

**To:** jeevacation@gmail.com[jeevacation@gmail.com]; jeffrey epstein (jeevacation@gmail.com)[jeffrey epstein (jeevacation@gmail.com)]; jeevacation@gmail.com[jeevacation@gmail.com]  
**From:** Eileen Alexanderson  
**Sent:** Fri 4/12/2013 10:06:43 PM  
**Subject:** Phaidon  
[img-412173234-0001.pdf](#)

Jeffrey, See Phaidon org structure attached.

Mechanics of the purchase were as follows:

PLB LLC was funded with \$54mil from the Black Family 1997 Trust, \$3mil from the Black Family 1997 GST Exempt Trust, and \$10mil from the LDB 2011 LLC. JMWT LLC was funded with \$67,000 from Leon. These provided funding for the JMWT Acquisition LLP. Bidco (JMWT Ltd) purchased the shares of Phaidon Press Ltd. The acquisition purchase price paid from JMWT Ltd (through client account at Macfarlanes) was £41,000,000 + .005 stamp tax (\$67mil).

In between, 2/3 of the funds were booked into the Topco as equity and 1/3 into the Midco as debt. From a US perspective the funds into JMWT Ltd were treated as an equity contribution. This debt is just between the topco and the midco and was established for UK interest deductibility purposes and be converted to equity if we choose. Great care was taken to avoid creating phantom income.

Profit or loss at Phaidon Press level has no impact for us until we choose to issue a dividend. The one issue I believe you will need to consider if Phaidon was to purchase are relates to the US tax aspects of subpart F income and whether Phaidon owning art (or eventually selling it at a gain) would create that type of income. I believe it might.

As I mentioned this morn, I have a call on Monday morning set with the tax guy at PWC-you are welcome to join-he is flexible re what time.

Best, E.

-----Original Message-----

**From:** NY\_730\_11\_XRX\_COPYROOM [mailto:NY\_730\_11\_XRX\_COPYROOM@apollolp.com]  
**Sent:** Friday, April 12, 2013 5:33 PM  
**To:** Eileen Alexanderson  
**Subject:** Scan from a Xerox Color

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