

From: <[REDACTED]>
To: "[REDACTED]">
Subject: RE: Russell,,
Date: Wed, 01 Oct 2014 17:24:18 +0000

Hi [REDACTED], Everything worked out as I spoke to Rich, so thank You for everything and please extend my gratitude to JE,.. Gregory just needs to speak to Rich Kahn to give him his company information ,, Could you forward his number and email address to me.

Russell Katulak

Jemstone Associates

Partner

380 Lexington Ave

New York, NY 10168

Suite 1700

[REDACTED]

[REDACTED] direct

Fax [REDACTED]

From: [REDACTED] [mailto:[REDACTED]]
Sent: Tuesday, September 30, 2014 3:55 PM
To: Russell
Subject: Re: Russell,,

for sure fingers crossed!!

We will figure something out here (and yes , hopefully on a permanent basis)

I have had zero feed back re [REDACTED]

On Sep 30, 2014, at 3:40 PM, <[REDACTED]> <[REDACTED]> wrote:

Ok makes sense, also know that we obviously we would deduct any previously paid project work earnings off the perm fee from our end, if you go that route, At the end of the day , I want it to work for everybody ,Gregory wants to be there, and of course on a permanent basis, If you get a sense JE would definitely go with him from inception, and would by pass the 15k project . I will talk to my business partners to see if we can structure an up front deal that would make sense for all, Just another option, If there is no waiting period on the placement , I can wiggle some flexibility that might make sense for Jeffery, FYI I have been still working on it in the interim ,,, BTW, Did he like [REDACTED] or was he unimpressed? With that said , if Gregory is the real option, It would make sense to lock him up, as I would hate to see him get scooped up by a major designer , being he is in the market , and [REDACTED] sure we can iron out the minor details, If you like have Rich call me and I can speak to him as well, He does want to be there, I do know project work can be advantageous on the employer end, however It does create risk with minimum commitment and sometimes we do lose candidates because of it,.

It goes without saying , how so appreciate I am of you and JE, I do know Jeffery needs to be happy, so without that it does not work, If he is happy, then it make sense to come up with something that works for all,,,☺

Fingers crossed.

Russell Katulak

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From: [REDACTED] [[mailto:\[REDACTED\]](mailto:[REDACTED])]

Sent: Tuesday, September 30, 2014 3:03 PM

To: Russell

Cc: Rich Kahn

Subject: Re: Russell,,

Hi Russell...thanks for all the explanation...I think this is where I need to step aside and let our accounting department work on this with you...I have CC'd our head of accounting, Rich Kahn...

thanks, [REDACTED]

On Sep 30, 2014, at 12:21 PM, <[REDACTED]> <[REDACTED]> wrote:

Hi [REDACTED],. Good Morning Just to keep you in the loop , Gregory was contacted directly from Jeffery to work on some additional sketches for the additional month for 15K, He is very ,very happy and of course wants to continue etc, He asked me for some clarification and it brings up a few questions on all fronts, as noted this is a role that we are recruiting for on a permanent side, Gregory was looking for a salary in the 200k plus range, etc, He asked me about the status of the role, It gets a bit fuzzy because He was recruited with the intention of a perm role , By being asked to work on additional sketches for another month, it is changing the status from a perm role to a contract role. He seems to be willing to run with the punches but if the status changes then it either presents itself with hiring him directly for an additional project at 15k for the month, with that said then beyond the initial project for the qualifying sketches which I took myself out of the equation at 1k, then any additional project work , there is a project placement fee attached to it at 20% which is standard, Normally if it is direct work and he is working with his company and not on the payroll then design deposits are usually the norm in that type of work, We do work on the role on our end for perm with time recruiting cost etc, The role can at times change from perm to contract but with that said then it goes on our temp payroll with a 50 % markup meaning,(If we were to pay someone 20 hr then we would bill 30 hr.. etc,, covering payroll, unemployment insurance insurance, and some profit). Paying Gregory 15K on the temp payroll would incur paying him more so he nets 15K and then adding the markup , in this case being a short duration, would not make any sense,

Gregory wants to be there does not want to rock the boat, because he wants the perm position, His thought and everyone's thought is this is a perm opening .By asking to do initial work at 15k a month, projected out brings the role to 180K, Which on the perm side would incur a recruiting fee of 36k. As mentioned , I took myself out of the initial temp fees for the initial sketches to qualify for the perm job, (with the hopes of him getting it), however if he needs to continue for additional projects then the recruiting fee would apply at a prorated basis for the portion that he works. I would highly recommend a 20% project wage fee vs putting him on the temp payroll that would incur so much more, He wanted to know If the proposed work is 1k for the initial sketches and 15K for the additional work and if a partial deposit could be made of the 15k side as time will go into the project.

On our side from an expectation stand point , perm fees or project fees are 20% of the wages and temp if put on our payroll is 50% markup as explained earlier, At this juncture, if you could find out from JE , if he plans on hiring him? Giving him a temp project , paying direct or with placement fee prorated from the project limitation?

I know this is a lot to absorb in one shot, I bring it up because the expectation was based on the qualifying sketches that he would either be hired if the sketches were used or he would pay Gregory the 1k. The dynamics changed because In asking him to go beyond the initial sketches, then we of course remain in the loop, for the additional work, I opted out of the temp fees for the initial sketches as it is nominal and we were hoping for a perm placement, Which is 20% of the

annual salary. Again Gregory asked about the deposit (as that is the norm) if he is contracted directly, However, on our end we cannot go from a perm recruiting search to straight project direct without a prorated project hire fee, Normally it is always done on temp payroll, which would be too costly, in this case, a direct flat project fee in this case would be 3k for the month (hence 20% of 15k).

The goal here is for a perm hire on all ends, Going month to month, we do remain in the loop on a prorated basis, Please share your thoughts with me, I try to be as flexible as I can on our end, we do have a staff etc, so I do have to keep to normal standards to a point,, I did not want to have a misinterpretation being I dropped the temp fees for the initial sketches, In asking Gregory to do initial work it opens the door for the status of the role to change on all fronts, We can work with it on our end by keeping the costs down with a 20% staffing project fee for month to month or a 20% full time placement fee, as opposed to putting someone on the contract payroll, I bring this up because I am not sure if Jeffery is aware of all of this, By being a contingency search firm we can change and work with changes, but we need to keep the terms clear if we go beyond the initial sketches, The concern here is it then becomes unclear of it being a perm role or contract role, , Contract roles go on our payroll, Perm roles have perm fees, temp roles have project fees for the duration of the term.

To sum it up, Please advise as I see it getting complicated,,, he hires him outright (being all the recruitment work has already been done already) , It only is getting confusing as it is changing from Gregory having the role outright based on the initial sketches to doing some additional work , with that said we do participate in it, but the question is do you put someone on the contract payroll, which can be costly, Recruitment is what we do, I want to make it fair for all. Gregory really wants to be there and does not want to rock the boat, he did ask about a deposit on future work , but yet was a bit unclear of the terms, and status, On our end we have simple terms 20% fee on all wages, or if not then on the payroll with a temp markup (50% is standard in the industry), but by asking him to do additional work, it can place him in either one of the categories, and keep him hanging on his status of whether he is a perm hire, In addition , I did not want to create a scenario where although I eliminated the temp fees on the initial project (which is fine), but if we continue beyond the initial then we are still in the loop as the work was done and it creates more moving forward,

I do have a few ideas to help make it work, but I wanted to check your thoughts, the expectation here was that he would have been hired or not, he wants to be here,, And obviously we do run a business as well and our participation which is a given, we do not want to impact his ability to continue,, we just want to do what's fair all around,.. We can be flexible of course moving forward., but if we go forward , we just need a game plan and to be concise on his terms if we change his status,

Please advise, 😊

Russell

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