

From: Eileen Alexanderson <[REDACTED]>

To: 'Jeffrey Epstein' <jeevacation@gmail.com>

Subject: FW: Draft Presentation re: Impact of Guarantees

Date: Mon, 13 May 2013 19:01:31 +0000

Attachments: Illustration_of_Gain_Deferral.pdf.zip

From: Fenn, Patrick [mailto:[REDACTED]]

Sent: Friday, April 05, 2013 12:30 AM

To: [REDACTED]; Eileen Alexanderson; [REDACTED]

Subject: FW: Draft Presentation re: Impact of Guarantees

Tom, Eileen and Ada,

Attached is a draft power point presentation of the tax effects to Leon of deferring or not deferring recognition of gain on the exchange of AOG units for AGM interests attributable to his share of the \$1 billion AMH debt that was distributed to him in a prior year (referred to in the presentation as "Tufts gain"). The reference to "TRA" is to the Tax Receivable Agreement between APO Corp and Leon (and the other founders), which provides for additional payments to Leon upon a sale of his interest in AMH to APO Corp attributable to the tax benefits APO Corp derives from additional amortization deductions that are generated through the purchase of Leon's AMH interest. You will notice the assumptions on which the presentation and the tax effects are based, including a 10 percent discount rate. We are in the process of running new models based on 8 percent (and making further revisions to the presentation). While the 8 percent versions should be available in the morning, I thought I would send you this draft so that you could start to look over and start to get familiar with the nature of the issues and the concepts.

Brian Knudson of Ernst & Young prepared the model and will join us for our discussion at 2pm.

Look forward to seeing you.

Best regards

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