

**From:** Ada Clapp <[REDACTED]>  
**To:** Brad Wechsler <[REDACTED]>  
**CC:** Jeffrey Epstein <jeevacation@gmail.com>  
**Subject:** RE: Re AP Investco  
**Date:** Tue, 02 Jun 2015 20:09:11 +0000

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I am not sure I understand your question. Let me confirm with PW but my understanding is that if you are doing the trading as a paid employee of Elysium (whether you are doing it under a POA or an investment agreement) —you may be viewed as being compensated for providing investment advice. In that case, we would want the trading accounts to be in the name of Elysium and to ensure that Elysium falls within the definition of “family office” to take advantage of the registration exception provided to family offices. I will let you know what PW thinks.

What was the purpose behind the Investco wrapper? To segregate investment activities from other family office activities?

**Ada Clapp**

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**From:** Brad Wechsler  
**Sent:** Tuesday, June 02, 2015 2:42 PM  
**To:** Ada Clapp  
**Cc:** Jeffrey Epstein  
**Subject:** Re: Re AP Investco

If I was running elysium as an employee but haad a simple poa from leon individually that's not as clean I guess?  
Sent from my Verizon Wireless BlackBerry

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**From:** Ada Clapp <[REDACTED]>  
**Date:** Tue, 2 Jun 2015 18:14:50 +0000  
**To:** Brad Wechsler<[REDACTED]>  
**Subject:** RE: Re AP Investco

Marco and Phil work with Josh on this. I asked how Josh does it but they would not say (understandable--client confidentiality and all)—but they did say they would recommend this approach. I don't know what JEE's goals for tax reporting are. That has not been shared with me. If you are asking whether you need investco to do the investing, I think the answer is no. Leon could just hire an investment advisor to do his trading pursuant to an investment advisory agreement and avoid violating the Apollo compliance rules by using the certification Cindy Michel sent. However, I don't know how you would get around the registration requirement if you are the investment advisor (I assume you are not a RIA) without the family office exception.

**Ada Clapp**  
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**From:** Brad Wechsler  
**Sent:** Tuesday, June 02, 2015 2:02 PM  
**To:** Ada Clapp  
**Cc:** Richard Joslin; Jeffrey Epstein; Alan S. Halperin  
**Subject:** Re AP Investco

Ada-

1. I assume leon owns 100% of elysium?
2. Its ok to remove me as a member (managing director) of elysium but instead have leon delegate authority to me for managing, signing, etc. I'd leave my title or change it if u want to the more conventional "ceo" if that means anything.
3. Critical point is that this comports with jeffrey's desires/goals for tax reporting.
4. If it doesn't, can ldb just give me a poa without compliance or ria issues. Hasnt rowan's and harris' offices figured this out?

Sent from my Verizon Wireless BlackBerry

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**From:** Ada Clapp <[REDACTED]>  
**Date:** Tue, 2 Jun 2015 15:59:59 +0000  
**To:** Brad Wechsler <[REDACTED]>  
**Cc:** Richard Joslin <[REDACTED]>  
**Subject:** AP Investco

Brad,

I spoke this morning with Alan and Marco Masotti Head of Paul Weiss's Private Investment Funds group and Philip Heimowitz, counsel who specializes in 34 Act and 40 Act issues, including the family office exception. They propose the following tweaks to the arrangement we discussed:

1. Elysium Management LLC, rather than Leon should be the sole member of AP Investco. Phil feels that Investco should be a wholly owned subsidiary of the family office in order to ensure that the arrangement falls within the FO exception.
2. To improve the optics for the FO exception (which requires that the FO be controlled by family members), you would be removed as a Managing Director of Elysium and instead be appointed as an officer with day-to-day operating authority. Leon would be the sole Member and Managing Director.
3. Elysium—as sole Member of Investco, would be able to remove the Manager of Investco only upon 65 days notice. This is to ensure that Leon is not viewed as the beneficial owner of the securities being traded by Investco. They are concerned that this will be the case if Elysium could immediately remove a manager and in that way, control trading. The 65 days comes from practice in this area.

Please let me know if you are comfortable with these changes. If so, Alan will go ahead and draft a very simple LLC agreement as well as the documentation need to accomplish 2 above.

**Ada Clapp**  
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