

**To:** Farkas, Andrew [REDACTED]  
**From:** Jeffrey Epstein  
**Sent:** Sun 8/16/2009 2:04:51 PM  
**Subject:** Re: Simplest Form

seems promising.. what can i read,, assets? ,, timing.? cash flow projections?

On Sun, Aug 16, 2009 at 9:57 AM, Farkas, Andrew L. <[REDACTED]@[REDACTED]> wrote:

W/ regards to our proposed centerline deal, we expect that equity required for initial acquisition, deal cost and working capital requirement (before playing in the cmbs portfolio itself) will approximate \$115mm. This wld give us control of platform, cmbs portfolios, etc., ad would eliminate virtually all of the roughly \$2.6bb of total liabilities etc (project that successor enterprises, split into three separate corporate silos, wld assume aggregate of roughly \$80mm of senior secure debt, i/o for approx 5 yrs and that there would be no other material remaining liabilities). Deal w/ investors will be all but identical to deal w/ founding insignia investors. Everyone gets pre-emptives, anti diultions, tags, drags, etc. Splits in insignia private equity deal was 95/5 til roc, 90/10 til 8% pref, 70/30 til greater of 200% or 20%/yr simple and 50/50 thereafter. 2 steps: seedco where investors share in pursuit costs (all of which are reimbursed by second round if deal closes successfully) approxomating \$12mm. Seedco investors get 50% of break up fee and 100% of cost reimbursement from target if deal fails and get a 5% ownership for free plus pre-emptive right on 45% of all equity in acquisition if deal is successful. Happy to explain on phone in detail if you like, but thought this wld be helpful. Just need to know if this works for you.

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