
From: jeffrey E. <jeevacation@gmail.com>
Sent: Thursday, February 11, 2016 2:21 PM
To: Brad Wechsler
Cc: Richard J Bronstein; Melanie Spinella (b)(6); John Castrucci; Joe Avantario; Richard Joslin
Subject: Re:

it says charter revenue only 312 but letter says apo=lo hours were 42 at 18k each hour?

On Tue, Feb 9, 2016 at 6:41 PM, Bra= Wechsler <(b)(6)> wrote:

MEMORANDUM

ATTORNEY-CLIENT PRIVLEDGE</=>

=/span>

TO: =A0 Rick Bronstein =A0 =C2 =A0 CC: =C2 John Castrucci
=C2 Leon Black =A0 =C2 =A0 =C2 =A0 Joe Avantario<=p>
=C2 =A0 =C2 =A0 =C2 =A0 =C2 Rich Jos=in

FROM: Brad Wechsler =C2 =A0 =C2 =A0 =C2 Jeffrey Epstein

DATE: February 9, 2016=/u>

Leon,

1. Attached, please find the =anuary 26th memo on the airplane which was sent to you previously. It deal= with Part 91 vs. 135 and attendant costs and income tax benefits. The office feels that with respect to income tax,=Part 135 is more favorable, but not significantly so, i.e., between 0 and \$400K depending on use.

2. Also included are detailed operating costs. These were previously sent to Jeffrey but not previously sent to you.

3. The final note details the FET and sales tax consequences of moving from the current structure to a simplified structure. Were we to move to a very simple Part 91 only structure you could likely save \$200K/year but would have to own and operate the plane in your personal name (your insurance is sufficient, but there would be a certain lack of privacy). If you held the plane in a sole purpose LLC the aforementioned savings would disappear. If Jeffrey wants to take a deep dive, we have much detailed material and we would also suggest he speak to Rich J and our aviation attorney.

4. Bottom-line, a lot of work has been done and there is not a compelling answer, one way or another. Taking into account income tax attributes, sales tax attributes and ease of use attributes it's almost a push though I would probably marginally favor Part 135. I believe Jeffrey favors Part 91, which in my mind, is a sufficient reason to go that route. We should discuss.

Thanks

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please note

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