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**From:** Heather Gray [REDACTED]  
**Sent:** Thursday, May 7, 2015 4:25 PM  
**To:** Melanie Spinella [REDACTED]  
**Cc:** Jeffrey Epstein (jeevacation@gmail.com); Brad Wechsler  
**Subject:** time sensitive question on Calder 1031 exchange

Dear Melanie,

Will you please pass this message along to Leon?&nbs=;

Thank you!

Heather

Dear Leon,

I would like to briefly call to your attention a que=tion on the 1031 exchange of the Calder.

We need to choose an exchange agent to be the middle=an on the exchange. We can either use an art dealer as exchange agen= or a non-art exchange agent such as one of the companies set up to do rea= estate 1031 exchanges (for example, Chicago Deferred Exchange Company).

The advantage of using an art dealer is that you can=reduce or possibly eliminate the sales tax you have to pay on the art that=you buy as part of the exchange, by taking advantage of the trade-in credi= available to art dealers. The disadvantage is that you have to tell the dealer the terms of your deal with Christie=&#=217;s and of the new art purchased in the exchange. Brad and I discu=sed this issue and he feels, on balance, that the financial risk/reward ma=es it worth using an art dealer as exchange agent.

In order to use an art dealer, you need to choose a =ealer in New York and ask them to act as exchange agent. It could be=Pace or a dealer like Bob Mnuchin or David Zwirner. It cannot =e a dealer with whom you have done business in the past two years, so it cannot be Gagosian, Acquavella, Matthew Marks or Sub=ime.

A dealer is most likely to agree to act as your e=change agent if you call them yourself.

We need to have the paperwork in place before the sale on Monday night, so ideally the dealer would be selected today. Art dealers usually receive a fee for acting as exchange agent. I have seen fees ranging from \$20,000 - \$50,000.

Questions:

1. Which art dealer would you like to use as your exchange agent?
2. How much will you be paying the dealer as a fee?

Please let me know once you have spoken with the dealer you select, and I will follow up with the dealer with all of the details and paperwork to put the exchange in place.

Please let me know if you have any questions. I am in the office at [REDACTED]

Best,

Heather

Heather Gray

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