

From: Richard Kahn <[REDACTED]>
To: Jeffrey Epstein <jeevacation@gmail.com>
Subject: Fwd: Marital Trusts
Date: Sat, 07 Jul 2018 11:46:21 +0000

Richard Kahn
HBRK Associates Inc.
[REDACTED]
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[REDACTED]
[REDACTED]

Begin forwarded message:

From: Max Kohlenberg <[REDACTED]>
Date: July 7, 2018 at 7:43:24 AM EDT
To: 'Noam Chomsky' <[REDACTED]>
Cc: 'Richard Kahn' <[REDACTED]>
Subject: Marital Trusts

Noam –

Thank you for your reply. As you indicate that you are not being represented by counsel I will reply directly to you, with a copy to Rich (as you suggest). Please consider:

1. As a starting point, let me note that I think you and Rich may have misunderstood (at least initially) the terms of the settlement that Harry proposed through his attorney. Rich and I discussed this in a call about 10 days ago and I'm hoping that misunderstanding has been cleared up, but as I'm not a party to your exchanges (and Rich's exchanges) with Harry's attorney I can't be sure. I'm also not certain whether the terms of the proposed settlement have changed. All I can say for sure is that characterizing the offer as one in which distributions to you cannot exceed \$100K per year is not consistent with my understanding of what has been offered.
2. As you know, Harry's attorney has commenced a legal action that is intended to facilitate my resignation and the appointment of a successor trustee to take my place. Since you've wanted me removed for some time and since I've said (from the first time you and I met) that I only wanted to serve as trustee if all the family members wanted me to serve, I'm looking forward to resigning as soon as the court determines how I am to do so and how my successor is to be selected.
3. Given that my replacement is impending, it might be worth waiting until my successor is in place before responding to my requests for financial disclosure, as it's possible that my successor won't share my views as to what the trustee of the trusts needs to know before making decisions about distributions. Likewise, if my successor will be identified soon it might make sense for me to hold off on any distributions and leave it to the new trustee to work with you on figuring all of this out. In this regard I'm kind of a "lame duck" trustee, wouldn't you say?

4. To the extent that you want to push forward while I remain the trustee, let me again state the basis for financial disclosure by you. It is that, as trustee, I owe a duty to you and I owe a duty to your children (as the remainder beneficiaries of the trusts). For the present my primary duty is to you and it is to distribute to you all income earned by the trusts, net of expenses, and to distribute to you (or pay on your behalf) additional monies as reasonably needed *to the extent that your income from other sources is not sufficient to support your reasonable expenses*. Notwithstanding your statement that "As for the claim about concern for my later years, that has been thoroughly refuted" it has not been refuted in the context of my trusteeship and it remains my duty to consider distributions in light of the possibility that you will have a reasonable need for distributions from the trust for many more years, and perhaps in increasing amounts, depending on your circumstances in the future.

5. As for the specifics of disclosure, what I need to consider is (a) what your income was in 2017, since that was the basis for the tax payments you seek to have reimbursed, (b) what your income is likely to be this year and going forward, (c) what your expenses were in 2017 and are likely to be in 2018, and (d) whether any of your income (or other resources) are being used for purposes that the trust cannot support (such as gifts to third parties). So far, Rich has provided me with some rough information about your 2017 expenses. There are some gaps in that information, but nothing that can't be cleared up pretty easily (I think). Rich has also assured me that you have not made any gifts that have diminished your resources and I assume you would confirm that to me. What I don't have at this point is enough information about your income, so that I can consider what the gap is between your expenses and your income, which is the gap the trusts might help to close up. With respect to your income in 2017, all I can see is that your income tax obligations seem to be much higher than they were previously. I'm assuming that reflects a jump in income from (i) the profit made on the sale of the condominium, and (ii) large withdrawals from your IRA. If you want to provide me with more information (bearing in mind what I noted in item #3, above) then information about your 2017 income and what your income is likely to be this year is what I most need.

I hope this is helpful and will wait to hear more from you and/or Rich.

Max

A. Max Kohlenberg
Howland Evangelista Kohlenberg Burnett, LLP
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Providence, Rhode Island 02903

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From: Noam Chomsky [mailto:[REDACTED]]
Sent: Friday, July 06, 2018 8:53 PM
To: Max Kohlenberg
Subject: Re: Marital Trust

I am not represented on this issue, so you can send the information to me directly, copying Richard Kahn.

Noam

On Fri, Jul 6, 2018 at 4:24 AM, Max Kohlenberg <[REDACTED]> wrote:
Noam –

Thanks for your message and your inquiry. I would like to reply in some detail, but before I do so please tell me whether you are now represented by legal counsel. If you are then I believe I'm obliged to copy your counsel on our exchanges. I would also plan on copying Rich Kahn, since my last communications about distributions to you from the trusts have been with him.

Please also bear in mind that since (according to Rich) you are preparing to bring a legal action against me, I have been in contact with my firm's malpractice insurance carrier. As my exchanges with you may also need to be reviewed with our carrier that may delay (and/or limit) my responses.

Max

A. Max Kohlenberg
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From: Noam Chomsky [mailto:[REDACTED]]
Sent: Thursday, July 05, 2018 7:53 PM
To: Max Kohlenberg
Subject: Marital Trust

Max,

I presume it is clear that the recent proposal transmitted by Harry's lawyer that I should be satisfied with a handout of 100k a year from the Marital Trust is too disgraceful for comment. I would like to know what further information you require for reimbursement for tax payment. We have previously transmitted a great deal of financial information in order for you to reimburse our taxes, including proof of payment and more. Exactly what more do you require, and with what justification? We see little reason that you cannot act on the information already provided. As for the claim about concern for my later years, that has been thoroughly refuted.

Noam