

To: jeffrey E.[jeevacation@gmail.com]
From: Eileen Alexanderson
Sent: Wed 7/30/2014 5:53:08 PM
Subject: acquisition structure

Per advice from Paul Weiss:

-APO 1 would form and fund a Bermuda or Cayman company (which would be disregarded if we 'check the box')

-The foreign company would set up a Delaware LLC as a US subsidiary of the foreign company

-that US Subsidiary would then merge with Artspace Inc

-Artspace Inc is the surviving entity

-we would convert Artspace Inc to an LLC, thereby allowing the benefit of losses it generates to flow up to Leon

If desired we can add another layer by having APO form a Delaware LLC which then forms the foreign company

Rationale for foreign company rather than a foreign trust relates to avoiding need for trustee and yet still has the attribute of it being tough to enforce a US judgment and harder to get jurisdiction over a foreign corp.

Does this cover our needs?

Thanks, E.