
From: jeffrey E. <jeevacation@gmail.com>
Sent: Friday, June 3, 2016 7:15 PM
To: Melanie Spinella
Subject: Fwd:

----- Forwarded message -----

From: Heather Gray [REDACTED]
Date: Fri, Jun 3, 2016 at 3:02 PM
Subject: RE:
To: &quo;jeffrey E." <jeevacation@gmail.com <mailto:jeevacation@gmail.com> >

Hi Jeffrey,

As you will recall, we used this same=exchange agent last year on the Calder 1031. At the time, we discuss=d the merits of using a gallery versus a commercial exchange agent and my recommendation to Leon was to use a gallery. I=felt that there were advantages to using a commercial exchange agent inste=d of a gallery on the 1031 side (e.g., less likelihood of a breach of conf=identiality, IRS familiarity with CDEC in the event of an audit, security of funds), but that a commercial exchan=e agent gave us less comfort on the sales tax side. Leon did not wan= to use a gallery because he was concerned about confidentiality and he di= not want to have to ask a gallery that he did not do much business with to act as exchange agent.

When Leon first discussed the exchang= for the Cezannes with me a few weeks ago, I asked him if he wanted to use=the same exchange agent as last year, or if he wanted to use a gallery. I said that a gallery carried little to no =isk on the sales tax side, but I reminded him that he had not wanted to us= a gallery last year for the Calder because of confidentiality reasons. He=said to use the same exchange agent as before, which made sense to me because he was extremely concerned about=confidentiality with the purchase of the Cezannes.

I will find out about sales tax audit= and will let you know. The exchange agent has had a New York resale=certificate since 2014 and has been engaged in art transactions like this since then, but I do not believe they have been aud=ted. I will check, though, and I will also ask the Herrick lawyer if=any of his clients who have done similar deals have been audited. =C2

Best,

Heather

From: jeffrey E. [mailto:jeevacation@gmail.com]

Sent: Friday, June 03, 2016 11:56 AM

To: Heather Gray <jeevacation@gmail.com>

Subject:

heather leon seems to not recall the issue of findin= an alternative to the eschange agents resale certificate. =A0 he didnt remeebr you suggesting a gallery instead. you ment=oned that he did not want to get another gallery involved. ? =C2 has any of the transactions been audited using this method , which e=en i find agressive.

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please no=e

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