
From: Heather Gray <[REDACTED]>
Sent: Monday, April 24, 2017 2:32 PM
To: Jeffrey E.
Cc: Leon Black; Brad Wechsler; Barry J. Cohen; Ada Clapp; Alan S. Halperin
([REDACTED])
Subject: RE:
Attachments: Untitled attachment 00430.eml (1.11 KB)

Hi Jeffrey,

Thanks for sending us this New York Times article. I flagged this case to Brad, Barry, Alan and Ada when it came out in February (please see attached summary email). We discussed it at the time and one of the questions Brad raised was how much precedential value we think this case will have. Neither Alan nor I know of another case where the judge threw out an auction house appraisal over a perceived conflict of interest, and the facts in this case are especially damaging for Sotheby's, so it is hard to know if this is a one-off decision or whether the IRS will be successful in making this type of argument again.

I do not think we need to change our practice of having the art appraised annually by an auction house (currently, Christie's) as the appraisals are not tied to specific proposals for sale. I will continue to follow the case law in this area, of course, and depending on how that develops, we may want to consider using an independent (i.e., non-auction house) appraiser for the estate tax appraisals.

I am in the office and would be happy to discuss this with you if you would like.

Best,

Heather

From: Jeffrey E. [mailto:jeevacation@gmail.com]
Sent: Monday, April 24, 2017 9:59 AM
To: Leon Black <[REDACTED]>; Barry J. Cohen <[REDACTED]>; Heather Gray <[REDACTED]>
Subject:

https://www.nytimes.com/2017/04/23/arts/design/dont-blame-the-russians-tax-judge-tells-sothebys-expert.html?module=WatchingPortal®ion=c-column-middle-span-region&pgType=Homepage&action=click&mediald=thumb_square&state=standard&contentPlacement=4&version=int

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