

From: Jeffrey Epstein <jeevacation@gmail.com>
To: Melanie Spinella <[REDACTED]>
Subject: Fwd: Update on AIF IV Management Inc.
Date: Tue, 15 Apr 2014 17:30:35 +0000

leon , you can decide

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

From: Ada Clapp <[REDACTED]>
Date: Tue, Apr 15, 2014 at 1:21 PM
Subject: Update on AIF IV Management Inc.
To: Jeffrey Epstein <jeevacation@gmail.com>
Cc: Eileen Alexanderson <[REDACTED]>, Richard Joslin <[REDACTED]>

Hi Jeffrey,

Eileen and I spoke with John Suydam yesterday about the possibility of liquidating AIF IV Management Inc. ("AIF"). To refresh your recollection on the background:

- AIF was the original general partner ("GP") of AIF IV Management Inc. ("AIF MGT").
- In February 2007, a new entity (the "Successor GP") was admitted as a managing GP of AIF MGT and AIF was reclassified as an administrative GP.
- In May 2007, AIF's GP interest was converted to a limited partner ("LP") interest and the Successor GP became the sole GP of AIF MGT.
- In June 7, 2007, AIF transferred its LP interest in AIF MGT to Black Family Partners, LP ("BFP") and was admitted as a non-economic LP.

John Suydam agreed that the LP interest in AIF MGT currently held by BFP has no economic value. He also confirmed that such interest could be cancelled and that AIF could thereafter be liquidated without creating any tax or regulatory problems for Apollo. Before doing that, however, John would like the AIF governing documents revised to remove all Apollo officers currently listed as officers of AIF (unless acting in their individual capacity), since AIF is no longer an Apollo related entity.

We have a call in to Apollo to find out how to accomplish the above. I do have a few questions relating to the cancellation of BFP's LP interest in AIF MGT. If this interest is cancelled: (i) does AIF automatically cease to be

a non-economic partner of BFP, or (ii) does AIF have to formally withdraw as a partner and demand the return of its capital, or (iii) does BFP have to cancel AIF's non-economic interest in BFP based on the fact that it has no economic value. In the later two cases, I am concerned about having to obtain a value for AIF's initial capital contribution (i.e. because if the LP interest in AIF MGT did have a value on date of contribution, the cancellation of the BFP interest by an entity that is controlled by Leon may raise gift tax issues). In that case, it may be simplest to just distribute the non-economic interest in BFP directly to Leon rather than cancel it.

Do you have any thoughts on this?

Ada Clapp

Elysium Management LLC



Email: [Redacted]

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