing the estate assets and making any appropriate changes to investments;
- Calculating and raising cash requirements for the payment of estate tax obligations and bequests;
- Gathering and reviewing all financial and other records required in the administration process.
- Paying all of Leon's debts, taxes and funeral and administration expenses;
- Preparing and filing all income tax returns for Leon and his estate and any other needed returns (e.g., Leon's final gift tax return);
- Working with attorneys to prepare and file Leon's federal and state estate tax returns;
- Distributing assets and income in accordance with Leon's Will (including to the Trustees of Leon's Revocable Trust ; and
- Accounting to the estate's residuary beneficiaries (the Revocable Trust Trustees) at the conclusion of the estate's administration.

Generally, the administration process is smoother and more efficient where a corporate fiduciary, like U.S. Trust, is involved (and when fewer fiduciaries are involved). That results from the fact that, not only is U.S. Trust experienced at managing estates but also because there is a smooth flow of communication and coordination of efforts among the U.S. Trust professionals working together on an estate (such as, our estate settlement officers, portfolio managers, tax professionals and real estate and closely held business specialists). This process is far less seamless when several individual Executors (with little or no experience in such role) and various retained specialists must agree and coordinate on the multitude of estate issues.

Please let me know if you or Leon would like to discuss our capabilities in this regard in greater detail. Please also let me know if you would like me to send our comments on the documents directly to Elyse.

Best regards,

**Ada Clapp**

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