

SUPREME COURT OF THE STATE OF NEW YORK
NEW YORK COUNTY

STATE OF NEW YORK
ex rel. DOREEN L. LIGHT,

Plaintiff,

- against -

MYRON R. MELAMED, JOSEPH MELAMED,
DANIEL MELAMED, UNIVERSITY PATHOLOGY,
P.C., and the ESTATE OF MYRON R. MELAMED,

Defendants.

Index No. 101451/14

FALSE CLAIMS ACT
AMENDED COMPLAINT

Qui tam plaintiff Doreen L. Light (“Relator”), through her undersigned attorneys, hereby brings this action on behalf of the State of New York against Myron R. Melamed, Joseph Melamed, Daniel Melamed, University Pathology, P.C., and the Estate of Myron R. Melamed (collectively, “Defendants”). The claims asserted in this Amended Complaint are based on the facts and information set forth below and upon information and belief, unless otherwise stated.

SUMMARY OF ACTION

1. This action arises out of a scheme by a prominent doctor and his family to avoid New York State income taxes and estate taxes. Beginning in 2008, Dr. Myron R. Melamed misrepresented to the State of New York that he was a resident of Florida when, in fact, he was working and living full-time in Westchester County. He never changed his domicile or residence to Florida before his death in September 2013.

2. Plaintiff-Relator Doreen Light was employed for many years as administrator of Dr. Melamed’s wholly-owned company, University Pathology, P.C. She brings this *qui tam* action under the New York False Claims Act, State Fin. Law §§ 187 *et seq.*, to recover money damages and civil penalties arising from false statements and false claims knowingly submitted or knowingly caused to be submitted to the State by Defendants.

3. Dr. Melamed and University Pathology, P.C., failed to report income that Dr. Melamed earned in New York from 2008 to 2013. They submitted false documents to the State of New York to hide his income tax obligations. For example, in an effort to conceal the fact that he was living and working full-time in New York, Dr. Melamed altered bank account statements to hide the addresses of ATM machines in New York before he submitted the statements to State agents during a tax audit in 2011.

4. Although he owned an apartment in Florida, Dr. Melamed never stayed there for more than a few days at a time. As explained below, he lived full-time at his home in Westchester County for nearly 30 years, from January 1984 until April 2013. In the last few months of his life, he stayed in Columbia County, New York, and briefly in Connecticut and North Carolina, but not in Florida. In his Last Will and Testament, re-executed on the eve of his death in 2013, however, Dr. Melamed falsely described himself as domiciled in Florida.

5. In the years before his death, Dr. Melamed entered into an agreement with his sons, Daniel Melamed and Joseph Melamed, to take actions so as to not pay the estate taxes that would ultimately be due by hiding the fact that Dr. Melamed was a resident of New York.

6. The beneficiaries of this tax avoidance scheme are defendants Daniel Melamed and Joseph Melamed. To maximize their own inheritance, they encouraged their father not to make tax payments due and owing to New York State. Upon his death in September 2013, Daniel Melamed and Joseph Melamed agreed with Dr. Melamed's estate that they would not file a New York State estate tax return, or even a report of his death (Form ET-141) within nine months of his death, as required by New York tax law.

7. Daniel Melamed and Joseph Melamed conspired with Dr. Melamed to transfer his Westchester home into their names. They made this agreement primarily to evade the estate tax. Daniel Melamed and Joseph Melamed never lived in the Westchester house. Even after the purported transfer, Dr. Melamed continued to live in his own home until his sons sold the house shortly before his death.

8. Daniel and Joseph Melamed knew that their father Dr. Melamed lived in Westchester County – in the house that they had agreed to move into their own names – so they knew that he was not a Florida resident. They also knew that Dr. Melamed never established his domicile in Florida before his death. Nevertheless, they entered into an agreement with the Estate (acting through its personal representative and counsel) to file papers in Florida describing their father as a resident of Boca Raton so that they would enjoy the increased inheritance gained by avoiding the New York estate tax.

9. In June 2008, Dr. Melamed's accountants had estimated his taxable estate at \$12.5 million. They told him that moving his domicile to Florida could save \$1.5 million in New York estate taxes. By the time of his death in 2013, the value of his estate had increased, primarily through appreciation of his stock holdings, to approximately \$15 million, and his New York estate tax liability was approximately \$1.77 million.

10. By making false statements to the State of New York about Dr. Melamed's residency and domicile in an effort to avoid paying income and estate taxes, the Defendants violated the New York False Claims Act.

JURISDICTION AND PARTIES

11. This is an action under the New York False Claims Act, State Fin. Law § 190. As alleged in detail below, the net income or sales of Dr. Melamed and his wholly-owned company, University Pathology, P.C., exceeded \$1 million in three of the taxable years that are the subject of this complaint, 2008, 2009 and 2010. The unpaid income and estate taxes owed by defendants Myron R. Melamed, Joseph Melamed, Daniel Melamed, University Pathology, P.C., and the Estate of Myron R. Melamed to the State of New York exceed \$350,000. State Fin. Law § 189(4)(a).

12. Defendant the Estate of Myron R. Melamed (the "Estate") was created upon Dr. Melamed's death by the Last Will and Testament of Dr. Melamed dated September 16, 2013, and filed in Palm Beach County, Florida. The Estate is liable to New York for the unpaid income and estate taxes owed to New York State by Dr. Melamed and by the Estate. The Estate is also liable for

Dr. Melamed's violations of the False Claims Act. Dr. Myron R. Melamed's sister, Rita M. Edlin, is the personal representative of Dr. Melamed and executrix of the Estate of Myron R. Melamed.

13. This Court has personal jurisdiction over the defendants Estate of Myron R. Melamed, Daniel Melamed, Joseph Melamed, and University Pathology, P.C. because they can be found, reside and/or transact business in New York State.

14. Venue is proper in this Court pursuant to CPLR § 503.

15. The relator-whistleblower, Doreen Light, is a resident of Westchester County, New York. After completing college with a degree in biology, she earned an MBA in finance and a Master of Public Health degree.

16. Ms. Light worked at New York Medical College from 1974 to 2010. During her career at NYMC, she held a variety of positions from Research Assistant to Administrative Assistant and Administrator. She was also the Administrator of University Pathology, P.C. from 1991 to 2012.

17. Ms. Light worked closely with Dr. Melamed for more than 20 years, beginning in 1991 when he became Chairman of the Pathology Department. Dr. Melamed routinely shared information about his business and personal arrangements with her, including his financial documents and correspondence. She has personal knowledge of the allegations in this complaint.

NEW YORK'S TAX LAW

18. New York law imposes a tax on the transfer of the New York estate by every deceased individual who at his or her death was a resident of New York State, if the estate exceeds a certain threshold. Tax Law § 952. The taxable estate includes securities and money held in banks and investment accounts, wherever those accounts are located. In 2013, the applicable threshold was \$1 million.

19. The estate tax is due within nine months after the individual's death. Tax Law § 972(a). If the estate tax is not paid when due, then the beneficiary, transferee or any other person in possession of property of the estate is personally liable for such tax. Tax Law § 975(e).

20. State law also imposes a personal income tax of approximately 6% on individuals who are residents of the state. Tax Law § 601. If the income tax is not paid when due, then the beneficiary, transferee or any other person in possession of the delinquent taxpayer's property is personally liable for such tax. Tax Law § 693(a).

21. A resident of New York is an individual who is domiciled in New York, with certain exceptions not applicable here. Tax Law § 605. An individual's original domicile continues until there is a clear manifestation of an intent to make a fixed and permanent home in a different location.

FACTUAL ALLEGATIONS

A. Background

22. For many years, Dr. Melamed was a prominent member of the medical and academic community in New York State. From 1979 to 1989, he was the Chairman of the Pathology Department at Memorial Sloan Kettering Hospital Center, and a professor of pathology at Cornell University. In 1991, he joined New York Medical College in Valhalla, New York, where he was appointed Chairman of the Pathology Department. He also served from 1991 to 2007 as Director of Pathology at Westchester Medical Center.

23. At all times relevant to this complaint, Dr. Melamed received royalty income from several academic publications, including *Morphogenesis of Lung Cancer*, *Flow Cytometry and Sorting*, and a standard medical treatise, *Koss' Diagnostic Cytology and Its Histopathologic Bases*.

24. The appointment at New York Medical College provided opportunities for Dr. Melamed to earn substantial income in addition to his medical school salary. He created University Pathology, P.C. in 1991 and remained its sole owner until the sale of the company in 2012.

25. University Pathology operated three laboratories that provided analysis for medical specimens for patients treated at Westchester Medical Center and other facilities, including blood analysis, renal pathology, histology and cytology. The company expanded to handle pathology

services at St. Agnes Hospital in White Plains, and added a fourth lab in Hawthorne, New York to provide cytogenetics services.

B. Dr. Melamed's New York Residence

26. From 1991 to 2012, Dr. Melamed was working full-time in Westchester County. He split his time between various hospitals and labs, analyzing patient specimens, teaching classes, and supervising the operations of University Pathology. He did not take any sabbaticals or long vacations. He continued to work part-time from 2012 to 2013.

27. The clinical laboratory permits issued by the New York State Department of Health to University Pathology P.C. are site specific. They allowed laboratory procedures to be performed *only* at specified locations pursuant to section 575 of the Public Health Law. Further, under "CLIA" (the federal Clinical Laboratory Improvement Amendments), laboratory work analyzed and billed from the CLIA-licensed site must be performed at that physical laboratory site. As a result, Dr. Melamed could legally analyze patient samples only at the University Pathology labs in Westchester County. He could not work in Florida.

28. At all times from 1984 until April 2013 (just before his death), Dr. Melamed resided at his home at 35 Braeside Lane, Dobbs Ferry, in Westchester County, New York ("35 Braeside Lane").

29. In 1999, Dr. Melamed entered into an agreement with his sons Daniel and Joseph to take actions for the primary purpose of avoiding New York State estate tax. First, in 1999, Dr. Melamed, Daniel, and Joseph moved Dr. Melamed's home into a Qualified Personal Residence Trust ("QPRT"). The QPRT required Dr. Melamed to occupy 35 Braeside Lane as his personal residence for nine years, until August 2008. According to the terms of the QPRT, ownership of the property would then be transferred from the trust to Daniel and Joseph Melamed.

30. Dr. Melamed, Daniel, and Joseph failed to comply with the August 2008 limitation of the QPRT. On or about May 31, 2009, Daniel and Joseph Melamed executed a Bargain and Sale Deed purporting to transfer the property at 35 Braeside Lane from the QPRT to themselves as

tenants in common. The deed was signed (and notarized) on June 1, 2009 by Daniel Melamed in New York State, and on June 16, 2009 by Joseph Melamed in North Carolina. It was recorded in Westchester County in August 2009.

31. But in order to continue the deceit, Dr. Melamed, Daniel, and Joseph agreed to alter the Bargain and Sale Deed by hand to backdate the deed from May 31, 2009 to August 31, 2008. They submitted this false document to the Westchester County Clerk.

32. Daniel and Joseph Melamed agreed to file this backdated document to assist their father, Dr. Melamed, in his efforts to deceive the State of New York about his true residence so as to ultimately avoid paying the estate tax. In particular, they backdated the deed to support Dr. Melamed's claim that he moved out of 35 Braeside Lane home and changed his domicile from New York to Florida in 2008.

33. But Dr. Melamed did not move out of his home at 35 Braeside Lane. Instead, he continued to live in his home. And because Dr. Melamed did not pay rent to his sons Daniel and Joseph Melamed from 2008 on, for estate tax purposes, the entire transfer should be disregarded, and the proceeds of the 2013 sale of 35 Braeside Lane – which ultimately sold for more than a million dollars – should be included in the Estate.

34. Dr. Melamed resided in his home until, approaching his death, he sold his home in April 2013. He did not establish a domicile in Florida or any other state before his death in September 2013.

C. The Fraudulent Estate Plan

35. In 2006, Dr. Melamed received a diagnosis of pancreatic cancer. However, after surgery in late 2006, he regained his health and returned to work. Following discussions about estate planning with his sons, Dr. Melamed decided to buy a property in Florida for the express purpose of avoiding New York State estate and income taxes.

36. Dr. Melamed purchased a condominium in Boca Raton, Florida, in December 2007. The property is located at 300 South Ocean Boulevard, Apartment 1504, Boca Raton, Florida 33432.

37. According to documents provided to Doreen Light by Dr. Melamed, he believed that his New York State estate taxes would be reduced by at least \$1.5 million if he established the Florida condo as his residence.

38. In truth, Dr. Melamed never spent more than a few days at a time in Florida, using the condo only for occasional vacations. His only domicile and permanent residence was the house at 35 Braeside Lane.

39. In an effort to mislead the taxing authorities in New York State about his residence, following the purchase of the Florida condo in 2007, Dr. Melamed began to take steps to hide his daily presence in the State.

40. For example, Dr. Melamed began to use a personal checking account held by Doreen Light to pay the ordinary expenses associated with 35 Braeside Lane, such as utilities, telephone, internet, cable television, security systems and home maintenance. This account, Citibank account number [REDACTED], was not used for other purposes. From early 2009 until 2013, Dr. Melamed provided funds to Ms. Light that she deposited into the Citibank account. Ms. Light signed blank checks and gave them to Dr. Melamed, who personally wrote checks to cover expenses at 35 Braeside Lane. The sole purpose for Dr. Melamed's conduct was to hide the fact that he was still living at 35 Braeside Lane after 2008.

41. Dr. Melamed also instructed Ms. Light to create an account with E-ZPass, the electronic toll collection service. Dr. Melamed closed his personal account with E-ZPass. He installed a new toll tag in his personal car, a 2004 Lexus, and E-ZPass charged his tolls to a credit card held by Ms. Light. In this way, Dr. Melamed intended to hide the fact that he was living and working in Westchester County when he wanted the taxing authorities to believe that he lived in Florida.

42. Dr. Melamed did not pay any rent to his sons after they acquired the property at 35 Braeside Lane in 2008. He lived in the house rent-free for approximately five years, until a few months before his death. He believed that the lack of rent payments for 35 Braeside Lane would support his claim that he was a Florida resident. He also routinely paid cash rather than using credit cards in restaurants to avoid a paper trail revealing his presence in Westchester County.

43. Dr. Melamed also made false statements to the State of New York to avoid state tax liabilities. He reported to the Office of the Professions of the New York State Department of Education that he resided in Boca Raton, Florida, at a time when he was living full time at 35 Braeside Lane in Westchester County, New York.

44. In or about 2011, the New York State taxing authorities conducted an audit of Dr. Melamed. He came to Doreen Light's office at University Pathology in Elmsford, New York, and asked to borrow her bottle of 'white-out.' He altered the account statements from his personal Citibank account by deleting the addresses of the automatic teller machines listed on the statements. He then made copies of the false account statements and sent them to his personal accountant, who presented them to the New York State auditors.

45. Dr. Melamed provided these false documents to the state auditors for the sole purpose of deceiving the auditors about his residence. He intended to hide the fact that he routinely withdrew cash from machines located in Westchester County, because he wanted the auditors to believe that he was living in Florida.

46. These bank account statements were false for another reason: they showed checks paid to Ms. Light's Citibank account. Those funds were actually used by Dr. Melamed to pay for his ordinary expenses at 35 Braeside Lane. As a result, the tax auditors did not know that he was a full-time resident of New York.

D. The Sale of University Pathology

47. In October 2009, New York Medical College appointed a new chairman of the Pathology Department. Dr. Melamed's company, University Pathology, began to lose contracts

with hospitals and reduce the number of pathology labs. Dr. Melamed continued to work full time at University Pathology in Elmsford and at local hospitals, including Westchester Medical Center and St. John's Riverside Hospital in Yonkers and Dobbs Ferry.

48. In July 2012, Dr. Melamed sold University Pathology to Richard Abrazi, for \$100,000. Prior to the sale, Dr. Melamed purported to reorganize his company from a professional corporation to a general business corporation, using the name UP Services, Inc., pursuant to section 368(a)(1)(F) of the Internal Revenue Code. In this way, Dr. Melamed effectively dissolved his professional corporation without recognizing any tax liabilities. One potential purchaser declined to buy UP Services because the reorganization did not satisfy the requirements of section 368(a)(1)(F).

49. The Stock Purchase Agreement falsely described Dr. Melamed as a resident of Florida, although the notary stamp indicates that he signed the Agreement in New York. Dr. Melamed received \$100,000 from Mr. Abrazi over a 12-month period.

50. Dr. Melamed continued to work part-time for UP Services, Inc., the successor to University Pathology, until June 2013. He was paid approximately \$12,000 per month for that work.

E. Dr. Melamed's Failure to Disclose Income and to Pay State Income Taxes

51. Until the end of 2007, University Pathology made regular bi-weekly payments to Dr. Melamed from its payroll account, in the approximate amount of \$1,486.00. He also received a salary from New York Medical College for his work at Westchester Medical Center.

52. In its corporate income tax return for 2007, University Pathology reported \$3.8 million in gross receipts or sales and total income of \$1.1 million for 2007. The company reported that it paid Dr. Melamed \$105,688 and that he worked full-time for the business.

53. In December 2007, at the same time as he acquired the Florida condo, Dr. Melamed left his position as Director of Pathology at Westchester Medical Center. He accepted a buyout of \$175,000 from the hospital.

54. After the buyout, Dr. Melamed continued to provide services to both University Pathology and Westchester Medical Center. He continued to train residents and analyze specimens at the hospital, and he continued to analyze specimens from hospital patients at the labs owned by University Pathology.

55. Westchester Medical Center entered into a consulting agreement with University Pathology to pay \$139,000 per year for Dr. Melamed's services beginning in January 2008.

56. From January 2008 through December 2009, Dr. Melamed worked 10-hour days at Westchester Medical Center, followed by many hours at night analyzing specimens in the University Pathology labs. Because Westchester Medical Center had a shortage of pathologists, Dr. Melamed also worked weekends.

57. In an effort to hide his presence in New York State, Dr. Melamed insisted that, beginning in January 2008, all payments for his services – including his work as a pathologist at the hospital – should be made to his company, University Pathology.

58. Dr. Melamed's accountant told Doreen Light, the Administrator of University Pathology, that the company should not issue any W-2 or 1099 tax forms relating to payments to Dr. Melamed. Before 2008, University Pathology had issued W-2 and 1099 forms when it paid Dr. Melamed for his services. However, following his instructions, University Pathology stopped issuing any tax forms to Dr. Melamed in 2008 even as the payments continued. Dr. Melamed's accountant told Ms. Light that he must not receive any tax forms indicating that he was working in Westchester County because he claimed to be a Florida resident for tax purposes.

59. From 2008 to 2010, Dr. Melamed took substantial distributions from University Pathology in payment for his work at WMC. Dr. Melamed failed to report this income to New York State and failed to pay income taxes due to New York on this income.

60. In September 2009, University Pathology filed federal tax form 1120, U.S. Corporate Income Tax Return for 2008. As of September 15, 2009, the company stated that its address was "c/o Myron Melamed 35 Braeside Lane."

61. The company reported \$3.7 million in gross receipts or sales and total income of \$1.2 million for 2008.

62. University Pathology also reported that it paid Dr. Melamed only \$2,141 in 2008, and that he worked only 1% of his time on the business. Separately, the company reported 'cost of labor' of \$1,473,882.

63. In fact, University Pathology records show that the company paid at least \$239,256.00 to Dr. Melamed in 2008.

64. In September 2010, University Pathology filed federal tax form 1120, U.S. Corporate Income Tax Return for 2009. As of September 15, 2010, the company stated that its address was "c/o Myron Melamed 35 Braeside Lane."

65. The company reported \$3.6 million in gross receipts or sales and total income of \$1.3 million for 2009.

66. University Pathology also reported that it paid *nothing* to Dr. Melamed in 2009, although according to the tax return he worked 100% of his time on the business. Separately, the company reported 'cost of labor' of \$1,297,738.

67. In fact, University Pathology records show that the company paid at least \$149,256.00 to Dr. Melamed in 2009.

68. In 2011, University Pathology filed federal tax form 1120, U.S. Corporate Income Tax Return for 2010. The company again stated that its address was "c/o Myron Melamed 35 Braeside Lane."

69. The company reported \$2.7 million in gross receipts or sales and total income of \$778,384 for 2010.

70. University Pathology again reported that it paid *nothing* to Dr. Melamed in 2010, although according to the tax return he worked 100% of his time on the business. Separately, the company reported 'cost of labor' of \$1,132,780.

71. In fact, University Pathology records show that the company paid at least \$23,168.00 to Dr. Melamed in 2010.

72. The corporate income tax returns filed by University Pathology for the calendar years 2008, 2009 and 2010 are materially false because they misstate the amounts paid to Dr. Melamed. University Pathology, acting on the instructions of Dr. Melamed, caused these false federal tax returns to be submitted to the State of New York as an attachment to the company's General Business Corporation Franchise Tax Returns, Form CT-3, for 2008, 2009 and 2010.

73. Following the sale of University Pathology in early 2012, Dr. Melamed was paid a 'consulting fee' of approximately \$150,000 per year by the successor company, UP Services, Inc., which was remuneration for consulting and for continuing to serve as the director of the laboratory.

74. Separately, Dr. Melamed had a financial interest in CompuCyte Corporation, a developer of laser scanning cytometry products for cellular and tissue analysis. Dr. Melamed served as president of CompuCyte, a Massachusetts corporation, and held other titles at various times. CompuCyte was sold in 2013 to Thorlabs, Inc. On information and belief, Dr. Melamed or his estate received \$100,000 for his interest in CompuCyte at the time of the sale.

75. At a minimum, Dr. Melamed earned \$561,680 in taxable income from January 2008 to September 2013. He failed to report that income to the State of New York or to pay state income taxes as required by law.

F. Dr. Melamed's Illness and Death

76. In April 2013, after selling his house, Dr. Melamed moved to a rental apartment in Stamford, Connecticut. Dr. Melamed had no friends, family, doctors, employment, real property, or other ties to Connecticut. He did not vote, pay taxes, or obtain a driver's license in Connecticut, and he continued to work in New York. And as soon as his health deteriorated, he returned to his only true domicile, New York State.

77. In June 2013, Dr. Melamed fell and injured his hip while working at the University Pathology lab in Elmsford, New York. He consulted physicians at Sloan Kettering Institute in Manhattan who told him that his hip did not require surgery.

78. Dr. Melamed then traveled to Florida for a brief vacation, on or about July 1, 2013. The condition of his hip deteriorated and he flew back to New York four days later.

79. Dr. Melamed was admitted to Columbia Memorial Hospital in Hudson, New York, for hip replacement surgery on or about July 15, 2013. He was then transferred to a rehabilitation facility in Catskill, New York, near the home of his son Daniel Melamed. He did not return to Connecticut after his surgery.

80. In late July or early August 2013, Daniel Melamed brought Dr. Melamed by car to Joseph's home in North Carolina. Dr. Melamed remained there until he died on September 18, 2013.

81. Doreen Light regularly communicated with Dr. Melamed during the months before his death. He expressed no intention to move permanently to Florida. On the contrary, as late as August 2013 he expected to recuperate at his son's house in North Carolina and then return to work in New York.

82. In July 2009, Dr. Melamed had provided a loan to assist Ms. Light and her daughter in purchasing a house in Westchester County. The \$100,000 loan was secured by a mortgage on the property. Thereafter, Ms. Light's daughter made monthly payments to Dr. Melamed until the loan was repaid.

83. On September 16, 2013 – two days before he died – Dr. Melamed executed a Satisfaction of Mortgage. The Satisfaction of Mortgage, signed before a notary by Dr. Melamed, states that Dr. Melamed has an address at 35 Braeside Lane in Dobbs Ferry, New York, and is currently living “c/o Joseph Melamed” in North Carolina.

84. Also on September 16, 2013, and still before the same notary in North Carolina, Dr. Melamed executed a new will, which falsely claimed that he was “domiciled in Boca Raton, Palm Beach County, Florida.”

85. Dr. Melamed died on September 18, 2013.

86. At the time of his death, Dr. Melamed had never moved his permanent residence or domicile to Florida. Instead, in fact and in law, Dr. Melamed was a resident of, and maintained his domicile in, New York State.

G. Unpaid Estate Taxes

87. In 2008, Dr. Melamed’s accountants estimated his wealth at \$14.4 million, including the two properties in Dobbs Ferry and Boca Raton and \$11.8 million in various investment accounts. *See Exhibit A.*

88. After excluding the two properties and following five years of appreciation of his securities holdings, Dr. Melamed’s gross estate at the time of his death was approximately \$15.1 million. After accounting for federal estate taxes and applicable deductions and credits, Dr. Melamed’s estate is obligated to pay New York State at least \$1,773,398.00 in estate taxes. *See Exhibit B.* (This estimate should be increased by the inclusion of the proceeds of the 2013 sale of 35 Braeside Lane in the taxable estate.)

89. The federal and state tax returns attached as Exhibit B fairly represent the New York State estate tax liability of Dr. Melamed (excluding taxes relating to the sale of 35 Braeside Lane), based on the most reliable information available to Doreen Light at the time of this complaint.

90. Defendants Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed agreed not to file a New York estate tax return on or before June 13, 2014, as required by New York law, and they further agreed not to file New York’s estate tax domicile affidavit (Form ET-141). They made this agreement in order to evade their New York State tax obligations.

91. Defendants have not paid any part of the New York State estate tax due and owing to the State.

FIRST CAUSE OF ACTION
Violation Of New York False Claims Act
State Fin. Law § 189(1)(d)
(against all defendants)

92. Plaintiff Relator repeats and re-alleges the preceding paragraphs as if fully set forth herein.

93. Dr. Melamed and his company University Pathology, P.C. violated State Finance Law § 189(1)(d) in that they have possession, custody, or control of property or money used, or to be used, by the State of New York and knowingly delivered, or caused to be delivered, less than all of that money or property.

94. Specifically, Dr. Melamed and University Pathology, P.C. knowingly failed to deliver the taxes owed on Dr. Melamed's salary and income, and therefore retained the possession of, and have not paid, all such monies that were due to be used by the State of New York.

95. As a consequence, Daniel Melamed and Joseph Melamed inherited funds from the Estate that should have been delivered to the State of New York.

96. All such monies were for use by New York State and the State was damaged by the conduct of Dr. Melamed, University Pathology, P.C., Daniel Melamed, and Joseph Melamed.

97. The Estate of Myron R. Melamed is liable for Dr. Melamed's violations of the False Claims Act.

SECOND CAUSE OF ACTION
Violation Of New York False Claims Act
State Fin. Law § 189(1)(g)
(against The Estate of Myron R. Melamed and University Pathology, P.C.)

98. Plaintiff Relator repeats and re-alleges the preceding paragraphs as if fully set forth herein.

99. Dr. Melamed and his company University Pathology, P.C. violated State Finance Law § 189(1)(g) in that they knowingly made, used, or caused to be made or used, false records or statements material to their obligations to pay or transmit money or property to the State of New York.

100. Among other false statements, Dr. Melamed and University Pathology, P.C. knowingly made or used, false records and/or statements material to their obligation to pay or transmit money or property to the State in their income tax filings made to New York State.

101. The State was damaged by the conduct of Dr. Melamed and his company University Pathology, P.C.

102. The Estate of Myron R. Melamed is liable for Dr. Melamed's violations of the False Claims Act.

THIRD CAUSE OF ACTION
Violation Of New York False Claims Act
State Fin. Law § 189(1)(d)
(against Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed)

103. Plaintiff Relator repeats and re-alleges the preceding paragraphs as if fully set forth herein.

104. Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed violated State Finance Law § 189(1)(d) in that they have possession, custody, or control of property or money used, or to be used, by the State of New York and knowingly delivered, or caused to be delivered, less than all of that money or property.

105. Specifically, Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed knowingly failed to deliver the estate taxes owed on Dr. Melamed's estate, and therefore retained the possession of, and have not paid, all such monies that were due to be used by the State of New York.

106. As a consequence, Daniel Melamed and Joseph Melamed inherited funds from the Estate that should have been delivered to the State of New York.

107. All such monies were for use by New York State and the State was damaged by the conduct of Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed.

FOURTH CAUSE OF ACTION
Violation Of New York False Claims Act
State Fin. Law § 189(1)(g)
(against Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed)

108. Plaintiff Relator repeats and re-alleges the preceding paragraphs as if fully set forth herein.

109. Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed violated State Finance Law § 189(1)(g) in that they knowingly made, used, or caused to be made or used, false records or statements material to their obligations to pay or transmit money or property to the State of New York.

110. Among other false statements, Defendants knowingly made or used, false records and/or statements material to their obligation to pay or transmit money or property to the State in their administration of the Dr. Melamed's estate, including but not limited to false statements to the Circuit Court for Palm Beach County, Florida, Probate Division.

111. As a result of these false records or statements, the State of New York did not seek to recover the funds owed to it under the tax law for Dr. Melamed's estate taxes.

112. The State was damaged by the conduct of Joseph Melamed, Daniel Melamed, and the Estate of Myron R. Melamed.

FIFTH CAUSE OF ACTION
Violation Of New York False Claims Act
State Fin. Law § 189(1)(c)
(against all Defendants)

113. Plaintiff Relator repeats and re-alleges the preceding paragraphs as if fully set forth herein.

114. Defendants violated State Finance Law § 189(1)(c) in that they conspired to submit false records and statements to the State of New York, the County of Westchester, and the Circuit Court

for Palm Beach County, Florida, Probate Division in violation of section 189(1)(g) of the False Claims Act.

115. Defendants agreed to submit these false records and statements so that the State of New York would not receive funds owed to it under the tax law for Dr. Melamed's income taxes and estate taxes. As a direct result, Daniel Melamed and Joseph Melamed inherited funds from the Estate that should have been paid to the State of New York.

116. By reason of Defendants' conduct, the State of New York has been damaged, and continues to be damaged, in a substantial amount to be determined at trial.

117. The Estate of Myron R. Melamed is liable for Dr. Melamed's violations of the False Claims Act.

PRAAYER FOR RELIEF

WHEREFORE, plaintiff-relator Doreen Light, on behalf of the State of New York, demands and prays that judgment be entered in its favor against Defendants, jointly and severally, as follows:

A. directing, with respect to each Cause of Action, that each Defendant, pursuant to the False Claims Act, State Finance Law § 189, pay an amount equal to three times the amount of damages sustained by the State of New York;

B. directing that each Defendant, pursuant to the State Finance Law § 189, pay penalties of not less than \$6,000 and not more than \$12,000 for each such Defendant's violation of State Finance Law § 189;

C. awarding Relator the maximum amount available under State Finance Law § 190(6) for bringing this action;

D. directing that each Defendant, jointly and severally, pay Relator's fees and costs, including attorneys' fees, as provided by law; and

E. granting such other and further relief as the Court deems just and proper.

JURY DEMAND

Relator hereby demands a trial by jury of any issue of fact triable of right by a jury.

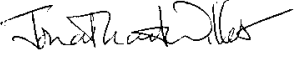
Dated: New York, New York
January 19, 2018

Respectfully submitted,

FORD O'BRIEN LLP

WILLENS & SCARVALONE LLP

By: /s/ Adam Pollock
Adam Pollock

By: 
Jonathan A. Willens

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New York, New York 10017
APollock@FordOBrien.com
Phone: (212) 858-0040

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jawillens@willensscarvalone.com
Phone: (646) 200-6333

Counsel for Plaintiff Relator

Counsel for Plaintiff Relator

EXHIBIT A

**MYRON MELAMED
 ASSETS**

Assets as of 5/31/08

INVESTMENTS:

SMITH BARNEY-CALAMOS	207,996	
SMITH BARNEY	101,850	
ARKAY CAPITAL	100,000	
PIKAN HOLDING	100,000	
CITIBANK (ESTIMATED)	100,000	
VANGUARD (ESTIMATED)	<u>143,000</u>	752,846

MELAMED LP:

BEAR STEARNS A/C [REDACTED] (99%)	2,658,289	
BEAR STEARNS A/C [REDACTED] (99%)	<u>1,089,219</u>	3,747,508

PENSION:

SMITH BARNEY-IRA	393,359	
SMITH BARNEY-KEOGH	186,177	
TIAA-CREF (as of 6/11/08)	6,191,465	
SELF DIRECTED IRA	<u>600,000</u>	7,371,001

RESIDENCES:

NEW YORK (ESTIMATED)	1,700,000	
FLORIDA CONDOMINIUM	<u>900,000</u>	2,600,000

TOTAL		<u><u>14,471,355</u></u>
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EXHIBIT B

New York State Department of Taxation and Finance
2013 New York State Estate Tax Return
For an estate of an individual who died during the calendar year 2013

RECEIVED NYSCEF: **ET-706** 1018

Amended return
Federal audit changes

Decedent's last name		First name	Middle initial	Social security number (SSN)
MELAMED, MYRON				APPLIED FOR
Address of decedent at time of death (number and street)				Date of death
C/O JONATHAN WILLENS LLC 217 BROADWAY STE				09/18/13
City		State	ZIP code	County of residence
NEW YORK, NY 10007				WESTCHESTER
If the decedent was a nonresident of New York State (NYS) on the date of death, mark an X in the box and attach a completed Form ET-141, New York State Estate Tax Domicile Affidavit. <input type="checkbox"/>				
Employer identification number (EIN) of the estate			Name and EIN of any trusts created or funded by the will	
Executor - If you are submitting Letters Testamentary or Letters of Administration with this form, indicate in the box the type of letters. Enter L if regular, LL if limited letters. If you are not submitting letters with this form, enter N . <input checked="" type="checkbox"/> N				
Surrogate's court - If a proceeding for probate or administration has commenced in a surrogate's court in NYS, enter county.				

Attorney's or authorized representative's last name		First name	MI	Executor's last name		First name	MI
				EDLIN, RITA M.			
In care of (firm's name)		If POA is attached, mark an X in the box <input type="checkbox"/>	If more than one executor, mark an X in the box (see instr.) <input type="checkbox"/>		E-mail address of executor		
Address of attorney or authorized representative		Address of executor					
City		State	ZIP code	City		State	ZIP code
PTIN or SSN of attorney or authorized rep.		Telephone number		Social security number of executor		Telephone number	

If the decedent possessed a cause of action or was a plaintiff in any litigation at the time of death, mark an X in the box and complete Schedule 3 (see Form ET-706-I, Instructions for Form ET-706)

Installment payments of tax for closely held business - Do you elect to pay the tax in installments as described in IRC section 6166 (NYS Tax Law section 997)? If Yes, attach Form ET-415 (see Form ET-706-I) Yes No

If releases of lien are needed, attach Form(s) ET-117 (see Form ET-706-I) and enter the number of counties here

a Is a federal estate tax return (either federal Form 706 or 706-NA) required to be filed with the IRS (see Form ET-706-I)? Yes No
Note: You must submit a completed federal estate tax return with this return, even when you are not required to file with the federal Internal Revenue Service.

b Taxable estate for NYS (from Schedule A, line 26, or Schedule B, line 43) **15,117,443.**

c Gross federal estate tax for NYS (from Schedule A, line 31, or Schedule B, line 48) **8,811,266.**

1 NYS credit for state death taxes (from Schedule A, line 36, or Schedule B, line 51) 1,885,591.	1.	1,885,591.
2 If there is property outside NYS that is included in the federal gross estate, see instructions; otherwise enter 0 here and on lines 3, 5, 6, and 7, and enter the amount from line 1 on line 8 112,193.	2.	112,193.
3 Residents enter amount from Schedule 1, line 14; nonresidents enter amount from Schedule 2, line 19 900,000.	3.	900,000.
4 Total gross estate, less exclusion, for NYS (from Schedule A, line 22, or Schedule B, line 39) 15,117,443.	4.	15,117,443.
5 Divide line 3 by line 4 (round the result to the fourth decimal place). The result must not be greater than 1.0 .0595	5.	.0595
6 Multiply the amount on line 1 by the decimal on line 5 (round to nearest cent) 112,193.	6.	112,193.
7 Enter the amount from line 6, if any; otherwise enter 0 112,193.	7.	112,193.
8 NYS estate tax (subtract the amount on line 7 from the amount on line 1) 1,773,398.	8.	1,773,398.
9 Prior tax payments to NYS, if any (attach a schedule of dates and amounts)	9.	
10 If line 9 is less than line 8, subtract line 9 from line 8. This is the amount you owe 1,773,398.	10.	1,773,398.
11 If line 9 is greater than line 8, subtract line 8 from line 9. This is the amount to be refunded to you	11.	

If an attorney or authorized representative is listed above, he or she must complete the following declaration.
I declare that I have agreed to represent the executor(s) for the above estate, that I am authorized to receive tax information regarding the estate, and I am (mark an X in all that apply):
 an attorney a certified public accountant an enrolled agent
 a public accountant enrolled with the NYS Education Department

Signature of attorney or authorized representative	Date	E-mail address of attorney
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Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Furthermore, I/we, as executor(s) for this estate, authorize the person, if any, named as my/our representative on this return to receive confidential tax information regarding this estate.

Signature of executor	Date	Signature of co-executor	Date
Print name of preparer other than executor	Signature of preparer other than executor		Preparer's PTIN or SSN
Address of preparer	City	State	ZIP code
WEISERMAZARS LLP	NEW YORK, NY 10020		
Date	E-mail address of preparer		

Schedule 1 - Resident

List below each item of real and tangible personal property **located outside NYS** that is included in the federal gross estate. Include the item number, the schedule of federal Form 706 on which it was reported, and the reported value of the property.

Item number	Description	Value
SCH A ITEM 1	FLORIDA CONDOMINIUM	900,000.
12	Total value of property listed above	12. 900,000.
13	Property subject to a limited power of appointment created before September 1, 1930, includable in the NYS gross estate under NYS Tax Law section 957, if any (see instructions)	13.
14	Subtract line 13 from line 12; enter the result here and on line 3	14. 900,000.

Schedule 2 - Nonresident

15	Total gross estate for NYS (from Schedule A, line 22, or Schedule B, line 39)	15.
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List below each item of real and tangible personal property **located within NYS**. Include the item number, the schedule of federal Form 706 or 706-NA on which it was reported, and the reported value of the property.

Item number	Description	Value
16	Total value of property listed above	16.
17	Property subject to a limited power of appointment created before September 1, 1930, includable in the NYS gross estate under NYS Tax Law section 957, if any (see instructions)	17.
18	Add lines 16 and 17	18.
19	Subtract line 18 from line 15; enter the result here and on line 3	19.

Schedule 3 - Description of litigation or cause of action

In the area provided below, describe any litigation in which the decedent was a plaintiff, or litigation that is pending or contemplated on behalf of the decedent. Include the actual or estimated values of such litigation (see instructions, Litigation information).

Before completing Schedule A or B, see instructions.

Schedule A - Computation of federal estate tax for NYS and maximum NYS credit for state death taxes

Note: References to lines on federal Form 706 are to the August 2013 version of that form, except as noted in Form ET-706-I.

20	Amount from federal Form 706, page 3, Part 5, line 11	20.	15,117,443.
21	If the estate elected the qualified conservation easement exclusion on the federal estate tax return, you may enter the amount of the qualified conservation easement exclusion claimed on federal Form 706, page 3, Part 5, line 12, provided the land is located within 25 miles of a metropolitan area, national park, or wilderness area, or within 10 miles of an Urban National Forest	21.	
22	Total gross estate, less exclusion, for NYS (subtract line 21 from line 20; also enter this amount on line 4)	22.	15,117,443.
23	Total allowable federal deductions (from federal Form 706, page 3, Part 5, line 24)	23.	
24	Family-owned business interest deduction elected for NYS	24.	
25	Total allowable deductions for NYS (add lines 23 and 24)	25.	0.
26	Taxable estate for NYS (subtract line 25 from line 22; enter here and on item b on page 1 of this form)	26.	15,117,443.
27	Adjusted taxable gifts (from federal Form 706, page 1, Part 2, line 4)	27.	1,000,000.
28	Add lines 26 and 27	28.	16,117,443.
29	Tentative tax on line 28 amount (from Table A on page 4)	29.	8,811,266.
30	Total federal gift tax payable (from Form ET-706-I, Line 30 worksheet, line 5)	30.	
31	Gross federal estate tax for NYS (subtract line 30 from line 29; enter here and on item c on page 1 of this form)	31.	8,811,266.
32	Maximum NYS unified credit (see Form ET-706-I; do not enter more than \$345,800)	32.	345,800.
33	Adjustment to unified credit (from federal Form 706, page 1, Part 2, line 10), if any	33.	
34	Allowable NYS unified credit (subtract line 33 from line 32)	34.	345,800.
35	Subtract line 34 from line 31 (if zero or less, enter 0)	35.	8,465,466.
36	Amount of maximum NYS credit for state death taxes from Table B on page 4 (if more than the amount on line 35, enter the line 35 amount here and on line 1)	36.	1,885,591.

Schedule B - Computation of federal estate tax for NYS and maximum NYS credit for state death taxes

Note: References to lines on federal Form 706-NA are to the August 2013 version.

37	Amount from federal Form 706-NA, page 2, Schedule B, line 1	37.	
38	If the estate elected the qualified conservation easement exclusion on the federal estate tax return, Form 706-NA, but the land is not located within 25 miles of a metropolitan area, national park, or wilderness area, or within 10 miles of an Urban National Forest, enter the amount from federal Form 706, page 28, Schedule U, line 20	38.	
39	Total gross estate, less exclusion, for NYS (add lines 37 and 38; enter here and on line 4)	39.	
40	Total federal deductions (from federal Form 706-NA, page 2, Schedule B, line 8)	40.	
41	State death tax deduction (from federal Form 706-NA, page 2, Schedule B, line 7), if any	41.	
42	Total deduction for NYS (subtract line 41 from line 40)	42.	
43	Taxable estate for NYS (subtract line 42 from line 39; enter here and on item b on page 1 of this form)	43.	
44	Total taxable gifts (from federal Form 706-NA, page 1, Part II, line 2)	44.	
45	Add lines 43 and 44	45.	
46	Tax on line 45 amount (from Table A on page 4)	46.	
47	Tax on line 44 amount (from Table A on page 4)	47.	
48	Gross federal estate tax for NYS (subtract line 47 from line 46; enter here and on item c on page 1 of this form)	48.	
49	Allowable NYS unified credit (see instructions)	49.	
50	Subtract line 49 from line 48 (if zero or less, enter 0)	50.	
51	Amount of maximum NYS credit for state death taxes from Table B on page 4 (if more than the amount on line 50, enter the line 50 amount here and on line 1)	51.	

Form **706**

United States Estate (and Generation-Skipping Transfer) Tax Return

OMB No. 1545-0015

(Rev. August 2013)
Department of the Treasury
Internal Revenue Service

▶ **Estate of a citizen or resident of the United States (see instructions). To be filed for decedents dying after December 31, 2012.**
▶ **Information about Form 706 and its separate instructions is at www.irs.gov/form706**

Part 1 - Decedent and Executor	1a Decedent's first name and middle initial (and maiden name, if any) MYRON		1b Decedent's last name MELAMED		2 Decedent's social security no. APPLIED FOR	
	3a City, town, or post office; county; state or province; country; and ZIP or foreign postal code. NEW YORK		3b Year domicile established	4 Date of birth	5 Date of death 09/18/2013	
	6a Name of executor (see instructions) RITA M. EDLIN		6b Executor's address (number and street including apartment or suite no.; city, town, or post office; state or province; country; and ZIP or foreign postal code) and phone no. Phone no.			
	6c Executor's social security number (see instructions)					
	6d If there are multiple executors, check here <input type="checkbox"/> and attach a list showing the names, addresses, telephone numbers, and SSNs of the additional executors.					
	7a Name and location of court where will was probated or estate administered				7b Case number	
	8 If decedent died testate, check here <input type="checkbox"/> and attach a certified copy of the will.			9 If you extended the time to file this Form 706, check here <input type="checkbox"/>		
	10 If Schedule R-1 is attached, check here <input type="checkbox"/>		11 If you are estimating the value of assets included in the gross estate on line 1 pursuant to the special rule of Reg. section 20.2010-2T(a) (7)(ii), check here <input type="checkbox"/>			

Part 2 - Tax Computation	1 Total gross estate less exclusion (from Part 5-Recapitulation, item 13)	1	15,117,443.
	2 Tentative total allowable deductions (from Part 5-Recapitulation, item 24)	2	0.
	3a Tentative taxable estate (subtract line 2 from line 1)	3a	15,117,443.
	b State death tax deduction	3b	1,773,398.
	c Taxable estate (subtract line 3b from line 3a)	3c	13,344,045.
	4 Adjusted taxable gifts (see instructions)	4	1,000,000.
	5 Add lines 3c and 4	5	14,344,045.
	6 Tentative tax on the amount on line 5 from Table A in the instructions	6	5,683,418.
	7 Total gift tax paid or payable (see instructions)	7	
	8 Gross estate tax (subtract line 7 from line 6)	8	5,683,418.
	9a Basic exclusion amount	9a	5,250,000.
	9b Deceased spousal unused exclusion (DSUE) amount from predeceased spouse(s), if any (from Section D, Part 6-Portability of Deceased Spousal Unused Exclusion)	9b	
	9c Applicable exclusion amount (add lines 9a and 9b)	9c	5,250,000.
	9d Applicable credit amount (tentative tax on the amount in 9c from Table A in the instructions)	9d	2,045,800.
	10 Adjustment to applicable credit amount (May not exceed \$6,000. See instructions.)	10	
	11 Allowable applicable credit amount (subtract line 10 from line 9d)	11	2,045,800.
	12 Subtract line 11 from line 8 (but do not enter less than zero)	12	3,637,618.
	13 Credit for foreign death taxes (from Schedule P). (Attach Form(s) 706-CE.)	13	
	14 Credit for tax on prior transfers (from Schedule Q)	14	
	15 Total credits (add lines 13 and 14)	15	
16 Net estate tax (subtract line 15 from line 12)	16	3,637,618.	
17 Generation-skipping transfer (GST) taxes payable (from Schedule R, Part 2, line 10)	17		
18 Total transfer taxes (add lines 16 and 17)	18	3,637,618.	
19 Prior payments (explain in an attached statement)	19		
20 Balance due (or overpayment) (subtract line 19 from line 18)	20	3,637,618.	

Under penalties of perjury, I declare that I have examined this return, including accompanying schedules and statements, and to the best of my knowledge and belief, it is true, correct, and complete. Declaration of preparer other than the executor is based on all information of which preparer has any knowledge.

Sign Here		

Paid Preparer Use Only	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	Firm's name ▶ WEISERMAZARS LLP				Firm's EIN ▶ [REDACTED]
	Firm's address ▶ 135 WEST 50TH STREET NEW YORK, NY 10020				Phone no. 212.812.7000

Estate of: MYRON MELAMED **Decedent's social security number APPLIED FOR**

Part 3 - Elections by the Executor

Note. For information on electing portability of the decedent's DSUE amount, including how to opt out of the election, see Part 6-Portability of Deceased Spousal Unused Exclusion.

Note. Some of the following elections may require the posting of bonds or liens.

Please check "Yes" or "No" box for each question (see instructions).

		Yes	No
1 Do you elect alternate valuation?	1		X
2 Do you elect special-use valuation? If "Yes," you must complete and attach Schedule A-1	2		X
3 Do you elect to pay the taxes in installments as described in section 6166?			X
If "Yes," you must attach the additional information described in the instructions. Note. By electing section 6166 installment payments, you may be required to provide security for estate tax deferred under section 6166 and interest in the form of a surety bond or a section 6324A lien.	3		
4 Do you elect to postpone the part of the taxes due to a reversionary or remainder interest as described in section 6163?	4		X

Part 4 - General Information

Note. Please attach the necessary supplemental documents. **You must attach the death certificate.** (See instructions)

Authorization to receive confidential tax information under Reg. section 601.504(b)(2)(i); to act as the estate's representative before the IRS; and to make written or oral presentations on behalf of the estate:

Name of representative (print or type)	State	Address (number, street, and room or suite no., city, state, and ZIP code)
--	-------	--

I declare that I am the attorney/ certified public accountant/ enrolled agent (check the applicable box) for the executor. I am not under suspension or disbarment from practice before the Internal Revenue Service and am qualified to practice in the state shown above.

Signature	CAF number	Date	Telephone number
-----------	------------	------	------------------

1 Death certificate number and issuing authority (attach a copy of the death certificate to this return).

2 Decedent's business or occupation. If retired, check here and state decedent's former business or occupation.
DOCTOR

3a Marital status of the decedent at time of death:
 Married Widow/widower Single Legally separated Divorced

3b For all prior marriages, list the name and SSN of the former spouse, the date the marriage ended, and whether the marriage ended by annulment, divorce, or death. Attach additional statements of the same size if necessary.

4a Surviving spouse's name NONE	4b Social security number	4c Amount received (see instructions)
---	---------------------------	---------------------------------------

5 Individuals (other than the surviving spouse), trusts, or other estates who receive benefits from the estate (do not include charitable beneficiaries shown in Schedule O) (see instructions).

Name of individual, trust, or estate receiving \$5,000 or more	Identifying number	Relationship to decedent	Amount (see instructions)

All unascertainable beneficiaries and those who receive less than \$5,000

Total

If you answer "Yes" to any of the following questions, you must attach additional information as described.

		Yes	No
6 Is the estate filing a protective claim for refund?			X
If "Yes," complete and attach two copies of Schedule PC for each claim.			
7 Does the gross estate contain any section 2044 property (qualified terminable interest property (QTIP) from a prior gift or estate)? (see instructions)			X
8a Have federal gift tax returns ever been filed?		X	
If "Yes," attach copies of the returns, if available, and furnish the following information:			
b Period(s) covered UNSURE	c Internal Revenue office(s) where filed UNSURE		
9a Was there any insurance on the decedent's life that is not included on the return as part of the gross estate?			X
b Did the decedent own any insurance on the life of another that is not included in the gross estate?			X

Estate of: MYRON MELAMED

**Decedent's social security number
APPLIED FOR**

Part 4 - General Information (continued)

If you answer "Yes" to any of the following questions, you must attach additional information as described.		Yes	No
10	Did the decedent at the time of death own any property as a joint tenant with right of survivorship in which (a) one or more of the other joint tenants was someone other than the decedent's spouse, and (b) less than the full value of the property is included on the return as part of the gross estate? If "Yes," you must complete and attach Schedule E		X
11 a	Did the decedent, at the time of death, own any interest in a partnership (for example, a family limited partnership), an unincorporated business, or a limited liability company; or own any stock in an inactive or closely held corporation?		X
b	If "Yes," was the value of any interest owned (from above) discounted on this estate tax return? If "Yes," see the instructions on reporting the total accumulated or effective discounts taken on Schedule F or G		
12	Did the decedent make any transfer described in sections 2035, 2036, 2037, or 2038? (see instructions) If "Yes," you must complete and attach Schedule G		X
13 a	Were there in existence at the time of the decedent's death any trusts created by the decedent during his or her lifetime?		X
b	Were there in existence at the time of the decedent's death any trusts not created by the decedent under which the decedent possessed any power, beneficial interest, or trusteeship?		X
c	Was the decedent receiving income from a trust created after October 22, 1986, by a parent or grandparent? If "Yes," was there a GST taxable termination (under section 2612) on the death of the decedent?		X
d	If there was a GST taxable termination (under section 2612), attach a statement to explain. Provide a copy of the trust or will creating the trust, and give the name, address, and phone number of the current trustee(s).		
e	Did the decedent at any time during his or her lifetime transfer or sell an interest in a partnership, limited liability company, or closely held corporation to a trust described in lines 13a or 13b? If "Yes," provide the EIN for this transferred/sold item. ▶		X
14	Did the decedent ever possess, exercise, or release any general power of appointment? If "Yes," you must complete and attach Schedule H		X
15	Did the decedent have an interest in or a signature or other authority over a financial account in a foreign country, such as a bank account, securities account, or other financial account?		X
16	Was the decedent, immediately before death, receiving an annuity described in the "General" paragraph of the instructions for Schedule I or a private annuity? If "Yes," you must complete and attach Schedule I		X
17	Was the decedent ever the beneficiary of a trust for which a deduction was claimed by the estate of a predeceased spouse under section 2056(b)(7) and which is not reported on this return? If "Yes," attach an explanation		X

Part 5 - Recapitulation. Note. If estimating the value of one or more assets pursuant to the special rule of Reg. section 20.2010-2T(a)(7)(ii), enter on both lines 10 and 23 the amount noted in the instructions for the corresponding range of values. (See instructions for details.)

Item no.	Gross estate	Alternate value	Value at date of death
1	Schedule A - Real Estate	1	0.
2	Schedule B - Stocks and Bonds	2	936,506.
3	Schedule C - Mortgages, Notes, and Cash	3	0.
4	Schedule D - Insurance on the Decedent's Life (attach Form(s) 712)	4	0.
5	Schedule E - Jointly Owned Property (attach Form(s) 712 for life insurance)	5	0.
6	Schedule F - Other Miscellaneous Property (attach Form(s) 712 for life insurance)	6	4,616,930.
7	Schedule G - Transfers During Decedent's Life (attach Form(s) 712 for life insurance)	7	0.
8	Schedule H - Powers of Appointment	8	0.
9	Schedule I - Annuities	9	9,564,007.
10	Estimated value of assets subject to the special rule of Reg. section 20.2010-2T(a)(7)(ii)	10	
11	Total gross estate (add items 1 through 10)	11	15,117,443.
12	Schedule U - Qualified Conservation Easement Exclusion	12	
13	Total gross estate less exclusion (subtract item 12 from item 11). Enter here and on line 1 of Part 2 - Tax Computation	13	15,117,443.

Item no.	Deductions	Amount	
14	Schedule J - Funeral Expenses and Expenses Incurred in Administering Property Subject to Claims	14	
15	Schedule K - Debts of the Decedent	15	
16	Schedule K - Mortgages and Liens	16	
17	Total of items 14 through 16	17	
18	Allowable amount of deductions from item 17 (see the instructions for item 18 of the Recapitulation)	18	
19	Schedule L - Net Losses During Administration	19	
20	Schedule L - Expenses Incurred in Administering Property Not Subject to Claims	20	
21	Schedule M - Bequests, etc., to Surviving Spouse	21	
22	Schedule O - Charitable, Public, and Similar Gifts and Bequests	22	
23	Estimated value of deductible assets subject to the special rule of Reg. section 20.2010-2T(a)(7)(ii)	23	
24	Tentative total allowable deductions (add items 18 through 23). Enter here and on line 2 of the Tax Computation	24	0.

Estate of: **MYRON MELAMED** Decedent's social security number **APPLIED FOR**

Part 6 - Portability of Deceased Spousal Unused Exclusion (DSUE)

Portability Election

A decedent with a surviving spouse elects portability of the deceased spousal unused exclusion (DSUE) amount, if any, by completing and timely-filing this return. No further action is required to elect portability of the DSUE amount to allow the surviving spouse to use the decedent's DSUE amount.

Section A. Opting out of Portability

The estate of a decedent with a surviving spouse may opt out of electing portability of the DSUE amount. Check here and do not complete Sections B and C of Part 6 only if the estate opts **NOT** to elect portability of the DSUE amount.

Section B. QDOT

Are any assets of the estate being transferred to a qualified domestic trust (QDOT)?

Yes	No

If "Yes," the DSUE amount portable to a surviving spouse (calculated in Section C, below) is preliminary and shall be redetermined at the time of the final distribution or other taxable event imposing estate tax under section 2056A. See instructions for more details.

Section C. DSUE Amount Portable to the Surviving Spouse (To be completed by the estate of a decedent making a portability election.)

Complete the following calculation to determine the DSUE amount that can be transferred to the surviving spouse.

1	Enter the amount from line 9c, Part 2 - Tax Computation	1	
2	Reserved	2	
3	Enter the value of the cumulative lifetime gifts on which tax was paid or payable (see instructions)	3	
4	Add lines 1 and 3	4	
5	Enter the amount from line 10, Part 2 - Tax Computation	5	
6	Divide amount on line 5 by 40% (0.40) (do not enter less than zero)	6	
7	Subtract line 6 from line 4	7	
8	Enter the amount from line 5, Part 2 - Tax Computation	8	
9	Subtract line 8 from line 7 (do not enter less than zero)	9	
10	DSUE amount portable to surviving spouse (Enter lesser of line 9 or line 9a, Part 2 - Tax Computation)	10	

Section D. DSUE Amount Received from Predeceased Spouse(s) (To be completed by the estate of a deceased surviving spouse with DSUE amount from predeceased spouse(s))

Provide the following information to determine the DSUE amount received from deceased spouses.

A Name of Deceased Spouse (dates of death after December 31, 2010, only)	B Date of Death (enter as mm/dd/yy)	C Portability Election Made?		D If "Yes," DSUE Amount Received from Spouse	E DSUE Amount Applied by Decedent to Lifetime Gifts	F Year of Form 709 Reporting Use of DSUE Amount Listed in col E	G Remaining DSUE Amount, if any (subtract col. E from col. D)
		Yes	No				
Part 1 - DSUE RECEIVED FROM LAST DECEASED SPOUSE							
Part 2 - DSUE RECEIVED FROM OTHER PREDECEASED SPOUSE(S) AND USED BY DECEDENT							
Total (for all DSUE amounts from predeceased spouse(s) applied)							

Add the amount from Part 1, column D and the total from Part 2, column E. Enter the result on line 9b, Part 2-Tax Computation

Estate of: **MYRON MELAMED**

Decedent's social security number
APPLIED FOR

SCHEDULE B - Stocks and Bonds

(For jointly owned property that must be disclosed on Schedule E, see instructions.)

Note. If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and the Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions and Reg. section 20.2010-2T(a)(7)(ii) for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last four columns.

Item number	Description, including face amount of bonds or number of shares and par value for identification. Give CUSIP number. If trust, partnership, or closely held entity, give EIN.	CUSIP number or EIN, where applicable	Unit value	Alternate valuation date	Alternate value	Value at date of death
1	SMITH BARNEY - CALAMOS **ESTIMATED APPRECIATION**					256,251.
2	SMITH BARNEY **ESTIMATED APPRECIATION**					125,479.
3	ARKAY CAPITAL **ESTIMATED APPRECIATION**					123,200.
4	PIKAN HOLDING **ESTIMATED APPRECIATION**					132,200.
5	CITIBANK **ESTIMATED APPRECIATION**					123,200.
6	VANGUARD **ESTIMATED APPRECIATION**					176,176.
Total from continuation schedules (or additional statements) attached to this schedule						
TOTAL. (Also enter on Part 5 - Recapitulation, page 3, at item 2.)						936,506.

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

Estate of: MYRON MELAMED	Decedent's social security number APPLIED FOR
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SCHEDULE F - Other Miscellaneous Property Not Reportable Under Any Other Schedule

(For jointly owned property that must be disclosed on Schedule E, see instructions.)
(If you elect section 2032A valuation, you must complete Schedule F and Schedule A-1.)

Note. If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and the Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions and Reg. section 20.2010-2T(a)(7)(ii) for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.

1 Did the decedent own any works of art, items, or any collections whose artistic or collectible value at date of death exceeded \$3,000?	Yes	No
If "Yes," submit full details on this schedule and attach appraisals.		X
2 Has the decedent's estate, spouse, or any other person received (or will receive) any bonus or award as a result of the decedent's employment or death?		X
If "Yes," submit full details on this schedule.		
3 Did the decedent at the time of death have, or have access to, a safe deposit box?		X
If "Yes," state location, and if held jointly by decedent and another, state name and relationship of joint depositor.		

If any of the contents of the safe deposit box are omitted from the schedules in this return, explain fully why omitted.

Item number	Description. For securities, give CUSIP number. If trust, partnership, or closely held entity, give EIN	Alternate valuation date	Alternate value	Value at date of death
1	99% OWNERSHIP INTEREST IN MELAMED LP HOLDING BEAR STERNS ACCOUNT NUMBER: [REDACTED] **ESTIMATED APPRECIATION**	CUSIP number or EIN, where applicable		3,275,012.
2	99% OWNERSHIP INTEREST IN MELAMED LP HOLDING BEAR STERNS ACCOUNT NUMBER: [REDACTED]. **ESTIMATED APPRECIATION**			1,341,918.
Total from continuation schedules (or additional statements) attached to this schedule				
TOTAL. (Also enter on Part 5 - Recapitulation, page 3, at item 6.)				4,616,930.

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)

Estate of: **MYRON MELAMED**

Decedent's social security number
APPLIED FOR

SCHEDULE I - Annuities

Note. Generally, no exclusion is allowed for the estates of decedents dying after December 31, 1984 (see instructions).

Note. If the value of the gross estate, together with the amount of adjusted taxable gifts, is less than the basic exclusion amount and the Form 706 is being filed solely to elect portability of the DSUE amount, consideration should be given as to whether you are required to report the value of assets eligible for the marital or charitable deduction on this schedule. See the instructions and Reg. section 20.2010-2T(a)(7)(ii) for more information. If you are not required to report the value of an asset, identify the property but make no entries in the last three columns.

A Are you excluding from the decedent's gross estate the value of a lump-sum distribution described in section 2039(f)(2) (as in effect before its repeal by the Deficit Reduction Act of 1984)?

Yes	No
	X

If "Yes," you must attach the information required by the instructions.

Item number	Description. Show the entire value of the annuity before any exclusions	Alternate valuation date	Includible alternate value	Includible value at date of death
1	SMITH BARNEY - INDIVIDUAL RETIREMENT ACCOUNT **ESTIMATED APPRECIATION**			484,618.
2	SMITH BARNEY - KEOGH ACCOUNT **ESTIMATED APPRECIATION**			229,370.
3	TIAA-CREF ACCOUNT **ESTIMATED APPRECIATION**			8,110,819.
4	SELF DIRECT INDIVIDUAL RETIREMENT ACCOUNT **ESTIMATED APPRECIATION**			739,200.
Total from continuation schedules (or additional statements) attached to this schedule				
TOTAL. (Also enter on Part 5 - Recapitulation, page 3, at item 9.)				9,564,007.

(If more space is needed, attach the continuation schedule from the end of this package or additional statements of the same size.)