

GEORGE V. DELSON ASSOCIATES
OFFICE MEMORANDUM

TO: Jeffrey E. Epstein

DATE: November 18, 2011

FROM: GVD

PRIORITY STATUS: Routine

COPIES TO:

SUBJECT: Federal Income Tax
2008/2009
Amended Returns
Interest Charge

Subsequent to the filing of the 2008 Financial Trust Company ("FTC") Form 1120S, FTC received an amended Schedule K-1 with respect to its investment in Zwirn for the year ended December 31, 2008. This necessitated the filing of an amended Form 1120S for that year for FTC and an amended Schedule K-1 for Jeffrey E. Epstein ("JEE") for that year. Thus an amended Form 1040 for the year ended December 31, 2008 for JEE was prepared and filed on or about April 10, 2010. A payment of additional tax in the amount of \$63,655 was made on that date. Overpayments of \$2,299,319 carried forward to 2009 and 2010 are not affected.

The payment that was made to BIR (\$63,655) did not include interest - - - a routine procedure in our office. We normally wait for a bill for interest.

On or about November 14, 2011 JEE received a bill for interest per the attached. We think this bill is too low. (As you can see there is no computation enclosed.)

We recommend that the bill be paid without inquiry as to the computation. If the Bureau subsequently thinks they are in error, they will probably submit a computation which we can review and/or challenge at that time.

Please advise if you are in agreement and I will make arrangements for the payment.