

From: Richard Joslin <[REDACTED]>
To: jeffrey E. <jeevacation@gmail.com>
Subject: FW: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]
Date: Mon, 22 Dec 2014 21:54:27 +0000

The open item was making sure the legal persons had up to date interco info. Further effort was tabled due to audit demands for June 30 2014 year end. The original email dates back to April 25 2014

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

From: Salmon, Hannah (HKAS) [mailto:[REDACTED]]
Sent: Tuesday, September 30, 2014 1:30 PM
To: Richard Joslin; Larsen, Sonia
Cc: Eileen Alexanderson; John Murphy; Peter Goodwin; Richard D'Agostino
Subject: RE: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

Richard

A company may be voluntarily struck off the register of companies and dissolved without having finalised its accounts for the most recent financial year.

There is, however, a requirement that notice of the striking off is given to certain people connected with the company and the process of finalising the accounts is usually a helpful way of identifying all such people. Therefore, in the absence of the recent accounts, careful thought should be given to ensuring all such people are identified. The people to be notified are:

- the company's shareholders;
- . the company's employees;
- . any creditors of the company (including actual and contingent creditors); . any directors of the company who have not been party to the application; and . any manager or trustee of an employee pension fund of the company.

Please note that we will still need up to date balance sheets for each of the companies, primarily to enable the directors to approve capital reductions to release the share subscription monies before that company is struck off/dissolved.

As there are some outstanding inter-company balances, as you have anticipated, we will also need details of the amounts and the parties. We will wait to hear from Peter and John on this.

As it may be helpful for everyone on this distribution list to see, I have copied below a summary I sent to Eileen a week or so ago setting out the information we need in order to finalise the documentation and the dissolution process

If you have any more questions after speaking with the auditors, please let me know.

We need the following in order to be able to finalise the documents list and draft the full suite of documentation to implement the reorganisation:

- Confirmation as to:
 - o whether the LLP Agreement dated 3 October 2012 was ever signed;
 - o whether Phaidon LLC (formerly JMWT Manager LLC) entered into a deed of adherence to the LLP Agreement;

o whether Phaidon Global LLC and Phaidon LLC have taken any action as members of the LLP; and
o what contracts (if any) the LLP, Topco and Midco are party to.

· Accounts / a balance sheet for each of Topco, Midco and the LLP (which should confirm a number of the assumptions listed in the email of 25 April).

· Confirmation of the consideration for which Phaidon Global LLC will sell the shares that it holds in JMWT Limited to Phaidon LLC.

The balance sheets are crucially important, as much of the reorganisation hinges on the share capital and distributable reserves positions of Topco and Midco. We spoke to Peter Goodwin about this back in June, but accounts / balance sheets were not available at that time.

Timing for the re-org will therefore depend on when we receive the above. We have drafted an umbrella agreement and initial documents list, as well as the steps paper which you have seen, and should be able to produce and finalise the required ancillary documentation quickly once everything is in place.

Kind regards

Hannah

From: Richard Joslin [REDACTED]
Sent: 30 September 2014 14:37
To: Salmon, Hannah (HKAS); Larsen, Sonia
Cc: Eileen Alexanderson; John Murphy; Peter Goodwin; Richard D'Agostino
Subject: FW: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

Hannah/Sonia:

With respect to the contemplated re-organization, please note that the assumption that there is no inter-company debt is inaccurate. Peter Goodwin and John Murphy can provide details so that the documents can be redacted.

A the financial statements/accounts for the year ended June 30 2014 are under review and have not been finalized with Custom House, a question arises if any of these companies can be liquidated pending the open status of accounts and given that the contemplated transaction cannot be closed by June 30, 2014. I stub period submission may also need to be submitted and similar query is applicable.

Given the desire to re-organization as promptly as possible, a question also arises as to the earliest date this can be consummated if not the date of signature of a board resolution or filing for corporate liquidation. Any date as soon after September 30 would be optimal.

The auditors will be in Phaidon offices tomorrow morning so any guidance would be greatly appreciated.

Many thanks
RJ

Richard Joslin
CFO

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([REDACTED]
[REDACTED]
[REDACTED]

From: Salmon, Hannah (HKAS) [mailto:[REDACTED]]
Sent: Friday, April 25, 2014 8:48 AM
To: Eileen Alexanderson; [REDACTED] <mailto:[REDACTED]>;
[REDACTED] <mailto:[REDACTED]>;
[REDACTED] <mailto:[REDACTED]>
Cc: Powell, Luke (LXP); Greenbank, Ashley (DAG); McCabe, Claire (CZM)
Subject: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

All

I attach a documents list for the Phaidon re-organisation. The steps can be summarised as follows:

1. Transfer of Phaidon Press Inc to JMWT Manager LLC (this is on hold).
2. The members of JMWT Acquisition LLP ("LLP") will approve the distribution of the LLP's assets to the members. An application to strike off the LLP will then be made. Companies House will review the application and place a notice in the Gazette. If no objection is filed, approximately 3 months after the date of publication of the notice the LLP will be dissolved.
3. JMWT Topco Limited ("Topco") will complete a capital reduction to create sufficient distributable reserves to enable the shares of JMWT Midco Limited ("Midco") to be transferred to the shareholders as a lawful dividend in specie. £1 of share capital will remain. An application to strike off Topco will then be made. Companies House will review the application and place a notice in the Gazette. If no objection is filed, approximately 3 months after the date of publication of the notice Topco will be dissolved.
4. Midco will complete a capital reduction to create sufficient distributable reserves to enable the shares of JMWT Limited ("JMWT") to be transferred to the shareholders as a lawful dividend in specie. £1 of share capital will remain. An application to strike off Midco will then be made. Companies House will review the application and place a notice in the Gazette. If no objection is filed, approximately 3 months after the date of publication of the notice Midco will be dissolved.
5. Phaidon Global LLC will transfer its shares of JMWT to JMWT Manager LLC.

There will be no liquidator appointed and it is therefore essential that the directors/LLP members are able to identify all the assets and liabilities of the LLP, Topco and Midco.

There will be no need to wait for an entity to be dissolved before the next step can be taken. It should therefore be possible to complete the steps fairly quickly.

We hold the register of members for the LLP and this has not been updated to reflect Phaidon Global LLC and JMWT Manager LLC becoming members of the LLP and PLB LLC and JMWT LLC ceasing to be members, as we were not aware of the transfer of partnership interests. We have also checked the public registers and note that the public registers do not reflect the change in the membership of the LLP. As an initial step, it will therefore be necessary to pass ratification resolutions of the LLP members to confirm the membership of the LLP and update the registers accordingly. If Phaidon Global LLC and JMWT Manager LLC can be included as members from now (rather than ratifying historic membership), this will be a much easier (and preferable) process. Have Phaidon Global LLC and JMWT Manager LLC taken any action as members of the LLP to date?

We have based the steps on the following assumptions:

- the LLP, Topco and Midco have no liabilities (they have given no guarantees, entered into no contracts, there are no loan arrangements in place (intra-group or otherwise) and they have no creditors);
- the share capital of Topco exceeds the value of the Midco shares by at least £1 (this will enable us to reduce the capital of Topco, leaving £1 of capital to create sufficient distributable profits to enable the shares of Midco to be transferred to the LLCs as a dividend in specie);
- the share capital of Midco exceeds the value of the JMWT shares by at least £1;
- the LLP, Topco and Midco have no assets other than the shares of Topco, Midco and JMWT (respectively);
- accounts/balance sheets of Topco and Midco will be provided to show the assets and liabilities of Topco and Midco before each company reduces its share capital, and also an updated balance sheet will be provided following completion of the capital reduction. It is possible to just have accounts/balance sheets for the position following the capital reduction, but as the directors will have personal liability for the solvency statements they make in connection with the capital reduction, it is preferable for them to have accounts/balance sheets to refer to at the time the solvency statements are made;
- accounts/a balance sheet will be provided for the LLP to show the assets and liabilities of the LLP at the time of the distribution of assets to the members;
- the LLP Agreement dated 3 October 2012 was signed;
- JMWT Manager LLC entered into a deed of adherence to the LLP Agreement (we have seen the deed of adherence signed by Phaidon Global LLC); and
- the members confirmed the termination of membership of PLB, LLC and JMWT LLC as members of the LLP (in addition to transferring interests in the partnership to the incoming members which is included in the "reorganization agreement").

If any of the above assumptions is incorrect, please let us know as this will impact on the steps and the documents needed.

Eileen, please confirm if you are happy for us to commence drafting the documents; if you would like to have a

Email: [REDACTED] <mailto:[REDACTED]>

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