

From: Ada Clapp <[REDACTED]>
To: jeffrey E. <jeevacation@gmail.com>
Subject: RE: Joint Purchase with RL
Date: Tue, 01 Jul 2014 22:22:06 +0000

Hi Jeffrey,

In the past, Ralph or Withers prepared these joint purchase agreements for Leon. Do you want me to take a stab at it or call Withers? There is one point you noted below that I believe is problematic and that is the right to repurchase at cost. Here is the potential problem:

Leon pays \$14 million for his 50% interest in the painting—and he gives Ronald the right to purchase it from his estate at \$14 million.

When Leon dies, his 50% interest in the painting is worth \$25 million. His estate will be taxed on \$25 million asset but it will only receive \$14 million from Ronald. Where does it get the additional funds to pay the estate tax?

I don't think the contract with Ronald would fix the value for estate tax purposes. Do you think Leon and Ronald meant they would purchase each other's interest at fair market value at the time of death?

-Ada

From: jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Tuesday, July 01, 2014 4:48 PM
To: Ada Clapp
Subject:

leon bought a painting with ronald lauder, 50 50 in london, apprxprice 28 million total , not uncludng use tax. on the death of either for six months the survivor can repurchase their interst at cost. each will use it for 2 years and then the other for 2 etc. until death

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please note

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