

To: [REDACTED]
From: Jeffrey Epstein
Sent: Thur 3/27/2014 11:09:37 AM
Subject: Re: additional info

yes many , but never for emails. talk later today,

On Thu, Mar 27, 2014 at 12:25 AM, [REDACTED] <[REDACTED]> wrote:

Hi, here's a summary:

1. Initial agreement signed between One Equity Partners (OEP) & [REDACTED] in 2006. Contract ended in Jan 2014 and was not renewed yet (they sent a new version which I don't plan to sign). You have a copy but basically it says that they pay us for every deal we get involved with and invest in Brazil - in addition to the retainer of 1.5M/yr, a 2% fee over any investment w/ a US\$1M minimum fee per deal. Current portfolio's are 5 companies, we sourced all 5 and these are the best performing assets globally. As an example, Allied, a mobile & tech distributor, went organically from 750M to 3.2Billion in sales in a 3 year period. We at pacific converted our 2% in equity in this and other deals and that is held through a usufruct contract w/ OEP's investment vehicle in each deal. We've always been more than aligned in the deals we sourced as we invested more than any individual partner, sat in the board and added value locally helping them grow.

The context for this agreement was that they wanted to do deals in Brazil and I could get them into any company and also negotiate and get us to win the deals that were good, a good entry value, then sat in the board and monitored the investments. Despite them asking me to join OEP as a partner after a few years of agreement, I never did because I did not want to work for a large bank, had other businesses in Pacific that did not compete directly (a real estate and a growth investment fund) and, did not want to be tied up w/ a partner who could change their mind for some unforeseen reason, deciding to leave Brazil. This is exactly what is happening in a way as JPM decided to spin off OEP and force the sale of the portfolio companies.

2. In January 2012 they sent 2 guys to live in SP and said it was to "help" me and my team execute as we had too much of a deal flow to handle alone. One of the guys stayed in our offices for 2 months learning everything we did. As months went by, these 2 guys (<http://www.oneequity.com/Team/location/Sao-Paulo>) started taking the deals and running - going to meetings on their own and not acting as team members, literally bypassing on deals we sourced. At that time, I renegotiated my deal w/ OEP and included the clause that we would participate in everything they did. Rick Smith, whom I dealt with clearly stated we would be in every deal, sourcing it or not, and the contract reflects that. Over time, to make sure the guys in NY knew what we were up to, I flew up there every quarter and presented what we sourced and what deals we were working on, boards and

added value, including for their portfolio's that were not based in Brazil but wanted to do business here. But the reality is that the OEP guys in Brazil were jealous and wanted to show they could live w/o us, or, needed to justify their presence. Some things made this worse, for example, when Jamie Dimon came to Brazil, for the small exclusive reception, the JPM CEO invited only me and not them (because they were junior, and because I helped the bank bring in a dozen of new private banking clients every year as he said), or, the portfolio companies and partners of One Equity elsewhere, when coming to Brazil, asked me for help, and not them, as the two could not get them into the owners of the companies/clients or decision makers that would generate real business. So thats how things got worse.

3. The fee for the deal in question is Unicoba, an industrial battery-component and led company. I did not like the deal, but worked on it and it closed in late september of 2013. Pacific did not co-invest, it was our option not to and we elected that our fee be paid in cash. Key reason was that they sell to government and I have in my contract that I do not deal w/ government. When we sent the invoice, they asked us for additional info (what exactly we did for the deal) which they had never asked for previously. On top, they said this was due to new JPM requirements. Then, after we sent the info, Rick Smith, senior guy, said he would speak w/ me personally in his next trip to Brazil, which happened in early December. In August of last year Rick said OEP would cut all of their outside advisors and consultants, except for Pacific. In December he said they would no longer renew our agreement at current terms and that he was told by the Brazil OEP guys that the fee for the Unicoba deal was not merited because we did not do the work as expected. They never, ever, sent any email or complained about our work or quality during the process. On the contrary, we have a ton of praising emails over time and thank you emails to the team on this deal. But the Brazil guys, in December, cut us off from the MMM (weekly partners' meeting), took our names out of the investment memo sent to the Investment Committee, and started selectively cutting us off everything we were working on. In December they gave us a new version of the agreement that they wanted to sign w/ us which basically pays a zero fixed fee and only a variable 2% fee. I did not want to renew anyway, but did not say anything as we wanted to get paid on the deals that were still active in our pipeline, under the terms of the expiring agreement which had a tail. So I said "lets solve the open issues and then we work on discussing the new agreement" (which BTW, cancels off all the rights we have on the expiring contract).

4. After December, I met w/ Rick Smith again in January 2014 in Brazil and had a very honest conversation about the entire situation. He asked me to send evidence which I did in February (the ppt you have). But when I met Dick Cashin in feb, he said he was not the person to discuss this, and threw the decision back to Rick. However, Dick Cashin stated that we made "too much money" over the years and that this needed to end as things changed in JPM. In early March 2014 I asked Rick if he had reviewed the evidence, and to date he said he has not had time. I am supposed to follow up this Friday. Other people internally aware of this are their internal legal counsel, Judah Shechter, Kathy Bryan, the CFO (an ex-JPM) and Fritz Hobbs, a close friend to Cashin who is on our side and knows

how bad the Brazil OEP'ers behaved.

5. My plan is to (i) drop out of the 3 boards I sit in at the Brazil portfolio companies they/I invested in; (ii) Get paid the fee for Cless deal (hair products)

that was signed in February 2014 and has a closing next week (they said they would pay), and (iii) right after get a lawyer to press them to pay for Unicoba. While they offered to pay 2 more months of retainer (260k) as a "recognition of good work" but in fact to be a cut of the 1M due, I did not accept as I said we did do work and they need to fulfill the agreement.

6. OEP's situation is pretty critical - they were for sale until now. I know that the JPM top exec supervising them - Matt Zames - has been very much on top of their business, costs, selling, pulling back etc and making their life difficult. So part of what they say is that "things changed", that they need to figure out what will be of OEP, that these are new times and paying anything needs to be much justified etc.

A top lawyer very close to me here suggested to connect me w/ litigation attorney Michael Carlinsky. I just want OEP to pay what they owe me as that is the right thing, and if getting the lawyer is the most effective way (even if just to put pressure) I will do that. If going through another path is worthwhile (like asking some big clients to complain or speaking to someone who can influence), ready to learn what that would be. Its important to say that we still have equity in two other deals here (so we are their partners), that are worth at least 10x what they owe us in the unicoba fee. So I don't want to put that at risk, even though we have contracts there.

They are a firm run by men who do not think very highly of women. No women partners on the investment side. So they really look at me thinking I will bend and do nothing. I can be very patient.

thoughts?

Thanks, [REDACTED]

[REDACTED] [REDACTED] [REDACTED]

[REDACTED]

On Mar 26, 2014, at 5:00 PM, Jeffrey Epstein wrote:

now?

On Wed, Mar 26, 2014 at 3:40 PM, [REDACTED] <[REDACTED]> wrote:

Thanks Boris. Jeff - let me know if I can call you tonight or what other time would be good to speak. Best, [REDACTED]

From: Boris Nikolic [mailto:Boris.Nikolic@bgc3.com]
Sent: Wednesday, March 26, 2014 04:29 PM
To: [REDACTED]; Jeffrey Epstein <jeevacation@gmail.com>
Subject: Connect [REDACTED] and Jeffery

Jeffery as I mentioned you [REDACTED] has some challenges re her. Agreement. You are uniquely position to advise her. It is the best if you could connect directly.

[REDACTED], Jeffery's cell is [REDACTED]
He is now in NYC. Please call him when you can.

Thank you Jeffrey!

Boris

Sent from my Windows Phone

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