
From: Alan S Halperin <[REDACTED]>
Sent: Tuesday, October 22, 2013 7:16 PM
To: Jeffrey Epstein
Cc: [REDACTED]
Subject: Timing of Funding GRAT

Jeffrey, I understand that you have had some discussions with Leon about when the GRAT is to be funded. At this point, I understand that the current thinking is to wait until after the dividend is announced (in November). Is that correct? In that regard, please let me point out one thing. As you know, for gift tax purposes, the value of publicly traded stock generally is the mean between the high and low on the date of transfer. If there is a run up on value on a particular day, for gift tax purposes, only a portion of the run up is considered.

On a separate point, I understand that you asked about the provision allowing a spouse to make trust property productive. I have several comments. First, this provision is triggered only if Leon dies during the GRAT term. Second, as you know, this provision is tax driven, and is designed to satisfy the marital deduction rules. Third, I could reverse the presumption: rather than require the spouse to consent to investing in unproductive productive, we could require the conversion to productive property only if directed in writing (we will make this change).

I am happy to discuss. Alan

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