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Sent: Wednesday, October 5, 2016 12:42 AM
To: Jeffrey Epstein

IT, still desperately needed= reporting flawed cumbersome and inaccurate . all done by hand as =A0 one -off exercises , - airplane: re structure, (my only sugge=ted priority in june) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.(the office was told that i cannot even see the proposals=20 received without brads specific authorization) - brad has no idea ev=n as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man ,=20 using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad inf= is rampant ie 3 million in deductions Im told are taken for art space but on closer examination i= turns out they cannot be used at all. (ZERO benefit) though you will be told=20 yes they were deducted on the return they said that is the question=20 they get asked ! " were they deducted " not -" i= there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. =C2 "sorry we never got one?" though 9.8 million invested, no p&l, =A0 nothing , a construction project run amok , no budget, the coo fired aft=r only 3 months. , no clue . I can add that artspace

As yo=r friend and in order to turn the page. I will try to be constructive=br>The following is a list of things I think would be in your=interest to get done asap .but definitely not by me .

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i suggest you form new grats. =A0 , hire a high level tax partner. use your trading accoun=s as they remain the paramount requirement 16 months after i emailed to you the=r importance. , I suggest you consider having the 49percent of <=pan>phaid=n merged into artspance and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on b=at or plane. . as Richard is now no longer trustee. re- do will, =A0 make suydam executor , with Barry, =nd john as back up. pay 1 million a year for executor role. =A0 get rid of Judy Black trust, deal with gifts and their=tax returns, . review amounts to kids at fixed ages. put more protec=ions in for Alex and Victoria. , distribute some money to kids let them make decisions. =, decide art division with children in attendance . have fire drill done=on estate. fill out estate returns as if you and Debra died today, choos= advisers=/span> - rick bronstein said the only 1040 he ever=filled out was his own. (this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plan= operation consultant. . boat consultants. architects, lighting , art, =A0 legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures.=20 foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis (tufts gain, debt financed. art partnership, pledges. se=I stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. = terminations. control. , qualified dividends. corporate tolls, inversion rule=., issues, short swing and other sec disclosur=s, Rothsh=ild bank, 150 b they have a distribution network with no products = private bank Rockefeller Rothschild. financial service. deal with UK=20 visa issue sooner rather than later. we can talk about Rowen request =e Athene , 2 billion in taxes on transaction. ?!

<=iv> the facts as i see them

in June and then again S=pt, we both agreed to a 50% of phaidon<=span> payout., then after weeks of thinking about the issue (which = fully understand) . the payout was unilaterally changed . 5m woudl =e reserved for the future ? . and out of the remaining 15m ,? i would=20 receive only 5. (note : I'm confident=C2 that both the debt , and the artspace investment will also=lead to a write off of another 30 m</=pan>. plus) In my dining room ,you were surprised when I said that = require most people to pay their advisory fee up front so=that I am assured that I will be properly compensated for my work when strategi=s that I devise are implemented . you may recall that you appear=offended and said " are you suggesting that i would=go back on my word " I said no , of course not ! you are my closest of friends=but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.

From day zero a 50 - 60 million price was attached as the fair price of the transaction just completed . though this amount was already substantially less than our agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment, plane-in-kind etc, were discussed (ie keeping the 30m portion of =A0 fee outstanding till March), I provided as requested a detailed =C2 step by step execution plan and reviewed all documents that I was given access to. (Phaidon was not forthcoming) in order to make many corrections . I was then told that Alan's involvement warranted a discount . Even in the best of light , though it is beyond question that not one, not one time in these years has he ever proposed a unique idea. (including the new tenant in common idea,) and =lets say he made a contribution to the plan and even that it was 50 %. though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the price of doing the=deal was known . It had both been sent in writing and spoken about =n the phone numerous times , a detailed execution plan was provided . =A0 then and only then after all was laid out for the group I was told that after = number of conversations with Brad Karp that only 20m would be paid , (and even that was more than originally contemplated) for both transactions . I feel It was remarkably unfair. Did Brad even know of our prior agreement.? =A0 I called him and he said he was never told.? I would ask that you and Brad Karp sit together if you think it would be helpful. . I would like to send him this email, with your consent of course. If the transactions were never consummated , I would not be owed a dime, however , the price=20 was known up front. , the detailed step by step plan was followed and=20 overseen by me, the price that had been requested before the transaction was begun, and had already heavily discounted, out of friendship, =A0 from our agreement . I believe the decision re paying only 20 m has frankly left me feeling quite uneasy=

since you asked since last November. I found 11 million dollars in dormant accounts. 4 million dollars in Eileen's drawer. . went through cash flows for Phaidon showing that John Murphy is not an accountant. Redid your Gagosian contract , =A0 organized structure in case of divorce. Set up gift trust. Stopped Ada from including multiple times things not in your interest. Dealt with bad sales tax, use tax, income tax . Created 8 million in deductions=C2 ,500 in mistakes , found bank of Scotland Fbar problems, . . reorganized bad art purchases , funds taken, , charitable deductions , helped with financial settlement regarding common law fling. . boat deductions, rescued stock from grats. . May 1 after months of Brad not finding anyone I sent an email saying you would have to pay more. . on April 15. I sent =n email detailing payments owed if I could figure out the basis issue, =C2 please see attached. .

questions you might ask your team=C2 ask them to provide a balance sheet or P&L for REgan=arts. . . doesn't exist ask . either Wechsler or Haperin to tell you what BRH is, or how the transaction works. . . as Bernstein to tell you why the proposed Phaidon=20 transaction DOES not work. . as them to give you a plan for the=plane. ? ask them to show you the cash mgmt for over 100 million dollars. . ask them to show you the IT system progress after one year. . the=20 approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask Haperin to describe to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposition in the estate. . etc. ask Brad to show you the liquidation of the intervening art space costs? .

Last year you asked , for my help I told you I preferred not =s we would be better off having no financial interactions. the risk was not worth it. You told me that as my friend I had to do it =A0 I agreed., here we are in what I find to be an awkward situation. The transactions that I devised were used , our agreement was ignored. and I'm not sure how to respond.

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please note

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