

Subject: RE: Seconday Share ECM Partnership *Internal Use Only* [I]
From: Zack Tax [REDACTED]
Date: Wed, 25 Jan 2017 13:22:31 -0500
To: Stewart Oldfield <[REDACTED]>
Cc: Bruce McDermott [REDACTED]

Classification: For internal use only

Thanks for this Stew

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Zack Tax

Key Client Partners
Deutsche Bank Securities Inc.
Deutsche Bank Wealth Management
345 Park Avenue, 26th Floor
New York, NY 10154

[REDACTED]
Email: [REDACTED]

From: Stewart Oldfield
Sent: Wednesday, January 25, 2017 10:42 AM
To: Zack Tax
Subject: RE: Seconday Share ECM Partnership *Internal Use Only* [I]

Classification: For internal use only

Tisch

Epstein

Third Lake

Shamrock

Illig

Elysium

From: Zack Tax
Sent: Tuesday, January 24, 2017 5:13 PM
To: Tazia Smith; Vahe Stepanian; Thomas ORorke; Matt Glassman; Daniel Sabba; Darlene Zong; Todd Stevens; Bruce McDermott; Mathew Negus; Xavier Avila; Billy Obregon; Hella Alashkar; Leopold Haitz; Joan Tse; Joshua Shoshan; Stewart Oldfield
Cc: Reginald Mills; Thomas Hegnauer; Elisabeth Maugars; Bobby Abraham; Jay Coleman; Raymond Chang; Karim Barrada; Edward Carlstrom
Subject: Secondary Share ECM Partnership *Internal Use Only* [I]

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All,

We are working with our colleagues in Equity Capital Markets (ECM) to develop a system by which we offer our Clients access to direct secondary shares of high growth technology and other companies. We anticipate that some of them may be high profile issuers with current equity valuations in excess of \$1 billion, so called "Unicorn" companies. We already have our Policies & Procedure in place for how we partner with ECM on Secondary Share Opportunities (attached).

Summary:

Investment Banking has developed relationships with many of the Unicorn companies. Given market conditions and necessity, many of them need liquidity for employees or other concentrated shareholders.

We would be able to offer our KCP Eligible Clients an introduction to potential sellers or their representatives.

Negotiations could occur between the sellers/Company and our Clients regarding diligence items, disclosures and descriptions of the actual security (ratchets, convertible terms etc.). Ultimately, the price a trade would clear would need to be approved by the sellers and Company.

The aggregate size of the blocks of shares available could range from \$20 - \$75 million and would require a minimum investment size of ~\$ 5 million.

LATAM / EMEA / APAC: The securities are unregistered exempt securities under Reg D and most Companies would be indifferent to the domicile of prospective buyers.

The Ask:

We are polling for potential accounts that could have interest in this type of arrangement. If there is sufficient interest, we would like to develop a list of our clients by COB Monday 1/30. It would also be great to develop a "reverse inquiry" process if Clients have specific Unicorns they would like access to.

Fees:

DB will be acting in a placement agent capacity in these transactions. We would charge the Seller a placement agent fee and the 50/50 revenue share with ECM remains the same.

Thanks and please feel free to reach out with any questions,

Zack & Bruce

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