

From: Paul Barrett <[REDACTED]>
To: Jeffrey Epstein <jeevacation@gmail.com>
Subject: Meeting
Date: Sat, 06 May 2017 16:36:49 +0000

Hi Jeffrey

I am back in town. Let me know if you can meet this weekend. Below is an outline of the proposal:

Proposal: Investment Advisory Proposal between PSB (ESP Advisory LLC will be the entity name once I am able to set it up) and STC.

This proposal shall form the basis of the 3 year agreement whereby JE will hire ESP Advisory to help oversee and manage money for JE and his various legal entities.

- ESP Advisory LLC will be set up as a multifamily office and registered as an RIA with the SEC
- Three-year guarantee in the form of the following:
 - o Year 1 - \$250,000 annual advisory fee paid from STC to ESP Advisory LLC. \$125,000 due upfront and \$125,000 due in 6 months.
 - o Year 1 - \$xxx 9 year loan maturing in 2026 at a rate of 2.03% with interest paid quarterly. Loan made from XYZ JE Entity to PSB (to be formed) LLC. Intention is to extend this loan for another 9 years upon maturity and again until JE's estate ultimately forgives the obligation.
 - o Year 2 - \$250,000 annual advisory fee paid from STC to ESP Advisory LLC. \$125,000 due semi-annually paid in advance.
 - o Year 2 - \$xxx 9 year loan maturing in 2027 at a rate of AFR % with interest paid quarterly. Loan made from XYZ JE Entity to PSB (to be formed) LLC. Intention is to extend this loan for another 9 years upon maturity and again until JE's estate ultimately forgives the obligation.
 - o Year 3 - \$250,000 advisory fee paid from STC to ESP Advisory LLC. \$125,000 due semi-annually paid in advance.
 - o Year 3 - \$xxx 9 year loan maturing in 2028 at a rate of AFR % with interest paid quarterly. Loan made from XYZ JE Entity to PSB (to be formed) LLC. Intention is to extend this loan for another 9 years upon maturity and again until JE's estate ultimately forgives the obligation.
- ESP Advisory LLC to have Limited POA on relevant accounts. This will include trading authority, corporate actions, exercise of options, all IPO and secondary trading activity. All trading authority limited to a notional value of xxx, beyond which JE approval required.
- If any of JE's entities lose counter-party access, this will not impact the 3 year advisory guarantee with ESP Advisory LLC. We will collectively look for other trading relationships that can satisfy the majority of our investing needs.

- HBRK Associates will provide all the accounting and performance reporting for all entities.
- ESP Advisory LLC will be based initially in NYC. This might change in the future.
- SEC registration requires disclosure of the number of clients as well as AUM. Only upon an audit will ESP Advisory be required to disclose client lists.
- PSB will be the Chief Compliance Officer of ESP Advisory. We will also work with an outside Compliance Consultant on an ongoing basis to ensure ESP Advisory is current with all compliance requirements.

Sent from my iPhone