
From: jeffrey E. <jeevacation@gmail.com>
Sent: Sunday, January 3, 2016 1:48 PM
To: Jeffrey Epstein
Subject: Fwd: leon DO NOT SEND, hand deliver.

Transaction complete !

=C2 When we had our meeting in your home in Bedford. You asked for my help. I told you multiple times that i t=ought it a bad idea, i preferred to have no financial interaction.=C2 I dont have many friends and didnt want mo=ey to interefer with ours. For five years y=u had only Eileen Alexandersson managing your accounting , le=al, investments. reporting, trusts etc. When I told you in no =ncertain terms that i thought she was incompetent you admonished me =or " speaking out of both sides of my mouth " . With=regard Brad, there i no " both sides. ". I have maintained=since day one that he was unsuited for the job. When you asked me to=help convince him to take the role , promising him a postion =o manage investments I sent you a note saying pay up and get first c=ass people. I have reieterated the same message for ov=r a year now.. Brad , not me was tasked with hiring new people =A0 and you wanted him to take ownership of the staff, in may you to=d him in my presence that he had had six months and had not hired anyone.=C2 I have rectified errors in sales tax, use tax, income ta=, fbar reporting, 1031 reporting, 8 million of deductions. , 1= million found in dormant accounts and 4 million in the drawer. erro=s in cash flow both personal and Phaidon. Oversight on new grats =A0 first at 22 and then at 19 that were done without my consultation was =esolved. 600 million in after tax savings was just accomplished.

With Brad out of the office and u=able to run his usual interference , the level of his utter =A0 incompetence was brought clearly , front and center. He may=be a step up from Eileen, but if he is , then it is certai=ly not by much, A magior difference is Eileen kne= she was over her head.

=A0 Though=/span> you and I have spent many many hours discussing the importance</=pan> of details and mechanics. with regard Phaidon =A0 I was not shown one document , not one.!! Brad wanted to ke=p it private between he and his so called " advisors<=span> " however as he was out of the office during the mo=t important transaction of the year, I did get to spend time =ith Joe and john, - the situation in your of=ice is totally ludicrous - to summarize - the lis= I provided to Brad last December - of things = thought were a priority to get done - still rema=ns in the whole unresolved.

THE IT, is still desperate=y needed- reporting flawed cumbersome and inaccurate . all done by h=nd as one -off exercises , - airplane: re structure, (my o=ly suggested priority in june) is really ,no further ahe=d, ,consultants up the kazoo but nothing at all done.(the office was told=C2 by Brad not to share the outsie proposals with me =C2 - brad has no idea even as to what questions to ask. he knows little=of finance, is bullshitted over by almost everyone in the office. he=is a little man , using your power, to appear larger . Eileen was self awa=e enough to know she was over her head , that is a huge difference. =C2 bad info is rampant a simple emblematic example- =3 million in deductions Im told wer ta=en for art space but on closer examination it turns out they c=nnnot be used at all. (ZERO benefit) though you will be told yes th=y were deducted on the return they said that is the question you wer= focused on ! " were they deducted " not -&quo=; is there a benefit " !! I asked for the balance =heet and P and L for Regan arts , a basic first

step in order to check your financials. "sorry we never got one?" =A0 though 9.8 million invested, no p&l, nothing!, a construction project run amok , no budget, the coo fired after only = months. , no clue . fyi artspace =A0 As in your words probably your closest friend and in order to turn the page. I hope the following to be constructive

=C2 Here is a list of things I think would be in your =nterest to get done asap .but definitely not by me .

=A0

i suggest you form new grats. , hire a high level tax partner. use you= trading accounts as they remain a paramount requirement 16 mo=ths after i emailed you re their importance. THe =span>Phaidon transaction papered and structured as contemplated= DOES NOT WORK , its as simple as that. DOES NOT !! =A0 I suggest again that you re-do bank loans. no need t= pay interest at higher rates on boat or plane. . as Richard is now =o longer trustee. re- do will, make suydam executor , with Barry, and john as back up.=C2 pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, . review amounts to kids at fixed ages. put more protections in for A=ex and Victoria. , distribute some m=ney to kids let them make decisions. , decide art division =A0 with children in attendance . have fire drill done on estate. fil= out estate returns as if you and Debra died today, choose advisers - rick bronstein said the only 1040 he ev=r filled out was his own. Halperin has a conflict that should be addressed., A strategy of the =se of art should be implemented. . you have tax consultants it=consultants. plane operation consultant. . boat consultants. a=chitects, lighting , art, legal, . foundation , deal wit= TRA , BRH , r=tionalize investments. cash flow. reporting, gaming disclosures. for=ign, gift. . prepare tax projections for 15 and 16, . deal with neg basis = tufts gain, debt financed. art partnership, pledges. sell sto=k , art, deal with phaidon debt. athene</=pan>=? income , capital , foreign , exit, corporate, insurance regs,=out and inbound issues, basis, appropriate discoun= rates. ? terminations. control. , qualified dividends. corpor=te tolls, inversion rules. , grat issues, =A0 short swing and other sec disclosures, I still think you might co=sider a <=pan>Rothshcild bank transaction they have 150 = and a distribution network with no products , private bank =A0 Rockefeller Rothschild. financial service. deal with UK visa issue soon=rather than later. we can talk about Rowen request re Athene =, complex 2 billion in taxes on transaction. ?!

=/div>

the facts as i see them

in June and then =gain Sept, we both agreed to a 50% of phaidon =payout., then only after weeks, when you delayed any detailed =iscussion of money wanting to give the issue a thoughtful resp=onse (which I fully understand) . you unilaterally changed changed =ur agreement. . 5m would be reserved for the future ? . and ou= of the remaining 15m ,? i would receive only a third. (note = I'm confident that both the debt , and the artspace investment will also lead to a write off of another 30 =A0 m. plus) In my dining room ,you were surprised when I said=that i require most people to pay their advisory fee up front=C2 so that I am assured that I will be properly compensated for m= work when strategies are implemented . you may recall that you =A0 appeared offended and said " are you suggesting=that i would go back on my word " I said no , of course not ! y=u 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

I included in this letter the =mail i sent to you on April 15, the day i was exam=ning your returns It laid out my understanding of the compensation f=r a transaction of the magnitude to the penny of the one just completed.=C2 though the number was great it was clear. When it appeared tha= the details could now be worked out I was the first to say , it is =oo much money, however.

From day zero I p=oposed to discount to 50 - 60 million the fair price of =he transaction just completed . including Phaidon.. though=C2 this amount was already substantially less than ou= agreed and negotiated formula. - I was never told that=this was out of range. in fact, alternative method= of payment . plane, or an -in-kind payment were discussed (=span>ie including keeping the 30m portion of fee =utstanding till March),I provided as you specifically requested =A0 a detailed step by step execution plan and reviewed all do=uments that i was given access to. (Phaidon was not forthcom=ng) in order to make my many corrections . =I was then told that Alans involvement warran=ed a discount . Even in the best of light , though it is=beyond question that not one time in the three years of his r=tainer has he ever proposed a unique idea. (including =A0 any wayt to deal with the use issue on debras=death ,or even the most basic review of your largest asset by far , =he BRH agreement.) O.K. - lets say he made a con=ribution to the plan

and stretch reality beyond the pale and say it =as 50 %. though no one could posit such a large amount unless =hey were wearing a brightly colored clown suit. , the payment associ=ted with the deal was known . It had both sent in =riting and spoken about on the phone numerous times , a detai=ed execution plan was provided . then and only then after all was la=d out for the group I was told that after a number of conversations=C2 with brad karp that a total of only 20m=would be paid , (and even that was more than originally contemplated) for=both transactions . Leon I feel It was remarkably unfair= I wondered whether brad even knew of our prior agreemen=?. I called him and he said he was never told.?, I would ask t=at you I 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 wou=d not be owed a dime, however , the expected fee was known =A0 up front. , the detailed step by step plan was followed and overseen by=me, the amount that I had requested before the transacti=n was even begun, and had already been heavily discounted, out=of friendship, from our agreement . I believe the decision re only p=ying 20 m has frankly , left me felling quite unea=y.

since you asked since =ast nov. i found 11 million dollars in dormant accounts. 4 million dollars in eilee=s drawer.. went through cash flows for phaidon showing th=t john murphy is not an accountant. redid your gagosian co=tract , . organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt wit= bad sales tax use tax income tax . created 8 millino i=d deductions ,500k in mistakes , found bank of scotland fbar problem=,.. reorg bad art purchases , funds taken, , charitable decisions , helped with f=ncancial statements, gaming commission. . boat deductions, rescued sto=k from grats.. may 1 after months of brad not find=ng anyone i sent an email saying you would have to pay more.. on april 15.=C2 I sent an 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 arts. . doesn't exist

ask . either wechsler or haperin to tell you what brh is, or how the tra works. . . ? as bronstein to tell you why the prop=sed phaidon transaction DOES not work. . ask them to give you a plan =or 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. s=parate from making it more secure though you are not a trader with i=side info the approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask <=pan>haperin to describe to you in any detail BRH , the major asset o= his two biggest clients. tax basis, disposition in the estate. . etc. ask bra= to show you the liquidation of the intervening art space cos? that has bee= on the table for months. .

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

From: jeffrey E. <jeevacati=n@gmail.com <mailto:jeevacation@gmail.com> >
Date: Tue, Apr 14, 2015 at 5:53 PM

To: Melanie Spinella <[REDACTED].com>

saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he i= one of those living in the dark leiwe. I found 8 million dollars toda=, missed deductions. . not yet in the numbers, .? =A0

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

From: jeffrey E. <jeevacation</=pan>@gmail.com>

Date: Wed, Apr 15, 2015 at 8:59 AM

Sub=ect:

To: Melanie Spinella <[REDACTED]>

1 did the paul weiss

10m paid today to gratitude america, a 50= c 3, will make last year complete. 20 million paid today ftc . 10 million <=pan>july 15 5 million sept 30. , 5 million jan 1 for all of 16 .=C2 tax savings paid at 37 percent . of net. savings. 50 million credit. net. =o 150 million free . 600 savings 225 million owed. - 50 credit, 175 owed.</=>

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=C2 please note

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