
From: jeffrey E. <jeevacation@gmail.com>
Sent: Thursday, May 28, 2015 8:23 PM
To: Jeffrey Epstein
Subject: Fwd:

I realize it is only due to a lack of understanding of the job ahead. - as opposed to merely hiring people to set up a family office, the following still needs to be done for 2015.

estate and other planning=C2 not at all just the set up for the accounting re :

income, estate= gift ,sales and use, transfer excise ref picasso, 1031 calder. . =C2 review and oversight of IRS SEC GAMING NYS. real estate, entity valuations (many)tax =A0filings- disclosures, follow up of grats trusts defect trusts, llcs cor=s , trustees , partnerships. foreign corps. 100 bank account=need to be rationalized, not only having brad step in to eileens rol=. . gift taxes, trust , loans, notes. payables. expenses. . , insurance.(=A0life , art, split dollar), cashflows, operating biz, , investments, contingent liabilities.(funds , miami) , commitments dividends important =review of transactions relating to BRH TRA</=pan>, shareholder agreements, bank loan agreements. wills, construction, , contracts planning permits etc..employ rules. checking a=count reconciliations, credit cards. jewelry , cost basis ,(a=t stock etc.) foundations regs , brokerage accts, old stock certificate=. stock options,(ie environmental solutions still not done !). estate tax calculation fire drill, (note ,basis etc) review of boat expenses plane expenses, depreciation issues refunds etc. . rationalize all outside counsels and firms
Paul Weiss , Mcdermit Will, Macfarlanes. Price Waterhouse , Reich, withers bergman, Empire, , akin gump, bbd seidman, , Apollo in=20 house counsel.

set up and oversee brokerage accounts =C2 at JPM DB GS and thoughtfully trade

. new IT system from top to bottom currently using antiquated

=C2 new accounting system - on- line banking coordinated with reports . fire drills as per caruci (he sounds good) and . =C2 audit system,s . review of john murphy? joslin? dag? eva? .

in house, boat plane review household (12million) review, filings- partnership accounting,- familiarity with grats, trusts etc . audit system put in place. that should be the easy part. then strategy to=20 deal with :

As new facts on the ground develop , =haidon debra, children meetings, involvement , trustees adjusted,=A0 stock sale sale of art , apt(large gain), 1031 trade in , plane depreciation, boat sale. construction , brad will oversee brokerage and investment, ?? pe. real es, .=20 publishing, grats, tra, brh (death).=foundation , museum, tax projections cash flow projections, coordination w=th tax from apollo. etc

you are sitting on over =00 m of cash????!

for your reference . I enclose

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OVER A YEA= AGO

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Leon

As you are well aware, There is little I won't do for you, or at least try to do as a fr=end, and a great deal that I have already done (both known an= some things that will need to remain unknown.) Our arrangement was for me to architect sophisticated structures that would be beneficial to you. that =s what I have done and will continue do in order to fulfill my=obligations under our agreement. The discovered fact tha= you in reality need an entire family office built from scratch has been trying I =ave already agreed de- facto to try to help. I would suggest that Phai=ons payroll and attention pales in importance to your personal structure,=hich has taken a back seat, Some of my suggestions regarding the Eysium office a=e as follows you will need a budget of 3- 5 million per year. CEO 1 million,◆=A0 new tax person to work with rich, 250. new bookkeeper ,200 =ew paralegal to work with ADA ALan etc , coordinating with Apollo, Akin , paul weiss , new acct openings , sec filings , sales tax review, etc. ◆=A0 \$150 . art point person. loan , inventory, purchasing support, \$?? softw=re servers. video conferencing, tax oversight.

=C2◆ I believe You should rapidly address trustees , gift trust, success=on, wills of Debra and children , monetization events , cash flow.=etc I can of course share my experiences with you on each issue.

=C2◆ With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be=20 involved at all . It is extremely time consuming, delicate, fraught w=th many pitfall many that will make you very upset and a major pain in the ass.◆=A0 I wrote you months ago that the quality of the people involved need to =e upgraded. (lucky for me these last issues arose way before the begi=ning of my involvement) I am also aware however of my overar=hing friendship obligations of ok, -given all the complexities =who else can do it? problem.

Your family office needs a daddy. child=en with good intentions are running around , sniping , nitpicking with little direction. As a stopgap measure I am suggesting , we put in Larry Delson to take charge Everyone would report to him. eilee= included. He would however work for me. this is not, by a long shot=C2◆ my first choice as I prefer only being responsible and standing behind =y own personal work (ie the word DONE will no longer be transmi=ted to reflect status stated by others)

=With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively=. My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing,=maybe risk caps ,etc) but would require my teams doing the work , not your=. Ada should be only a trust, grat administrator. not sure what role you prefer for=Eileen as you hired her initially to oversee investments. whether Ric= your controller stays or not, is not urgent. having Tom report to a =ew person,- is. coordination with Suydam Kathy gregory, I wo=ld suggest limiting to one person. The increasing public profile needs to be tak=n into consideration.

talk later..

=eb 15 of this year

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Leon=

I hate having to write this. however . I wanted you to understand the seriousness caused by the delay in action. of=your dysfunctional family office. and at the same time have a record of my telling you so. ◆=A0 I spent the greater part of last week reviewing your office in detail . . The offic= has suffered greatly from lack of control clear direction. and the

disastrous delay =n removing Eileen. Eileen has been a nightmare for you . she has cobbled together the office in a childish=A0 fashion either trying to hire c quality people, buying cheap equipment, looking to save small dollars, hiding all bad facts. even=20 after hiring people . giving them no clearly defined roles , and or n=nsensical direction. . she and ada each protecting what they see as their turf, errors upon errors upon =rrors. (iei only last thurs forming a brand new llc for alex with no input from=20 finance.) millions of dollars unaccounted for. 500k again found in a drawer=20 last week In early sept I notified you that I thought that joslin was=20 unable to deal with both ada and eileen . I sent delson in to referee.. at my expens= . i again notifed you in early oct that she needed to go asapor as close to=A0 oct 15 as possible . and ada till march. I pointed out the risk of keepin= the dynamic duo was their effect on joslin and future mistakes. . . in nov I sent you a email telling=20 you i thought he could not take more of their interference. obfuscation and scheming. and sugg=sted, again in writing. getting rid of both immediately, this week, in the first face to face I had withJoslin since dec he could not respond to simple questions , spoke financial gibberish, had misleading answers. bad answers wild elliptical statements , and=20 non sensical plans for the future. therefore . As you asked i immediately confronted Brad with my discovery , and to my amazement=C2 and frankly dismay Brad said that his take was exactly the same as mine but this is how he had found Joslin in early jan and thought it was just his normal behavior. Since brad has little financial expertise , it seems he assumed =he gibberish was just his ,brads, lack of understanding , In mid nov you suggested that he was your choice to run the office .and he would replace eileen. from mid dec he audited until early jan, when he assumed the job th=t im told now is only 75% of his time. He might. , might? be c=pable of running your office but i have yet to see any indication that that is true. He is certainly a loyal friend. ON thurs I handed the same spread sheet that I had sent to brad, to four=A0 financial execs. (only to mine with the actual numbers included), =C2 to a person each within minutes said this makes no sense. no sense whatsoever, bad numbers bad categories. bad inputs outputs numbers that dont add. if=20 it was an mri , of joslin i would say serious breakdown. =A0I had him over my house in an attempt for him to explain to my team what had ha=pened, and then sent my cfo to speak for hours to him and others at elysium. I pointed out to you that joslin could not make the first pass at hiring a finance person . I was right. HE is a great tax person, period. no social skills reporting skills or mgmt skills. ITS a mess and a larger one than I thought. sorry, I have begun to interview some cfo.s=A0 for you and have put out more feelers. if you feel comfortable i think you should ask at apollo for=20 help.. It is now too late to remove Eileen out entirely as i ha= been urgently requesting. I have not spoken to her in months . but during this craz= delay in doing so, she is now significantly more entrenched. the office more intricately entwined and a danger to you. A re-do is necessary . top down.

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please note

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