

Answers to SIRF Inquiry—Follow-Up Questions
August 14, 2014

Regarding donations made by the GRAT, you are correct. The GRAT cannot donate shares. In our response to you of August 12th, in retrospect we recognize that the wording may be confusing. The facts are that the Michael Karfunkel 2005 GRAT distributed shares to Michael Karfunkel as part of his required GRAT distribution to the annuitant, who in turn donated stock to the Hod Foundation. Everything else we explained to you in our August 12th answer regarding the dividend payments and the receivable at the Hod Foundation is straightforward.

In your follow-up on August 13th, you also reference the receivable at the Chesed Foundation of America. Again, shares were distributed from George Karfunkel's GRAT to him as the annuitant, and he, in turn, donated stock to the Chesed Foundation of America. Similarly, because of a lag time with respect to updating the transfer agent's records, dividend payments on those shares, instead of being sent to the Chesed Foundation of America, continued to be made to the GRAT. The Chesed Foundation of America on its books showed the dividends as income and also noted them as a receivable to be paid by the GRAT. Ultimately, the transfer agent's records were updated, and subsequent dividend payments on the donated shares were sent to the Chesed Foundation of America. The GRAT as well paid the Chesed Foundation of America the dividend funds that the Chesed Foundation of America should have received, thereby satisfying the Chesed Foundation of America's receivable.

You also ask, regarding our response of August 12, 2014, what GRAT beneficiary is being discussed in the reply. The party being discussed is Michael Karfunkel, the annuitant.

In your August 13, 2014 email, you requested the "motions made on behalf of the Karfunkels to vacate the injunction..." The orders vacating the injunctions, which we sent you, were dated January 12, 2000. The proceedings were in the United States District Court Southern District of New York. All relevant papers reside with the court.

As part of that same request, you also write: "that billionaires manage to get a judge to do something is unsurprising". We will not respond to your comment which appears to impugn the U.S. judicial system.

You also emailed on August 13, 2014 that "I am unclear as to what it [the Select Charitable Foundations Performance Summary chart] is trying to say". The chart relates to the increase in asset value of eight New York-based foundations with greater than \$10 million in assets.

As part of your seeking clarification with respect to this Summary, you also refer to the charitable foundations noted in the Summary as a "peer group of Jewish family foundations". We again attach the chart, as well as an overview of these foundations, besides the Hod Foundation and Chesed Foundation of America, listed in the Summary. Based on this information, it is unclear as to how or why you would choose a "peer group of Jewish family foundations" as the description in your reference.

Furthermore, on August 13th, you disputed our August 12, 2014 statement that the Citicorp shares donated by George Karfunkel to the Chesed Foundation of America bore a legend, and could not be transferred physically at the time he made the donation. The Citicorp shares that Mr. Karfunkel donated were shares received as a result of the purchase by Citicorp of AST Stock Plan Inc., of which Michael and George Karfunkel were majority owners. Those shares bore a legend. This transaction was announced by Citicorp on August 15, 2000. Please find attached the transaction's press release.