
From: Jeffrey Epstein <jeevacation@gmail.com>
Sent: Thursday, March 20, 2014 3:03 PM
To: Richard Joslin
Subject: Re: FW: BFP 12/31/2012

has he explained the negative asset notation

On Thu, Mar 20, 2014 at 7:32 AM, Richard Joslin <[REDACTED]> wrote=

There are screenshots =elow. In a nutshell, REM (Toms firm) summarizes all K-1 activi=y on excel spreadsheet. It does not tie into the tax return.<=>

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

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

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Point of this is to ge= financial statements to have a value that is meaningful, eg GAAP and repo=t consistently going forward. Tom's financial's are a hodgepod= of 2007 book-up and adjusted only by taxable income 2008 to present and some partnerships valued possibly at GAAP

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Other "factually=challenged" items to follow

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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

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

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

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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.

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I have not spent any time looking at the history.

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Thanks</=pan>

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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.&nb=p; Please advise?

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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,

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The carrying value of =nvestments in Apollo entities shown on the pro-forma tax returns are deriv=d from the original inception val=es of the LP's (provided to us by client from valuations at in=eption). We booked the opening values in G/L

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

&nbs=;

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=.

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

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Best,

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Tom

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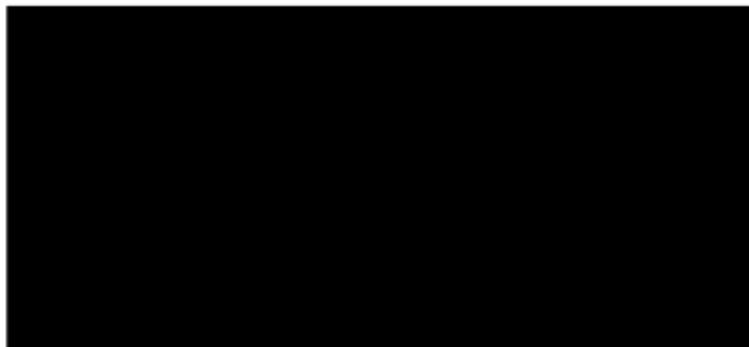
THOMAS TURRIN, CPA</=>

Partner

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New York, New York =0018



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

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From: Richard =oslin [REDACTED]
Sent: Tuesday, March 18, 2014 10:34 AM
To: Thomas Turrin; Abel Goce
Cc: Richard D'Agostino
Subject: BFP 12/31/2012

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 \$1,546,984 vs REM s/s \$167,115,711

Three screenshots below

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