

**To:** Jeffrey Epstein[jeevacation@gmail.com]  
**From:** Ari Glass  
**Sent:** Mon 12/23/2013 9:22:05 PM  
**Subject:** RE: Re:

Difficult to do in a quick email form –please let me know when you have a few minutes to discuss. But in short, as the name implies, traders put up their own capital and we allow them to trade our capital on a larger scale, we give them materially higher payouts but they take the first (and according to plan) the only loss.

Since most risk of loss is transferred we can then leverage up the platform.

Heads we win, tails they lose.

There were 2 large players in the industry. One is called prelude and they have one billionaire family who realized their [potential and took all current and future capacity from them. The other One was called Topwater and was backed exclusively by a private wealth management firm out of Seattle called freestone. They split this summer and now run their platform exclusively for Luceadia (the new owner of Jeffries). Instead of shutting down their platform, Freestone hired my firm, Boothbay to take over as portfolio managers. We already had in place infrastructure including financial operations and risk management and great talent sourcing in the emerging manager space.

We spent a few months absorbing their \$340m portfolio into our infrastructure and looking under the hood. We discovered that if run properly it is one of the all time great risk adjusted strategies. The guys before us did something right and some that could use significant improvement.

Once I realized the potential of what this was I negotiated with freestone for the right to 50% of all new capacity for myself. I hope to launch a new vehicle in q2 that is 60-70% the Milleniumesque thing we discussed and 30-40% of the first loss platform. They are actually quite synergistic.

Again, impossible to do justice in short email. Id love to discuss at your convenience.

Best regards

ari

**From:** Jeffrey Epstein [mailto:jeevacation@gmail.com]  
**Sent:** Monday, December 23, 2013 4:13 PM  
**To:** Ari Glass  
**Subject:** Re: Re:

no , tell

On Mon, Dec 23, 2013 at 5:00 PM, Ari Glass  wrote:

Are you familiar with first loss platforms?

**From:** Jeffrey Epstein [mailto:[jeevacation@gmail.com](mailto:jeevacation@gmail.com)]

**Sent:** Monday, December 23, 2013 3:53 PM

**To:** Ari Glass

**Subject:** Re:

tell me what you are doing.

On Mon, Dec 23, 2013 at 4:28 PM, Ari Glass  wrote:

Jeffrey,

I hope all is well. Wishing you a good holiday and new year. I'd love to catch up in the new year if you have some time. I'm on to some pretty interesting things.

Best regards

ari

Ari Glass

Boothbay Management

Managing Member



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