
From: [REDACTED]
Sent: Sunday, April 7, 2013 5:19 PM
To: Jeffrey Epstein
Subject: *Confidential: Re: Model Scenarios - Confidential

Hi Jeffrey,

The founders received a debt financed distribution of \$1B from AMH in 2007 (44% to Leon and 28% to each of Marc and Josh). They didn't have any tax basis in their AMH interests at the time; however, the new debt was allocated to them, which resulted in a \$1B of tax basis in their AMH partnership interests that allowed them to receive the distribution tax-free. This \$1B is the Tufts gain - a gain that will be recognized as AMH liabilities are no longer allocated to the founders. 20% of those liabilities shifted away from the founders to APOC in 2007 at the time of the 2007 sale, and the founders recognized 20% of their Tufts gain (\$200M in total) in 2007. That left 80% of each founder's Tufts gain (\$800M in total) remaining. Absent a guarantee, the Tufts gain will get triggered ratably as the founders exchange APP interests for AGM units. Let me know if you want to discuss in more detail. Thanks,

Brian

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From: Jeffrey Epstein <jeevacation@gmail.com>

To: [REDACTED]

Date: 04/07/2013 11:32 AM

Subject: Re: Model Scenarios - Confidential

how is the tuft gain ccalculated

On Sat, Apr 6, 2013 at 11:54 PM, [REDACTED] <mailto:[REDACTED]> wrote:

Hi Jeffrey,

At Patrick Fenn's request, we're attaching .pdf versions of the full models that we have run for Patrick using discount rates of 2%, 5% and 7.5%. Each version is in a separate .pdf file. Please note that in each case, the presentation (the first 9 pages of each file) refer to a 7.5% discount rate; however, the actual discount rate used in each scenario is in the name of each file, as well as the input sheet on page 10 of each file and the detailed model pages that follow in pages 11 through 24.

As a policy, our firm does not provide "live" versions of Excel models to clients without specific waivers being executed. We do this because we cannot guarantee that changes made to the inputs of the model or formulas within the model will produce the correct result without a detailed review. Thus, we generally provide the outputs of our models in pdf format. Alternatively, if you would like to review the model in more detail, and be able to see the formulas and cell references within the model, we can provide you with a "locked" or password-protected version of each model. These versions would allow you to open the model in Excel and see cell contents, formulas, and references; however, the contents of each cell could not be altered.

We hope that the attached will provide you with the detail that you need for your analysis. In the event that you desire locked versions of the models (or additional scenarios), please let me know and I can get them to you as soon as possible. Best regards,

Brian

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