

Message

From: Casriel, Lyle [REDACTED]
Sent: 7/9/2014 9:17:36 PM
To: [REDACTED]; [REDACTED]
CC: Garcia, Camille [REDACTED]; Klein, Matthew [REDACTED]; Ramdeen, Vijai [REDACTED]; Shkreli, Juliana [REDACTED]; Stackman, Scott [REDACTED]; Waldron, Chelsey Devon [REDACTED]
Subject: Maxwell: Revised Proposal
Attachments: Maxwell Proposal_7.9.14.pdf

Ghislaine,

Per your recent exchange with Scott we have made some updates to the proposal. Based on your feedback our objectives here were to:

1. Trim equities
2. Remove Millennium from the portfolio
3. Limited to no tax impact

Our objectives for your portfolio are still to free up capital with no/limited tax impact to improve diversification into the strategies we prefer and clean up the "orphaned" mutual fund positions by making larger investments in higher conviction ideas. In order to achieve both objectives we reviewed the equity positions with unrealized losses. Those are listed below. Some are still rated as buys, but we felt that harvesting losses provided two opportunities:

- Allow greater rebalancing
- Help reduce your equity exposure further

The individual stocks we are suggesting you sell are listed below, they reside in various accounts. Completing these sales would raise about 900k of cash. Our proposal illustrates adding a position in our core MLP manager (Rachlin Group) for 350k for a net equity reduction of \$550K

- a. Staples
- b. Target
- c. Vodafone
- d. BNP
- e. KIRIN Holdings
- f. HSBC
- g. BOC Hong Kong Holdings
- h. Tesco
- i. BHP Billiton
- j. Lukoil Oil Co
- k. Alstom
- l. Twitter
- m. Geron Corp
- n. Apache Corp
- o. GLD
- p. ETF Physical Gold

You may choose to make the sales and wait to implement the new ideas, we would not fight that, but generally we prefer not to time markets. We of course, have made note and set aside cash for the needs we've previously discussed.

Let us know your thoughts and when you can discuss.

Best,

Lyle & Scott