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**From:** Erika Kellerhals [REDACTED]  
**Sent:** Friday, January 4, 2013 7:26 PM  
**To:** Jeffrey Epstein  
**Subject:** Re:  
**Attachments:** 7B8B96A5-A17A-4855-9256-43BDEEA09109[129].png; 7B8B96A5-A17A-4855-9256-43BDEEA09109[123].png

Ill send response – but right now working on tax court petition due today.

Erika A. Kellerhals

Partner

Kellerhals Ferguson Fletcher Kroblin LLP

[REDACTED]  
Suite 15

St. Thomas, U.S. Virgin Islands 00802

Office: [REDACTED]

Fax: [REDACTED]

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From: Jeffrey Epstein <jeevacation@gmail.com>  
Date: Friday, January 4, 2013 9:38 AM  
To: Erika Kellerhals [REDACTED]



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From: Jeffrey Epstein <jeevacation@gmail.com>

Date: Friday, January 4, 2013 8:49 AM

To: Erika Kellerhals

Subject: Re:

so if us residents own common shares in our new bank,? why is my holding of a 100 percent interest as a us person not included,

On Fri, Jan 4, 2013 at 8:32 AM, Erika Kellerhals <ekellerhal@kffklaw.com <mailto:ekellerhals@kffklaw.com>> wrote:

An entity incorporated in the USVI is considered a foreign corporation for the purposes of the unmirrored Internal Revenue Code. Therefore, when U.S. shareholders control a USVI corporation under the 50% rule ( U.S. shareholders own more than 50% of the combined voting power of its stock or more than 50% of the total value of the stock) the USVI corporation is treated as a CFC (a "USVI CFC"). To the extent that a USVI CFC invests its earnings in United States property or earns subpart F income in the form of foreign base company sale income, foreign base company services income, or foreign personal holding company income, its United States shareholders are taxed on such investment in United States property and subpart F income to the same extent as if such corporation were formed in a foreign country

Erika A. Kellerhals



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From: Jeffrey Epstein <jeevacation@gmail.com>  
Date: Thursday, January 3, 2013 7:00 PM  
To: Erika Kellerhals <[REDACTED]>  
Subject: <no subject>

how do the cfc rules apply to us residents holding shares in vi corp.<div style="clear:all">

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Jeffrey Epstein

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