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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Sunday, September 20, 2015 12:19 PM  
**To:** Halperin, Alan S  
**Subject:** Re:

could you call me [REDACTED]

On Sun, Sep 20, 2015 at 8:13 AM, Halperin, Alan S <[REDACTED]> wrote:

Hi Jeff. As you know, we must consider these questions in the context of other facts, such as:

1. The grantor does not have other assets readily available to use as currency to buy the GRAT assets at today's value (and then start over); 2. The grantor already has ensured the success of early GRATs (created by Celyn) via purchase; 3. We still need to address the \$1.6 b note; 4. The GRAT rules prohibit commutation and a purchase of the GRAT assets in exchange for a note may be viewed as a commutation; and 5. We should assume that, at some point, the GRATs will be examined. A GRAT, as you know, is riskless from an estate planning perspective: if assets appreciate, the appreciation passes outside the estate without gift or estate tax; if the assets do not appreciate, they are returned to the grantor, with little impact. With this in mind, you counseled that we should create two-year GRATs, with quarterly payments. This plan accelerates the opportunities to capture the ups (and minimize drag caused by downside movement) and provides cashflow to the grantor at a faster pace. The plan still makes sense if the stock cooperates. In light of the circumstances, including those noted in your email, I would not have the grantor acquire or swap assets from the GRATs, particularly for a note. I therefore would leave the existing GRATs in place. As additional assets become available, via annuity payments, we could use the distributed interests as currency to repay part of the debt (particularly if the price has gone up), but being mindful of 16b. (However, if the grantor would lose the cash flow with respect to the transferred interest.) We also could consider longer term GRATs. And we also may want to explore techniques to get a stepped up basis. And finally, we might want to re-visit the freeze partnership idea.

Alan S. Halperin | Partner  
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[REDACTED]

From: jeffrey E.  
Sent: Sunday, September 20, 2015 6:43 AM  
To: Halperin, Alan S  
Subject:

obviously his grats are all underwater,, gap grats.? installment sale outright swap. etc. more likely than not he will sell stock during the next two years. windows? disclosures. restrictions on exchange and tax triggers?

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