

**From:** Eileen Alexanderson <[REDACTED]>  
**To:** 'Jeffrey Epstein' <jeevacation@gmail.com>  
**Subject:** RE: FW: Draft Presentation re: Impact of Guarantees  
**Date:** Fri, 05 Apr 2013 14:52:47 +0000

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Done--funny-last night Fenn reached out to me and asked what discount rate to use-I said 3%. He came back to me and said Marc and Josh's FO guys had given him 5 and 10% as #s they wanted to use. further exchange of emails on the subject ensued. The original question had come without context but hearing the 5 and 10% #s being used I realized they were thinking solely in terms of opportunity cost and assumed RORs on the money otherwise deployed. Although we rarely commit capital to an investment without expectation of a double digit return, I felt the 10% was too aggressive but 5 seemed low, that's where the guidance to run it with 8% came from. Also, understanding the discount rate will have a huge impact in any model it was just tough to give guidance since I wasn't familiar with what the exercise here except in a very general way. Will forward addl model when it comes through. I'd like us to be walking through this all together but I know Tom is going to walk through this at a much slower pace than you will-should I keep the meeting at 2 and then you speak to Pat tomorrow or should we all do the call tomorrow?

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**From:** Jeffrey Epstein [mailto:jeevacation@gmail.com]  
**Sent:** Friday, April 05, 2013 9:54 AM  
**To:** Eileen Alexanderson  
**Subject:** Re: FW: Draft Presentation re: Impact of Guarantees

use 2 percent discount rates as well,

On Fri, Apr 5, 2013 at 8:16 AM, Eileen Alexanderson <[REDACTED]> wrote:  
Just got here, this was in my inbox-haven't looked yet myself

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**From:** Fenn, Patrick [mailto:[REDACTED]]  
**Sent:** Friday, April 05, 2013 12:30 AM  
**To:** [REDACTED]; Eileen Alexanderson; [REDACTED]  
**Subject:** FW: Draft Presentation re: Impact of Guarantees

Tom, Eileen and Ada,

Attached is a draft power point presentation of the tax effects to Leon of deferring or not deferring recognition of gain on the exchange of AOG units for AGM interests attributable to his share of the \$1 billion AMH debt that was distributed to him in a prior year (referred to in the presentation as "Tufts gain"). The reference to "TRA" is to the Tax Receivable Agreement between APO Corp and Leon (and the other founders), which provides for additional payments to Leon upon a sale of his interest in AMH to APO Corp attributable to the tax benefits APO Corp derives from additional amortization deductions that are generated through the purchase of Leon's AMH interest. You will notice the assumptions on which the presentation and the tax effects are based, including a 10 percent discount rate. We are in the process of running new models based on 8 percent (and making further revisions to the presentation). While the 8 percent versions should be available in the morning, I thought I would send you this draft so that you could start to look over and start to get familiar with the nature of the issues and the concepts.

Brian Knudson of Ernst & Young prepared the model and will join us for our discussion at 2pm.

Look forward to seeing you.

Best regards

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