

---

**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Friday, September 22, 2017 5:18 PM  
**To:** Barry J. Cohen; Melanie Spinella  
**Subject:** Re: Art in CLATs--PRIVILEGED AND CONFIDENTIAL

there is a reason i have not engaged on this subject.♦=A0 and have no intention of doing so. =C2♦ one point. barry, as this is really a waste =f time. the main goal is not to avoid estate tax. =eons goal is to ultimately transfer the most value to the kids. =. silly beyond belief. sorry

On Fri, Sep 22, =017 at 12:32 PM, Barry J. Cohen <[REDACTED]> wrote=

Conversation with Heather and Alan:

- \* Art is valued on the same=date for the estate as it is for a testamentary CLAT, even if the CLAT is =ot funded for years after death.
- \* If the 6-month valuation =s lower for the non-CLAT art, we will be obligated to use that valuation f=r everything, including the CLAT.
- \* Therefore, there is =o chance of the art being valued at a high price for estate tax purposes a=d a lower price for the CLAT.
- \* Accordingly, we don't really care how long =t takes the art advisory board to value the art.
- \* Because the 2-year statut= of limitations cannot be extended, even with taxpayer consent, the IRS mu=t come up with a valuation within 2 years of filing.
- \* We do prefer a lower=valuation for the CLAT so there is a greater likelihood of something going=to the kids.
- \* There is a risk that the art could be sold for an amount below the v=luation. Two mitigants:
  - \* If it is sold below our t=ntative valuation before filing, it is common to change such valuation in =he filing.
  - \* If it is sold below the art board's valuation, that would be b=d, but always a risk that is run with an estate selling assets.<=u>
- \* Agree that paying ta= on art in fractional interests could be better, but it would lead to payi=g estate tax, whereas the CLAT route pays no tax.
- \* Giving=fractional interests to the CLAT might also be attractive. We are no= sure of LDB's appetite to put more art into the art partnership o= other fractional interest mechanisms. Among other things, it creates =C2♦ financing issues.<=li>
- \* Agree that LDB is pro=ably the best seller of art, so he should seriously consider doing it befo=e death. Not sure he is amenable.

Barry J. Cohen♦=A0|

President and Spec=I Counsel |

Elysium Management,=LLC |

445 Park Avenue Suite 1401

<<https://maps.google.com/?q=445+Park+Ave=ue+Suite+1401%0D+New+York,+NY+10022&entry=gmail&source=g>>

New York, NY 10022

<<https://maps.google.com/?q=445+Park+Ave=ue+Suite+1401%0D+New+York,+NY+10022&entry=gmail&source=g>>

|=/u>

[REDACTED]

--

◆=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

Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to [jeevacation@gmail.com](mailto:jeevacation@gmail.com), and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved

--001a114f5bea03b41c0559ca6526-- conversation-id 30465 date-last-viewed 0 date-received 1506100696 flags 8590195713 gmail-label-ids 7 6 remote-id 752367