
From: Jeffrey Epstein <jeevacation@gmail.com>
Sent: Monday, January 13, 2014 2:23 PM
To: Ellen Harrison; Mortimer Zuckerman
Subject: Re: M

all understood, but i dont see it on sale. ? what is th= basis in the equity? If the debt were to be bought for roughly the sa=e amount as the equity, . eventually , the debt would receive the prefe=rence giving the holder enough money to pay off the equity, . (p=tential gain issues.?) . I would thihnk an eventual bankruptcy . could=be a solution , after his death,

On Mon,=Jan 13, 2014 at 10:20 AM, Ellen Harrison <elkharrison@gmail.com&g=; wrote:

COD is first at the e=tity level but is allocable to Mort.

As to when - many possib=ilities. Substantial modification of debt, actual forgiveness, contribution=of the debt to the company, transfer of Mort's interest, to name a =ew.

Sent from my iPhone

On Jan 13, 2014, at 8:51 AM, Jeffrey =pstein <jeev=cation@gmail.com <mailto:jeevacation@gmail.com> > wrote:

where and when is the COD?

On Mon, Jan 13, 2014 at 9:25 AM, El=en Harrison <[REDACTED]> <mailto:[REDACTED]> > wrote:

On your question abou= Mort's basis in the notes, I checked with Brian and He said the notes=had not been written down so I gave you bad information. Sorry.

In my opinion, your purchase of the receivables from Mo=t would not cure the COD issue we are worried about. Even if the sale gene=ated a capital loss, that would not offset ordinary income from COD. Howe=er, we will continue to explore this along with other ideas

My partner is working on an accounting for the 1983 and=1996 trusts. She is still getting data. This has been in process for le=s than a month. I expect that it will be some time before it is done becau=e I am told that the records prior to 2000 are limited.

SRR is appraising R&R. We are hoping, of course, th=t the cash flow will be sufficient to cover the preference. Since we don	t have the appraisal or the preference yet we don't know whether thi= will be a

problem. If it is, I would use debt to reduce value so cash flow would cover the preference. This is a problem under section 2701, because the common has to equal 10% of enterprise value before debt, but we will figure it out.

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On Jan 13, 2014, at 7:19 AM, Jeffrey Epstein <<mailto:jeevacation@gmail.com>> wrote:

EH you told me that mort basis in the 12 percent notes had been written down, can you explain, . can you tell me the status of the trust accounting to date. ? you stated that Rand RAO was being valued, and planned to put it in a preferred partnership. = what is the plan if the cashflow is not enough to pay the preferred. ?=

On Sun, Jan 12, 2014 at 2:30 PM, Ellen Harrison <[REDACTED]> wrote:

> Hello

> I just left you a voicemail. I would like to speak with you briefly about the terms of the deal you proposed to MZ so that we can give it appropriate analysis. Could you please give me a call at 301-404-4736 <tel:301-404-4736> or reply to this email as soon as possible? We are trying to schedule a conference call with tax advisors on Monday between 10 and 12 and it would be very helpful to have your proposal in hand by then.

> Thanks and Happy New Year.

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> Sent from my iPhone

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