

**From:** Gianni Serazzi [REDACTED]  
**To:** "jeffrey E." <jeevacation@gmail.com>  
**Cc:** [REDACTED]  
**Subject:** Re:  
**Date:** Mon, 17 Aug 2015 08:16:02 +0000

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Can we do this for the French operations? We will need less money for this and I can pay myself the money for the Italian operations.

Thx  
G

On Mon, Aug 17, 2015 at 12:41 AM, jeffrey E. <jeevacation@gmail.com> wrote:

I think sveltana might want to invest 800 e. in return she should receive 50 percent of the co. but you would have the right to buy back half of her position anytime in the next three years for 800 e. in essence leaving you with 75 % after she had her money back, as hers is the most at risk, since the projections have been off dramatically,

On Sun, Aug 16, 2015 at 11:32 AM, Gianni Serazzi [REDACTED] wrote:

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 [REDACTED] 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](mailto:jeevacation@gmail.com)> wrote:

all the agencies , now sell for roughly 50 - 60 percent of revenue, used to be 100 -125%. no value admitteldy 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  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:

ive 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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