

EXHIBIT 2

The Guardian

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Amber Heard to donate \$7m Depp divorce settlement to charities

The actor says she plans to split money from the divorce between a charity for sick children and another that will use it to combat violence against women



Amber Heard and Johnny Depp settled their contentious divorce on Tuesday. Photograph: Suzanne Plunkett/Reuters

Elle Hunt and agencies

Thu 18 Aug 2016 23.11 EDT

Amber Heard is to give her \$7m divorce settlement from Johnny Depp to a charity that supports victims of domestic violence and a children's hospital.

Heard wrote in a statement released on Thursday that the entire settlement would be split between the American Civil Liberties Union (ACLU) and the Children's Hospital Los Angeles, with the ACLU's share of \$3.5m going specifically towards its efforts to combat violence against women.

She and Depp settled their contentious divorce on Tuesday, one day before the actors were scheduled to begin a restraining order hearing that would center on Heard's allegations Depp repeatedly abused her during their marriage.

Depp denied he abused Heard, and his attorney alleged she was making the domestic violence allegations to obtain a more favorable settlement.

Court filings show Heard had initially requested \$50,000 a month in spousal support, which was denied by the judge.

"As described in the restraining order and divorce settlement, money played no role for me personally and never has, except to the extent that I could donate it to charity and, in doing so, hopefully help those less able to defend themselves," Heard wrote.

She added that she planned to support the organizations with future donations.

The executive director of the ACLU, Anthony Romero, issued a statement thanking Heard for her generous support and said she could feel "confident that this gift will help other women live safely and freely".

After Heard filed for divorce in May, many of Depp's famous friends rallied publicly in his support, with the comedian Doug Stanhope accusing Heard of blackmail and the director Terry Gilliam stating she was a "better actress than [he] thought".

In the joint statement announcing the statement released on Tuesday, the former couple acknowledged volatility in their relationship, which began after they met on the set of the 2011 film *The Rum Diary*.

"Our relationship was intensely passionate and at times volatile, but always bound by love," the actors' statement said. "Neither party has made false accusations for financial gain. There was never any intent of physical or emotional harm."

It said that Heard would be donating the proceeds from the divorce to a charity but did not specify that it was to be one supporting victims of domestic violence.

Even in the wake of the settlement, there continues to be back-and-forth between each party's representatives over how the split is portrayed in public.

ABC News's report of the announcement was amended to retract a statement made by Heard's lawyers, Samantha F Spector and Joseph P Koenig, that she had been "vindicated in the court of public opinion".

In a subsequent statement, Spector said that assertion was made without Heard's knowledge or approval and was untrue: "We regret the error and apologize to Johnny Depp."

Heard filed for divorce in May and days later obtained a temporary restraining order, accusing the Pirates of the Caribbean star of hitting her during a fight in their Los Angeles apartment in May.

Heard, who came to court with a bruise on her right cheek below the eye, accused Depp of repeatedly hitting her and throwing a cellphone during the fight.

Police said they responded to the actors' apartment but found no evidence of a crime.

The case has received significant media coverage, propelled by photos, images and even text messages purportedly relating to alleged abuse being leaked to the media.

Topics

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Amber Heard donates Johnny Depp divorce settlement to charity: Read her statement in full

The actress will give \$3.5 million to a domestic violence charity and \$3.5million to a children's hospital

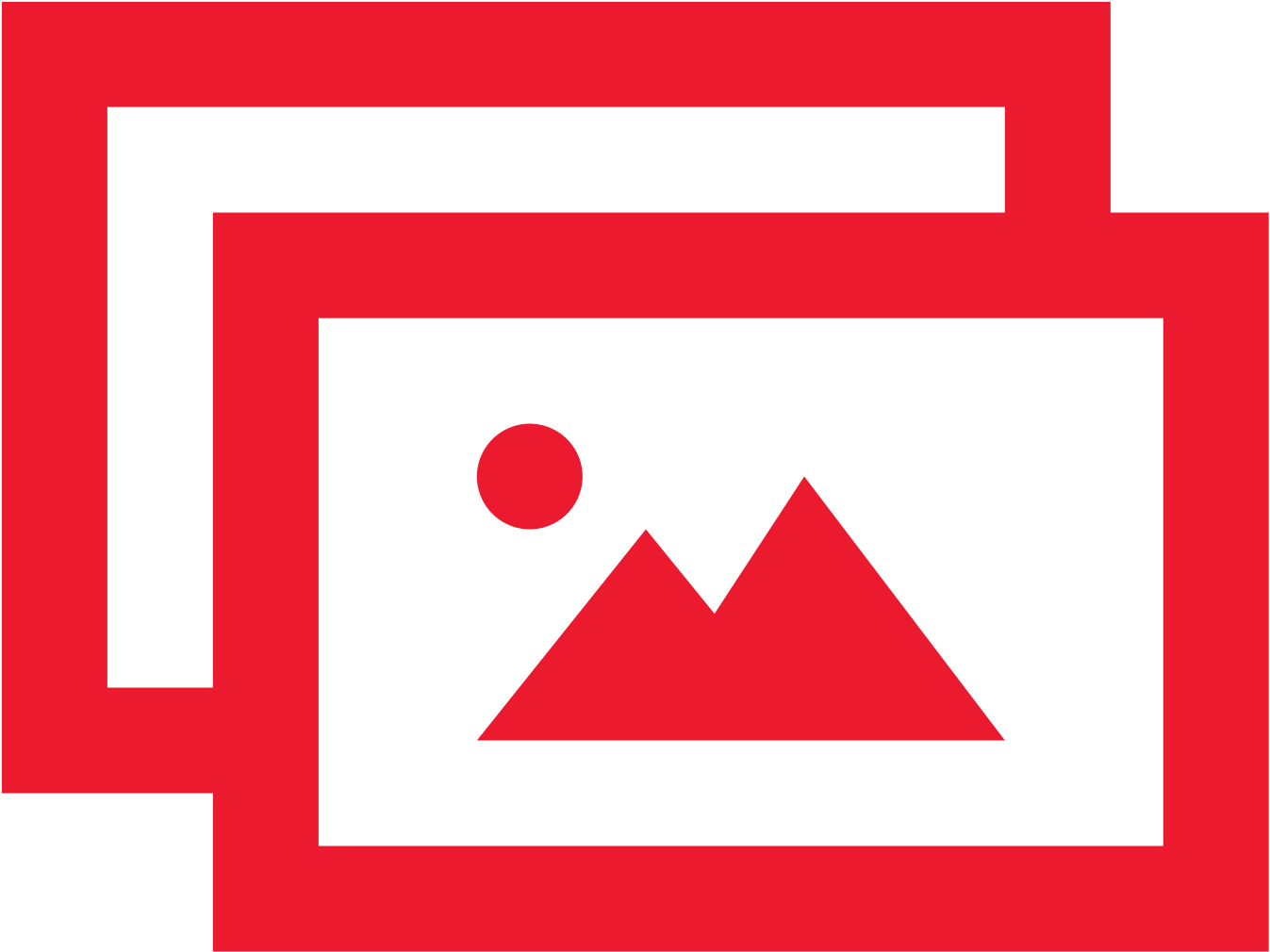


Amber Heard(Getty)

[Amber Heard](#) is to donate the settlement from her divorce with Johnny Depp to charity.

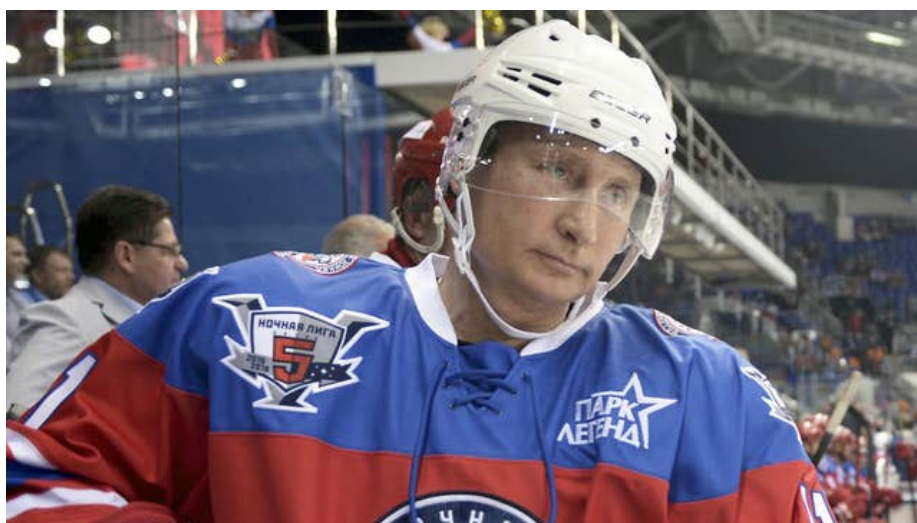
The actress and her estranged husband [reached a settlement this week](#) after a high-profile split. During the proceedings, Heard [accused the *Pirates of the Caribbean* actor of physical and emotional abuse](#) throughout their marriage. Depp has always [denied the claims](#).

In a statement released on Thursday, the 30-year-old said she will donate the entirety of the \$7million (£5.3million) equally between an organisation which supports victims of domestic violence and the Children’s Hospital of Los Angeles.



People news in pictures

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Read the statement below:

"As described in the restraining order and divorce settlement, money played no role for me personally and never has, except to the extent that I could donate it to charity and, in doing so, hopefully help those less able to defend themselves.

As reported in the media, the amount received in the divorce was \$7 million and \$7 million is being donated. This is over and above any funds that I have given away in the past and will continue to give away in the future.

The donation will be divided equally between the ACLU, with a particular focus to stop violence against women, and the Children's Hospital of Los Angeles, where I have worked as a volunteer for the past 10 years alongside organisations like the Art of Elysium. Over the years, I have seen firsthand how more funding for staffing, better equipment and better medication can make the difference between life or death for a child.

I know these organisations will put the funds to good use and look forward to continuing to support them in the future. Hopefully, this experience results in a positive change in the lives of people who need it the most."

BETA

Aug 21, 2016, 02:11pm EDT

Amber Heard Donates Johnny Depp's \$7 Million Divorce Settlement To Charity; Could Face Huge Tax Bill

**Tony Nitti** Senior Contributor ⓘ

Taxes

 This article is more than 4 years old.

[Actor Johnny Depp](#) and actress [Amber Heard](#) recently finalized their divorce after 15 months of marriage, their relationship turning ugly this spring when Heard filed for a temporary restraining order against Depp, alleging he had been both verbally and physically abusive to her throughout their marriage. Reports soon emerged that Heard was seeking \$50,000 a month in alimony, but last week, the two reached a settlement that will have Depp making a one-time payment to Heard of \$7 million.

That was not the most newsworthy part of the end of their pairing, however. Heard immediately released a statement explaining that she will contribute the *entire \$7 million to charity*:

"As described in the restraining order and divorce settlement, money played no role for me personally and never has, except to the extent that I could donate it to charity and, in doing so, hopefully help those less able to defend themselves."

To that end, the \$7 million will be split between two charities: the American Civil Liberties Union -- with the money earmarked to prevent violence

against women -- and the Children's Hospital of Los Angeles, with Heard adding, "I know these organizations will put the funds to good use and look forward to continuing to support them in the future. Hopefully, this experience results in a positive change in the lives of people who need it the most."

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Johnny Depp and Amber Heard back on April 18, 2016 arriving at an Australian court hearing over...
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While Heard's donation of her settlement payment is undeniably admirable, depending on the way the settlement was structured, it may well yield an untenable tax situation.

Generally, payments from one spouse to another "incident to a divorce" are tax-free to the recipient under Section 1041 of the Internal Revenue Code. Property is transferred incident to a divorce if the transfer occurs within one year of the end of the marriage or is related to the cessation of the marriage. Payments made under Section 1041 are generally treated as a gift, meaning neither the transferor spouse nor transferee spouse recognize gain, loss, income or deduction related to the transfer.

Because California is a community property state, the payment from Depp to Heard may well have been structured to compensate the actress for her share of the marital property. If this is the case, the payment should be tax-free under Section 1041. Heard would have no taxable income, and would claim a \$7 million charitable contribution deduction.

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While donations to charity are tax deductible, they are subject to various limitations depending on the nature of both the property being donated and the donee organization. When cash is being contributed to so-called "public charities" -- churches, schools, hospitals, governmental entities, private operating foundations, and other nonprofit agencies -- the taxpayer may only deduct the contribution up to 50% of the taxpayer's "adjusted gross income," which is generally taxable income less a few specific and rarely available deductions.

Because Heard would have no taxable income related to the payment received from Depp, she would get no corresponding charitable contribution deduction. But wait, you might say, Heard is a working actress, with roles in such illustrious works as *Magic Mike XXL* and *Zombieland*..surely she has significant income of her own that the charitable contribution can offset. Unfortunately, that's not the reality according to Heard's financial disclosures released as part of her request for alimony, which revealed that she earned only \$260,000 in 2016 *before* agent's commissions.

As a result, Heard could deduct only \$130,000 of her \$7 million contribution in 2016. The good news: a taxpayer may carry forward any unused charitable contribution deduction for five years. The bad news: if Heard will only be earning \$260,000 a year into the future, it would take her approximately 54 years to get the benefit of her entire \$7 million charitable contribution deduction.

There is also the possibility, however slim, that the payment from Depp to Heard was structured as alimony. Section 71 of the Code provides that a taxpayer must include in income "amounts received as alimony or separate

maintenance payments." This is further defined as any payments made from one spouse to the other, in cash, pursuant to a divorce or separation agreement. Interestingly, payments made for child support are *not* included in the recipient's taxable income, nor are they deductible on the tax return of the spouse making the payment. Because Heard and Depp had no children together (Depp has two from a previous marriage), however, that's not a possibility in this situation.

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OK, so if Heard has to include \$7 million in taxable income in 2016, it's no big deal, she'll just deduct the \$7 million charitable contribution and wipe it all out, right? Wrong. As discussed above, Heard's deduction would be limited to 50% of the \$7 million, leaving the actress with net taxable income of \$3.5 million resulting from the two transfers.

It gets worse. A charitable contribution is claimed as an "itemized deduction." As a method of extracting more tax dollars from the wealthiest 2% of taxpayers, after January 1, 2013, any taxpayer with adjusted gross income in excess of \$250,000 (if single, \$300,000 if married filing jointly) will lose 3% of most itemized deductions for every dollar adjusted gross income exceeds that threshold. As a result, Heard could lose another \$200,000 of her charitable contribution to this "Pease limitation."

That would leave Heard in a bit of a conundrum: \$3.7 million of taxable income for a single taxpayer will result in a federal tax bill in the neighborhood of \$1.4 million. The problem, of course, is that Heard just *gave away all of her cash*, which begs the question: how the heck would she pay her tax bill? After all, as discussed above, Heard only earned \$260,000 last year, so unless she was paid a king's ransom for her turn in Pineapple [Express](#), she'd better hope her divorce attorney was able to fit the \$7 million payment under Section 1041, resulting in tax-free treatment.

As further evidence that Heard may lack liquid assets, her career arc appears to be following the well-traveled path of "actor in desperate need of cash" (see Cage, Nicholas). She's signed on for not one, but two super-hero

films, with Heard set to appear in Justice League and Aquaman in the next two years.

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Hey, you've gotta' pay the bills somehow, and pretending to communicate with undersea animals seems a more palatable option than most.

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Tony Nitti

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Amber Heard donates \$7M Johnny Depp divorce settlement to children's hospital, charities



By [Katherine Lam](#), | Fox News

Amber Heard divorcing Johnny Depp

Fox411: Actress files for divorce 15 months after tying knot

Amber Heard stayed true to her word and donated her \$7 million divorce settlement from Johnny Depp to charities focused on helping to stop violence against women and the Children’s Hospital Los Angeles.

Children’s Hospital Los Angeles revealed Monday that the 31-year-old actress donated between \$1 million and \$5 million sometime during the July 2016 to June 2017 fiscal year.

"On behalf of all the children and families whose lives you have impacted, and everyone at Children's Hospital Los Angeles, we offer our sincere thanks," the hospital wrote in its 2017 annual [report](#) under the "Honor Roll of Donors."



Amber Heard donated her \$7 million divorce settlement from Johnny Depp to charities and children's hospital. (Reuters)

The rest of the divorce settlement money was divided among charities with "a particular focus to stop violence against women," [People](#) reported. Heard previously said her philanthropic work "centered around medical care, especially women and children."

It's unclear when Heard made the donations to the other charities.

Heard filed for divorce from Depp in 2016 after being married for 15 months. The couple met on the set of "The Rum Diary" in 2011. Their ugly split was surrounded by claims that Depp physically and verbally abused Heard. Depp was accused of throwing a cellphone at Heard during a drunken attack.

Heard announced in August she would be donating the money.

"As described in the restraining order and divorce settlement, money played no role for me personally and never has, except to the extent that I could donate it to charity and, in doing so, hopefully help those less able to defend themselves," Heard said in a statement.

Katherine Lam is a breaking and trending news digital producer for Fox News. Follow her on Twitter at [@bykatherinelam](#)