

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** Nikolic, Boris  
**Sent:** Wed 12/9/2009 9:02:28 PM  
**Subject:** RE:

Calling you in a minute!

B

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From: Jeffrey Epstein [mailto:jeevacation@gmail.com]  
Sent: Wed 12/9/2009 3:47 PM  
To: Nikolic, Boris  
Subject: Re:

hows 4 est

On Wed, Dec 9, 2009 at 12:35 PM, Nikolic, Boris <[REDACTED]> wrote:

Agree.  
In matter of fact, the use of barter still exists. Some sites such as  
Craig list  
are using it. It is not predominant mean of trading on these sites but  
exisits.

Making a global (and focused) Barter site could be big.

It would be cheaper (cuts conversion/transaction costs) and perhaps  
preceived as  
more fair (as you said money is like vagina - you would still get it,  
but  
without seeing it).

Money should be still used to cover final transaction cost to the site  
(although  
even barter could be used there).

Can you talk any time between 1pm and 2:30pm PST - 4-6:30EST your time?

B

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From: Jeffrey Epstein [mailto:jeevacation@gmail.com]  
Sent: Wed 12/9/2009 12:44 AM  
To: Nikolic, Boris  
Subject: Re:

ffm only as a quasi currency.. barter is the biggest , Ebay makes no  
sense it  
need no computing power only , listings.--- if you want a boy and i  
want a girl,  
, we should simply exchange one for the other, however one of us is  
going to have

vaue left over.. ( obviously debatable, which one ).      however it is  
rare to  
find a perfect barter partner, what we should do is have a computer  
say , boris  
you deliver the girl, jeffrey the boy, sam a car, melanie a watch, and  
make the  
switch .At the essence money is only to account for the difference of  
value in  
what we have to trade.      when should we speak?

oris < [REDACTED] > wrote:

I was thinking of FFM for a while. I love that system. Taxes  
are the  
problem,  
although IRS has already placed some system in place. In  
addition, if  
becomes a  
bigger issue governments would place new taxes if system becomes  
bigger.  
Nonetheless, in my mind taxes are the smaller problem.

1) Also, aren't FFM awards taxable? As far as a direct tax on  
the award  
user,  
the most recent IRS ruling states (with some equivocation) that  
free  
tickets are  
taxable IF they are earned in the course of business travel AND  
they are  
used  
for leisure travel. This rule has proved too difficult to apply,  
so  
enforcement  
has been practically non-existent. For the future, though, we  
should  
never  
underestimate the government's appetite for tax revenues.

More importantly, the recently enacted 1997 Taxpayer Relief Act  
of 1997  
attempts  
to tax FFP transactions covertly. This new excise tax took  
effect on  
October 1,  
1997, and will have a significant effect on airlines and their  
marketing  
partners, and on the frequent travelers who participate in  
frequent  
flyer  
programs. For a number of reasons, this change to the tax code  
went

largely  
unnoticed (and uncontested) by legislators and the general  
public. It  
has been  
dubbed the "stealth tax," a moniker which well conveys its  
insidiousness. While  
there is still considerable discussion and debate about the  
interpretation of  
the new law as it applies, e.g., to the use of miles by the host  
airlines  
themselves, and to the sale of miles by foreign-based programs,  
the  
following is  
generally understood and accepted: When a program partner  
(airline,  
hotel, car  
rental company, credit card, etc.) gives miles to a program  
member, the  
partner  
must purchase those miles from the airline that operates the  
frequent  
flyer  
program. The new law imposes a 7.5% tax on that purchase.

2) The creation of meta PPM program would be interesting.  
However, here  
we comes  
to the problem that to me is bigger than taxes: In my mind the  
bigger  
problem  
is all program partners include language in their FFP member  
materials  
that  
states that FFP mileage, coupons and tickets may not be sold,  
bartered  
or  
otherwise transferred for any type of consideration. At one  
time, this  
was a  
\$150 million-a-year business. It continues, but on a much  
smaller scale  
because  
the airlines have aggressively pursued and prosecuted the  
brokers,  
sellers and  
buyers.

It is very interesting to analyze the history of FFP, how they  
become,  
what and  
when enable them (very recent history). From early cigarette  
coupons and  
various  
stamps to modern credit card associated FFP.

information. Nonetheless, I still prefer some kind of conversion to

week, Please let me think about that. Have few huge deadlines this  
which sucks!

Will call you tomorrow,

into Re the second part of your email - I did not know that you are  
elimination  
of discomfort, disease, or poverty!!!

Boris

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From: Jeffrey Epstein [mailto:jeevacation@gmail.com]  
Sent: Tue 12/8/2009 9:09 AM  
To: Nikolic, Boris  
Subject:

problem is frequent flier miles. is another form of world currency. .  
taxes,  
there is no system to tax trading in miles. so the gov't will  
eventually go  
crazy.. // The best work of the foundation would be to create  
money/value to be  
used to eliminate discomfort. disease, poverty. , there is no  
reason  
that a new  
form of distribution , can't be created. There is no shortage  
of food  
medicine  
, or information, at the moment the only thing available to the  
poor is  
info.

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