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**From:** Richard Joslin <[REDACTED]>  
**Sent:** Thursday, March 20, 2014 2:33 PM  
**To:** Jeffrey Epstein  
**Subject:** FW: BFP 12/31/2012

There are screenshots below. In a nutshell, REM (Toms firm) summarizes all K-1 activity on excel spreadsheet. It does not tie into the tax return.

Non Apollo partnership K-1 capital account 12/31/2012 - Total \$167MM. Tax return balance sheet shows \$145MM. Assets listed on excel summary not listed on tax return balance sheet. Assets on tax return balance sheet not listed on excel spreadsheet.

There was a book-up in 2007 for Apollo entities – LBF Holdings shown at \$851MM 12/31/2012. Aggregate K-1 12/31/2012 capital account per K-1 is \$234MM; per tax return balance sheet \$993MM. Some of the K-1's show tax basis capital vs GAAP (FMV) capital.

Point of this is to get financial statements to have a value that is meaningful, eg GAAP and report consistently going forward. Tom's financials are a hodgepodge of 2007 book-up and adjusted only by taxable income 2008 to present and some partnerships valued possibly at GAAP.

Other "factually-challenged" items to follow

From: Richard Joslin  
Sent: Thursday, March 20, 2014 8:57 AM  
To: 'Thomas Turrin'; 'Abel Goce'  
Cc: Richard D'Agostino; 'Abel Goce'  
Subject: RE: BFP 12/31/2012

I think the answer is that there is no correlation between the Sch L (Quickbooks) balance sheet and the excel s/s that summarizes K-1 investments

Can you explain why there are partnerships listed on K-1 summary that are not on Sch L (Quickbook) - Millenium USA LP

There are entities listed on Sch L (Quickbooks) for which there are no K-1's listed on excel s/s AP SHL Investors – this appears not to be owned by BFP but is owned by LDB; Globe Opp Finc Svcs.

Can you track down the original inception values of the LP's (provided to you by us from valuations at inception). The LBF value of \$851,690,121 stands out.

I have not spent any time looking at the history.

Thanks

From: Richard Joslin  
Sent: Wednesday, March 19, 2014 12:34 PM  
To: 'Thomas Turrin'; Abel Goce  
Cc: Richard D'Agostino; Abel Goce  
Subject: RE: BFP 12/31/2012

Is there a s/s that ties into the 1065 pro forma balance sheet amount? The excel s/s I have does not tie out to Sch L. Please advise?

From: Thomas Turrin [mailto:TTurrin@rem-co.com <mailto:TTurri@rem-co.com>]  
Sent: Wednesday, March 19, 2014 12:31 PM  
To: Richard Joslin; Abel Goce  
Cc: Richard D'Agostino; Abel Goce  
Subject: RE: BFP 12/31/2012

Rich,

The carrying value of investments in Apollo entities shown on the pro-forma tax returns are derived from the original inception values of the LP's (provided to us by client from valuations at inception). We booked the opening values in G/L/p>

at inception ...initial "book" values. We booked the annual net-K-1 changes in total (all LP's) in accts 2702-10 and 2703-10.

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The non-Apollo investm=nt carrying values were based on original cost and  
and were adjusted for =ax items as per K-1's and were adjusted through one account (2130.01=.

We did not make overal= adjustments in BFP, LP G/L for changes in estimated current year-end mark=t values.

Best,

Tom<=p>

THOMAS TURRIN, CPA<=p>

Partner

Raich Ende Malter & =o. LLP

1375 Broadway<=o:p>

New York, New York =0018



Website: www.=em-co.com <http://www.rem-co.com>

From: Richard Joslin [mailto:RJoslin@elysllc.com<=>]  
Sent: Tuesday, March 18, 2014 10:34 AM  
To: Thomas Turrin; Abel Goce  
Cc: Richard D'Agostino  
Subject: BFP 12/31/2012 <mailto:RJoslin@elysllc.com>

I am looking at the files posted to the portal and in particular the file that summarize K-1 activity. Sch L has investments (Apollo) \$993,724,702. The REM spreadsheet shows \$234,172,166. Is there a s/s that ties into the 1065 pro forma balance sheet amount?

Same question for non-Apollo investments - \$Sch L \$1=5,546,984 vs REM s/s \$167,115,711

Three screenshots below

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