
From: jeffrey E. <jeevacation@gmail.com>
Sent: Thursday, December 7, 2017 8:07 PM
To: Brad S Karp
Subject: Fwd: leon DO NOT SEND, hand deliver.

for discussion

-----=- Forwarded message -----

From: jeff=ey E. <j=evacation@gmail.com <mailto:jeevacation@gmail.com> >
Date: Tue, Jan 5, 2016 at 7:11 PM

To: Jeffrey Epstein <<= href="mailto:jeevacation@gmail.com">jeevacation@gmail.com>

=br>

congragulations

Transaction complete=!

When we ha= our meeting in your home in Bedford. ◆=A0 You asked me for my help. I told you multiple times that i thought it w=s a very bad idea, in that I preferred to have no financial in=eractions. I dont have many friends and didnt want money to interefer with our unique relationship. For five years you had the =ind but goofy Eileen Alexandersson as the =ole manager of your accounting , legal, investments. reporting, trusts etc= When I told you in no uncertain terms that I firmly believed=C2◆ she was incompetent you admonished me for " speaking out =f both sides of my mouth " . With regard Brad Wechs=er , there are not " both sides. ". I have co=sistently maintained since day one that he was highly unsuite= for the job. When you initially asked me to help convince him to ta=e the role , promising him a position to manage mirage =nvestments I sent you a note saying that instead of hiring him you s=ould pay up and get first class people. I have reiterat=d the same message for over a year now. . Brad , not me was t=sked with hiring new people , according to his chart. and as you wan=ed him to take ownership of the staff,he conducted many interviews. you ma= recall that as late as may, you told him in my presence that he had had s=x months and had not hired anyone. since then I have◆=A0 rectified errors in sales tax, use tax, income tax, fbar reporting, 1031 reporting, 8 million of deductions missed =rrors of millions on the returns. ,(april) Oversight on new=grats first at 22 and then at 19 that were done without=my consultation were resolved soley as a result o= my last minute intervention. . 600 million in after tax savings was=just accomplished. though you left the 30 million outstanding that I=had said should only be done if that was my additional fee. no= used for non biz purposes and not art.

re our financ=al arrangement
the facts as i see them

in Jun= and then again Sept, we both agreed to a 50% of phaidon payout., then only after weeks, when you delayed any detailed=20 discussion of money wanting to give the issue a thoughtful resp=nse (which I fully understand) . you

unilaterally changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the art space investment will also lead to a write off of another 30 m. plus=C2) In my dining room ,you were surprised when I said that i require most=20 people to pay their advisory fee up front so that I am assured =hat I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended a=d said " are you suggesting that i would go back on my word " I said no = of course not ! you are my closest of friends ,but my experience is that=C2 when amounts get large, people tend to get unhappy when it actually comes time for them to pay

I include below the=email i sent to you on April 15, the day i was examining your returns=A0 It laid out my understanding of the compensation for a transaction of the magnitude to the penny of the one just completed. though the number was great it=20 was clear. When it appeared that the details could now be worked out=C2 I was the first to say , it is too much money, however.

From day zero I proposed to discount to 50 - 60 million =the fair price of the transaction just completed . including <=pan>Phaidon. . though this amount was already substantially less= than our agreed and negotiated formula. - I was never told that this=A0 was out of range. in fact, alternative methods of payment . plane, =r an -in-kind payment were discussed (ie=20 including keeping the 30m portion of fee outstanding till March=) ,I provided as you specifically requested a detailed step b= step execution plan and reviewed all documents that i was given access to.= (Phaidon was not forthcoming) in or=er to make my many corrections . I was then told t=at =span>Alans involvement warranted a discount . Even in the best of l=ght , though it is beyond question that not one time in the three ye=rs of his retainer has he ever proposed a unique idea. (includin= any way to deal with the use issue on debras death ,or even the most basic review of your=largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the pla= and stretch reality beyond the pale and say it was 50 % . though no =ne could posit such a large amount unless they were wearing a brightly=20 colored clown suit. , the payment associated with the deal was =nown . It had both sent in writing and spoken about on the phone nume=ous times , a detailed execution plan was provided . then an= only then after all was laid out for the group I was told that after a number o= conversations with brad karp that a total of only 20m would be paid , (and even that was more tha= originally contemplated) for both transactions . Leon I feel l= was remarkably unfair. I wondered whether brad even knew of o=r prior agreement.? I called him and he said he was never told.?, I wou=d ask that you I and Brad karp sit together if you think it would be helpful. . I would like to sen= him this email, with your consent of course. If the transactio=s were never consummated , i would not be owed a dime, however , the expect=d fee was known up front. , the detailed step by step plan was f=llowed and overseen by me, the amount that I had requested befo=e the transaction was even begun, and had already been heavily discou=ted, out of friendship, from our agreement . I believe the decision re onl= paying 20 m has frankly , left me felling quite une=sy.

=br>----- Forwarded message -----
From: jeffrey E. <jeevacat=on@gmail.com>
Date: Wed, Apr 1=, 2015 at 8:59 AM
Subject:
To: Melanie Spinella<[REDACTED]>

1 did the paul weiss bill get paid ??? 2. Talk t= me before signing anything today important

10m paid today to gratitude americawilll make last year complete. 20 million paid today ftc .=10 million july 15 5 million sept 30. , 5 million jan=/span> 1 for all of 16 . tax savings paid at 37 percent . of net. savings. 50 million credit. net. =o 150 million free . 600 savings 225 million owed. - 50 credit, 175 owed.</=>

Please take the following in the spirit in which it is meant

<=>With Brad out of the office and unable to run his usual interference, the level of his total and utter incompetence was brought clearly, front and center. He may be a step up from Eileen but, if he is, then it is certainly not by much. A major difference is that Eileen knew she was over her head. Brad struts his stupidity whenever he gets a chance. The list of things that were done and not done he refused to let be prepared as it will exemplify the outrageous lack of progress and priorities

A critical example. - Though you and I have spent many many hours discussing the importance of attentive care and attention to details and mechanics. with regard Phaidon was not shown one single document, not one!! Brad wanted to keep it private between he, and his so called "advisors" however as he was out of the office during the most important transaction of the year, I did get to spend time with Joslin Joe and John, - the situation in your office is totally ludicrous - to summarize - the list I provided to Brad last December - of things I thought were a priority to get done - still remains in the whole unresolved. Neither Alan nor Brad has reviewed the BRH agreement or the TRA, the two largest financial assets of your portfolio, inexcusable.

The IT, is virtually untouched and is still in desperate need of a new system - reporting badly flawed, and both cumbersome and inaccurate. all done by hand as one-off exercises, when either you or Brad ask for it - airplane: restructure, (my only suggested priority in June) is really, no further ahead than it was then, consultants up the kazoo but nothing at all done (the office was recently told by Brad not to share the outside proposals with me - Brad has no idea even as to what questions to ask. he knows little of finance, is bullshitted over by almost everyone in the office. Eileen was self aware enough to know she was over her head, that is a huge difference. bad info is rampant a simple emblematic example- 3 million in deductions I'm told were taken for art space but on closer examination it turns out they cannot be used at all. (ZERO benefit) though you will be told yes they were deducted on the return they said that is the only real question you were focused on! "were they deducted or not - correct question would have been "is there a benefit"!! I asked for the balance sheet and/or P and L for Regan arts, the basic first step in order to check your financials. "sorry we never got one?" though 9.8 million invested, no P&L, nothing!, a construction project run amok, no budget, the CEO fired after only a few months., no clue. FYI artspace financials are also a total mess. (no receivables ??). when I asked for a list of what got done and did not, I received the email from Brad basically my own business. so much was promised. !!!
As in your words I'm one of your closest friends and in order to turn the page. I include the following in order to be constructive

Here is a list of things I think would be in your interest to get done asap but definitely not by me.

I suggest you for new grants, hire a high-level tax partner. use your trading accounts as they remain a paramount requirement 16 months after I emailed you re their importance. The Phaidon transaction papered and structured as contemplated DOES NOT WORK, it's as simple as that. DOES NOT!! I suggest again that you re-do bank loans. no need to pay interest at higher rates on boat or plane. as Richard is now no longer trustee. re-do will, make suydam executor, with Barry, and John as backup. pay 1 million a year for executor role. get rid of Judy Black trust, deal with gifts and their tax returns, review amounts to kids at fixed ages. put more protections in for Alex and Victoria, distribute some money to kids let them make decisions, decide art division with children in attendance. have fire drill done on estate. fill out estate returns as if you and Debra died today, choose advisers - Rick Bronstein said he only 1040 he ever filled out was his own. Hal-erin has a conflict that should be addressed. A strategy of the use of art should be implemented. you have tax consultants, it consultants. plane operation consultant. boat consultants. architects, lighting, art, legal, foundation, deal with TRA, BRH, rationalize investments. cash flow. reporting, gaming disclosures. foreign, gift. prepare tax projections for 15 and 16, deal with neg basis (tufts gain, debt financed. art partnership, pledges. sell stock, art, deal with Phaidon debt. athene's income, capital, foreign, exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. terminations. control, qualified dividends. corporate tolls, inversion rules, grant issues, short swing and other sec disclosures, I still think you might consider a Rothchild ban transaction they have 150 b and a distribution network with no products, private bank Rockefeller Rothschild. financial service. deal with UK visa issue sooner rather than later. we can talk about Rowen request re Athene, complex 2 billion in taxes on transaction. ?!

<=iv dir="ltr"> since you asked since last nov. i found 11 million dollars in dormant accounts. 4 million dollars in drawer. . went through cash flows for phaidon showing that john murphy is not an accountant. redid your gagosian contract , . organized structure in case of divorce. set up gift trust. stopped =da from including multiple times things not in your interest. dealt wit= bad sales tax use tax income tax . created 8 millino in deductions ,500k in mistakes , found bank of scotland =bar problems, . . reorg bad art purchases , funds taken, , charitable decisions , helped with <=pan>fincancial statements, gaming commission. . boat deductions= rescued stock from grats. . may 1 after months of =rad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, =C2◆ ref the email above.

here are some questions you =ight ask your "team"

..? ask them to provide a b=lance sheet or p&l for Regan arts. ◆=A0 .

ask . either wechsler or haperin<=span> to tell you what brh is, or how the =span>tra works. as bronstein to tell you why the pro=osed phaidon transaction DOES not work. no chance as contemplated . as= them to give you a plan for the plane. ? ask them to show you the cash mgmt=for over 100 million dollars. . ask them to show you the IT system progress after one year. s=parate from making it more secure though you are not a trader with i=side info the approval process for payables. . the cash flow projectio=s? assumptions? ask for a comparative review of investments. ask h=w you get cash with no tax ? ask haperin=20 to describe to you in any detail BRH upon death,=C2◆ , the major asset of his two biggest clients. tax basis, disposition in the estate. . etc. ask bra= to show you the liquidation of the intervening art space cos? that has bee= on the table for months. read adas questions that are wayyyy=C2◆ overdue

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----- Forwarded message -----

From: jeffrey E. <jeevacation <mailto:jeevacation@gmail.com> @gmail.com>

Subject:

To: Melanie <

saved you 500k at the last minute, . brad has had the same chart since march 16th, its his job to review NOT MINE .appears he i= one of those living in the dark leiwe. I found 8 million=dollars today, missed deductions. . not yet in the numbers, .?
=br>

<=pan class="HOEnZb">

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◆=A0 please note

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of JEE

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