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**From:** Richard Kahn <[REDACTED]>  
**Sent:** Saturday, November 26, 2016 3:40 PM  
**To:** Jeffrey Epstein  
**Subject:** Re: EDC Memorandum - EAK

actuals i will do monday or tuesday (need 5-6 hours without =istructions)

doctors are crazy..they should be penalized for all the =ggravation they cause from their sloppiness..

Richard Kahn  
HBRK Associates Inc.  
575 =exington Avenue, 4th Floor  
New =ork, NY 10022  
[REDACTED]  
[REDACTED]

On Nov 26, 2016, at 10:36 AM, jeffrey E. <jeevacation@gmail.com> wrote:

thx.. and when can i get actuals for our cash =low. ? btw , [REDACTED]  
[REDACTED], on fri on monday they said it was a typo =hat should have read a non- substantial.  
can you =elive it

On Sat, Nov 26, 2016 at 10:34 AM, =ichard Kahn <[REDACTED]> wrote:

i calculated the additional =ost of not having EDC benefits to be 891,000. Note that the two =ariables are that i am estimating Boothbay & Honeycomb ordinary =ncome which are difficult to determine year to year. I calculated that =ou will have 2,500,000 of EDC income in 2016 which is comprised of =oreign corporation interest and dividends, foreign currency trades, =edge funds (booth bay, haze & honeycomb) and STC operating =xpenses. capital gains will be offset by capital loss carry =forward of 35mm.

#### Calculation

Max ordinary US rate =nbsp; 39.6%  
EDC rate =nbsp; 3.96%  
Tax savings with EDC benefits 35.64%

2,500,000 x 35.64% = =91,000

Richard =ahn

HBRK Associates Inc.  
575 Lexington Avenue, 4th Floor  
New York, NY 10022  
[REDACTED]

On Nov 26, 2016, at 12:50 AM, jeffrey E. <jeevacation@gmail.com> wrote:  
that wasnt my question. I =m aaware . of erika memo. question was is there a =oney  
difference

On Fri, Nov 25, 2016 at 8:36 PM, =ichard Kahn <[REDACTED]> wrote:

i believe that you will still =ualify under 3 year average test per Erika memo attached:

**Physical =resence Test**

For taxable =ears ending after January 31, 2006, Treasury Regulation § 1.937-1(c), as amended =n November 14, 2006, provides that a U.S. citizen or resident alien satisfies the =physical presence test if he or she meets one of five alternative tests:

\* 183-Day Test: =/span>First, an individual can satisfy the strict 183-day rule codified in Code section 937, that =s, spend at least 183 days a year in a possession including days of =ravel to and from a possession as long as part of the day of travel is spent =n a possession.

\* Three-Year Average Test: =econd, an individual can satisfy the physical presence test by being present in a possession for at =east 549 days during a three-year period consisting of the current taxable =ear and the two immediately preceding taxable years, provided that the =ndividual is also present in the possession for at least 60 days during each =axable year of the three-year period. In other words, this alternative to the physical presence test =quires an individual to be present in a possession for a simple nonweighted three-year average of 183 days per year so long as a minimum of 60 days of presence is met in each of those three years.

\* No More Than 90 Day Test: Third, an individual can satisfy the physical presence test by spending no more than 90 days in the United States each year.

\* More Time in a Possession and Earned Income Not Exceeding \$3,000 Test: Fourth, an individual can satisfy the physical presence test by spending more days in a possession than in the United States and having earned income[1] in the United States not exceeding \$3,000.

\* No Significant Connection to the United States Test: Fifth, an individual can satisfy the physical presence test by having no significant connection to the United States. However, this exception may not encompass any individual who has full-time access to any residence in the United States even if the residence has never been the individual's tax home, such as a vacation home.

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[1] U.S. earned income is defined in the regulations by reference to Treasury Regulation § 1.911-3(b) which deals with the foreign earned income exclusion for citizens or residents of the United States living abroad. Under this section "earned income" is composed of wages, salaries, professional fees and other amounts received as compensation for personal services actually rendered. Professional fees constitute earned income even if the individual employs assistants to perform part or all of the services, provided that the clients are those of the individual and look to the individual as the person responsible for the services rendered. "Earned income" does not include a distribution of earnings and profits by a corporation. Earned income, however, may include wages paid by a possession entity that are paid to an employee for business travel in the United States.

i will review test with erika and economic with jeanne..

Richard Kahn  
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New York, NY 10022  
[REDACTED]

Begin forwarded message:

From: =/b>"Jeanne" <[REDACTED]>

Subject: =/b>EDC Memorandum - =AK

Date: =/b>September 30, 2015 at 4:15:41 PM =DT

To: =/b><[REDACTED]>, "Alan Dlugash"

<[REDACTED]>

Cc: =/b><[REDACTED]>

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please note

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please =ote

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