

**From:** David Stern <[REDACTED]>  
**To:** Jeffrey Epstein <jeevacation@gmail.com>  
**Subject:** Fwd: China  
**Date:** Thu, 17 May 2012 19:30:40 +0000

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Please see below. I suggested a call with you. Weird.....

Begin forwarded message:

**From:** Richard Merkin <[REDACTED]>  
**Subject:** RE: China  
**Date:** 17 May 2012 20:25:33 GMT+01:00  
**To:** "[REDACTED]" <[REDACTED]>

David,

I am going to be in Palm Springs tomorrow running back and forth between two venues. One, a healthcare conference, which is Thursday, Friday, Saturday and a tennis event with Bill Gates Friday, Saturday, and Sunday, so I may be on the court in the afternoon. What I meant by structure would be either convertible preferred or a note with detachable warrants, etc., but most importantly what would secure the investment. I appreciate the benchmarks, but wouldn't each benchmark have to have a tangible worth for security purposes? And I still need clarification on source of revenue. Is there an agreement from a credible buyer to purchase once the benchmarks are met? I'm leaving in an hour for the conference and I should be back Tuesday, so either Wednesday or Thursday should be good.

Begin forwarded message:

**From:** Richard Merkin <[REDACTED]>  
**Subject:** RE: China  
**Date:** 16 May 2012 00:16:20 GMT+01:00  
**To:** "[REDACTED]" <[REDACTED]>

Can you send me a structure that will protect our down side. I will have our counsel, Mike Kelcy review it. He had questions about how do we monetize this, what happens after the expiration of the 5 year contractual period, how does AG capture the benefits of increased efficiency and PRC healthcare delivery system? I think I explained most of his concerns to him, but I wasn't able to specify what secures the \$10M investment. Any help in clarification would be appreciated.