

---

**From:** Heather Gray <[REDACTED]>  
**Sent:** Wednesday, September 17, 2014 4:23 PM  
**To:** Jeffrey Epstein (jeevacation@gmail.com); Richard Joslin  
**Cc:** Ada Clapp  
**Subject:** LDB upcoming art sales

Jeffrey and Rich,

Below is the list of art that Leon has decided to sell this fall through Sotheby's. I'm having Sotheby's send me the consignment agreement(s).

Everything being sold is owned by Narrows I except for the two Cornell boxes, which are currently owned by Leon. We have three options with respect to the consignment of the Cornells:

1. Do nothing and have Leon consign them to Sotheby's in his individual name.
2. Have Leon contribute them to Narrows I now and have Narrows I consign them.
3. Have Leon consign them in his own name now and then if we add additional members to Narrows I before the sale (on November 12th), assign Leon's consignment agreement to Narrows I at that time.

Ada and I are not sure how much of a difference it makes at this point, while Narrows I is still 100% owned by Leon, to have Narrows I be the seller. Are we establishing a track record for the art investment entity if it sells while Leon is still the sole member? On the other hand, is there any harm in moving the Cornells into Narrows I now? Some advantages are that Leon then only has to sign one consignment agreement and all sales proceeds will be paid to the same entity (but maybe Leon wants to receive the proceeds for the Cornells himself?).

The Cornells will most likely be sold at a loss (the estimates are \$175,000 – 225,000 for one and \$100,000-150,000 for the other and Leon's basis in each box per Rich is \$435,500). It doesn't matter for income tax purposes whether Leon or Narrows I is the seller, but is it good/bad/irrelevant if the art investment entity starts out with more losses than gains? The Noguchi, Beckmann and Sevens are likely to be losses, as well.

Please let me know what you think.

Best,

Heather

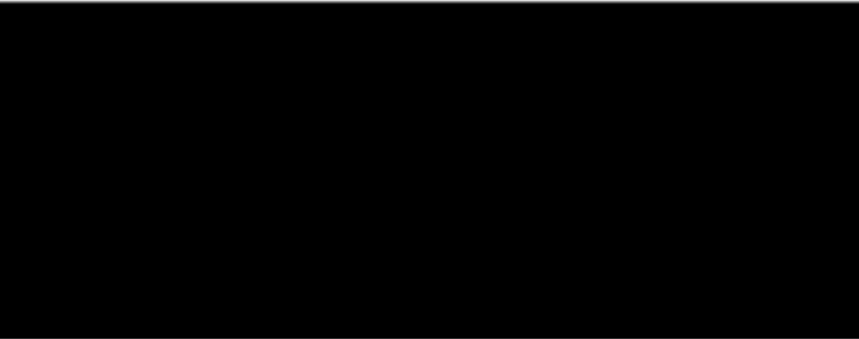
Heather Gray

Elysium Management LLC

445 Park Avenue

Suite 1401

New York, New York 10022</=>



From: Melanie Spinella [redacted]  
Sent: Wednesday, September 17, 2014 9:56 AM  
To: 'Moffett, Charles'  
Cc: Heather Gray  
Subject:

Good morning Charlie – hope you are well. I ju=t spoke to Leon in London and he wants to sell:

The two Cornell boxes

The Bonnard

The Bechmann

The Gris

The Noguchi Statue (in Bedford)

He also wants to make sure you sell the Severini in the Italian sale.

Thanks and best regards, Melanie

Melanie Spinella <[REDACTED]> | Apollo Management 9 West 57th Street, New York, New York 10019 [REDACTED] \*

This email and any files transmitted with it are confidential and intended solely for the person or entity to whom they are addressed and may contain confidential and/or privileged information.

Any review, retransmission, dissemination or other use of, or taking of any action in reliance upon this information by persons or entities other than the intended recipient is prohibited.

If you have received this email in error please contact the sender and delete the material from any computer.

Apollo Global Management, LLC