
From: Bronstein, Richard J <[REDACTED]>
Sent: Saturday, December 12, 2015 6:41 PM
To: jeffrey E.
Subject: RE: PRIVILEGED & CONFIDENTIAL

Same view wth or without Richard. I think that time commitment unders=anding came from Brad W, I assume he got it from Leon but I don't know for=sure. If business continues down, then Leon is just getting a timing benef=t (assuming that write-off comes before he dies). How much is that worth?

We are for sure on the same team, everything is based only on what I believ= to be Leon's best interests, please don't take differing views as suggest=ng anything else.

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From: jeffrey E. <jeevac=tion@gmail.com>
Sent: Saturday, December 12, 2015 1:30:51 PM
To: Bronstein, Richard J
Subject: Re: PRIVILEGED & CONFIDENTIAL

i understand your concern. . however the =greatest likelihood is that this business will continue its downward spir=. leon will also end up writing off the debt . please ke=p in mind that you and I are on the same team. , =- we have not met. . I have great respect for your tax views . &nbs=; do you do many 1040 audits ? =f brad did it all without richard, , same view. the time comm=tment that you referenced. did you get that from Leon?

On Sat, Dec 12, 2015 at 1:17 PM, Bronstein, Rich=rd J <[\[REDACTED\]](mailto:[REDACTED])<mailto:[REDACTED]>> wrote:

I understand the technical arguments, which are not so bad, but the co=cern comes from the facts that LDB doesn't really want to get out and will=stay involved and he is not dealing with unrelated persons, he is dealing =ith an employee and his brother-in-law, neither of whom really want to own this business, they are doing this only=because LDB asked them to do this. Plus if the business increases in=value and LDB buys it back at FMV, then he will give up some or all of the=tax savings in the repurchase price. So he is taking risk for a benefit that he might not get to keep.

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From: Jeffrey E. <jeevacation@gmail.com <<mailto:jeevacation@gmail.com>>>
Sent: Saturday, December 12, 2015 1:11:47 PM
To: Bronstein, Richard J
Subject: Re: PRIVILEGED & CONFIDENTIAL

if it were publicly traded stock, wash sale rules would apply, and be clear. even you had every intention of buying it back after 30 days, would you still be concerned. is there a way that you feel comfortable.

On Sat, Dec 12, 2015 at 1:06 PM, Bronstein, Richard J <
<[mailto:\[REDACTED\]](mailto:[REDACTED])> wrote:

Brad W pays 1/3 to 1/2 cash plus nonrecourse note, put after two years=at FMV, put expires after five years. I would rather have no put at all, but apparently Ressler (all cash) insists on it, so Brad would have it= too.

Frankly, we can dress the transaction up all we want, but I think the IRS will not approve the transaction in any event, on audit they will be skeptical and believe that there is an understanding that LDB will take care of the buyers and they will believe that he and his wife want to keep the business (and the facts will show that they stayed involved and didn't reduce their time commitment at all) , and we will face an ugly choice between settling by giving up 40-60% of theross or going to Tax Court, which will result in an embarrassing article in the Wall Street Journal.
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From: Jeffrey E. <jeevacation@gmail.com <<mailto:jeevacation@gmail.com>>>
Sent: Saturday, December 12, 2015 12:55:58 PM
To: Bronstein, Richard J
Subject: Re: PRIVILEGED & CONFIDENTIAL

what do you suggest

On Sat, Dec 12, 2015 at 12:51 PM, Bronstein, Richard J <
<mailto:[REDACTED]> wrote:

I'm not sure there is any difference between (a) 25% cash plus 75% non-recourse note and (b) 100% cash and recourse note with put at 75%. Either way, I would prefer more than 25% exposure to buyer.

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From: Jeffrey E. <jeevacation@gmail.com <mailto:jeevacation@gmail.com>>
Sent: Saturday, December 12, 2015 12:37:13 PM
To: Bronstein, Richard J
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understood, what do you think of the fixed price put below purchase price. . and that brad pays for it, , he should also pay real interest , and full recourse note are you ok with 25% below purchase price

On Sat, Dec 12, 2015 at 11:02 AM, Bronstein, Richard J <
<mailto:[REDACTED]> wrote:

No sales tax because the underlying asset is an intangible, i.e., an interest in Phaidon Global LLC, so a sale of an individual interest is a sale of an intangible. Different answer if the undivided interest relates to tangible assets (e.g., art).

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