

**From:** Gianni Serazzi <[REDACTED]>  
**To:** "jeffrey E." <jeevacation@gmail.com>  
**Subject:** Re:  
**Date:** Sun, 16 Aug 2015 15:32:50 +0000

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Thank you for your support

I agree that the situation was degenerating from last summer. I had to wait to intervene as I was still in the group and I wanted in any case to get Giancarlo's shares back in case things went bad. I am now sure I will fix it

You have a clear situation in front of you, how would you structure it the best?

Thx  
G

On Sun, Aug 16, 2015 at 3:21 PM, jeffrey E. <jeevacation@gmail.com> wrote:

understood, as you are well aware, the structures could range from a secured loan to biz and you personally . security could not be subject to litigation. ex. structured so the burden is on you . not the lender. the security is transferred on closing and you get it back when money is repaid. not the reverse, . i see that the decline is over a year old. as you say re jean carlo, but obvious by nov. of 14, , we are now sept 15. I only see numbers , not mother or im sure a wide range of jean carlos excuses.

On Sun, Aug 16, 2015 at 8:48 AM, Gianni Serazzi <serazzig@gmail.com> wrote:

I understand and I thank you for your consideration.

The 800 will go to cover net working capital coming from growth and to get one final director for the print division. Of the other 3 directors one is performing really well and the other 2 I just brought them over to these positions in July. If just one of them makes it we will be at 600k profit. About 150-200k need to go to Paris to bring in a strong team and finance net working capital.

As per the forecast vs actual you see very clearly the deterioration coming in the summer of 2014. Giancarlo started spending 2 days in the agency, fired the director and then dealt with the problems of his mother. I am confident that I will put it again on the right track. Not easy but we will become as strong as fashion.

G

On Aug 16, 2015 2:33 PM, "jeffrey E." <jeevacation@gmail.com> wrote:

all the agencies , now sell for roughly 50 - 60 percent of revenue, used to be 100 -125%. no value admittedly to contingent case recovery , which could/ should be out of the deal. ie you keep it . . where does the 800 go, ? if it is to factor receivables. . one thing if it is to buy bookers. another, very aggressive , prior projections are a big neg factor. in valuations. very big. . . some months are off by hundreds of percent. . not good. . I would like you to make a lot of money on your deal. so ownership , is not relevant getting the 800 back with security would be the issue,

On Sun, Aug 16, 2015 at 3:10 AM, Gianni Serazzi <[REDACTED]> wrote:

I think your consideration is accurate.

On top of it you should factor in

-800k would go entirely into the company so that should be added as post money valuation

-on top what is the value of new management (myself) coming in at zero salary? If we use market valuation that's quite an asset

-I only count the cash once we have it, however we have a lawsuit going on with QVC the big client lost

that stole our models internalizing them that the lawyer says will pay minimum 300k and max 800k within 1 to 2 years

-also please remember that it's written Ebitda but it's cash generation pure and simple

Adding these aspects it brings you to the 4m post money valuation that I honestly believe to be a fair value if I were sitting on the other side of the table

Thx

G

On Aug 16, 2015 5:03 AM, "jeffrey E." <[jeevacation@gmail.com](mailto:jeevacation@gmail.com)> wrote:

I've looked carefully at the bad projections and the current numbers only ebitda. It looks as if the value and comps only give it a 1.5--2.2 value . .

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