

KEY ENTITIES INVOLVED

The Funds

DB Zwirn Special Opportunities Fund, [REDACTED]. (the fund in which we are invested and which is referred to herein as the “Domestic Fund”).

[REDACTED]. Zwirn Special Opportunities Fund, Ltd. (the “Offshore Fund”).

[REDACTED]. Zwirn Special Opportunities Fund (TE), [REDACTED]. (the “TE Fund”).

[REDACTED]. Zwirn Asia/Pacific Special Opportunities Fund, [REDACTED]. (the “Asia Pacific Fund”).

These funds are referred to collectively herein as the “Funds”.

The Zwirn Entities

[REDACTED]. Zwirn Partners, LLC, the General Partner of the Domestic Fund, the TE Fund and the Asia Pacific Fund prior to the transition from Zwirn to Fortress (“DBZGP”).

[REDACTED]. Zwirn & Co., [REDACTED], the Investment Manager of the Funds prior to the transition from Zwirn to Fortress (“DBZCO”).

The Fortress Entities

Fortress Investment Group LLC, a registered investment advisor that is affiliated with the entities that are to be the new investment advisor of the Funds and the new managing member of the Domestic Fund, the TE Fund and the Asia Pacific Fund (“FIG”).

Fortress VRF I LLC, a Fortress affiliated limited liability company newly formed to be the new managing member of the Domestic Fund, the TE Fund and the Asia Pacific Fund after the transition from Zwirn to Fortress (the “New Managing Member”).

VRF I Advisors LLC, a Fortress affiliated limited liability company to serve as the new investment manager of the Funds after the transition from Zwirn to Fortress (the “New Investment Manager”).

The Buyer

VRF I Assets LLC, a limited liability company newly formed primarily to (1) acquire DBZCO’s assets used in connection with DBZCO’s investment management of the Funds and other managed accounts and (2) to perform the major financial obligations in connection with the transactions that implement the transition from Zwirn to Fortress (the “Buyer”).

THE BASIC TRANSACTIONS

Investment Manager Transition Agreement – dated May 1, 2009 by and among DBZCO, DBZGP, FIG, the New Investment Advisor and the New Managing Member. This document created the road map for the transactions effectuated and to be effectuated to implement the transition from Zwirn to Fortress, which transactions are described below and more fully described in the Section below entitled “Summary of Transactions.”

Conversion of the Domestic Fund (as well as the TE Fund and the Asia Pacific Fund) from Limited Partnerships of which DBZGP is general partner to limited liability companies of which the New Managing Member is the Managing Member. The name of the converted limited liability company for the Domestic Fund is D.B. Zwirn Special Opportunities Fund, LLC.

Subscription to and Provision for the Rights and Duties of the Members of the Buyer (VRF I Assets LLC) – accomplished through separate ***Subscription Agreements*** by each of the Domestic Fund, the Offshore Fund, the TE Fund and the Asia Pacific Fund and the execution by all of the Funds of the ***Buyer’s LLC Agreement***.

Purchase of DBZCO’s Assets – pursuant to an ***Asset Purchase Agreement*** dated May 1, 2009 by and between DBZCO as seller and the Buyer as buyer, the Buyer purchases DBZCO’s assets, and assumes DBZCO’s liabilities, relating to DBZCO’s investment management of the Funds and other managed accounts.

Separation of DBZGP’s Economic Interests in the Domestic Fund, the TE Fund and the Asia Pacific Fund from DBZGP’s rights, as General Partner of those Funds, to Manage and Control those Funds; the Conversion of those Economic Interests into Limited Partnership Interests in those Funds; and the Sale of those Limited Partnership Interests to the Buyer pursuant to a Domestic Interest Assignment and Assumption Agreement between DBZGP and the Buyer.

DBZCO ceases to be Investment Manager of the Funds and DBZCO, The New Investment Manager and Buyer Enter into a Transition Services Agreement Pursuant to which DBZCO Makes Certain Assets Available and Performs Certain Services in the Transition of Management from DBZCO to Fortress.

The New Investment Manager and FIG (but only for limited purposes) Sign New Investment Management Agreements with Each of the Funds.

Under the Asset Purchase Agreement, at the Closing of the Purchase of DBZCO’s Assets, the Buyer is Required to Establish and Deposit \$15 MM into a Trust upon the Terms of an Indemnity Trust Agreement, Pursuant to Which an Administrator is to Make Payments to Satisfy Certain Indemnification Obligations in Favor of DBZCO or Certain of Its Affiliates or Current or Former

Principals, Members, Officers, Directors, Partners, Employees or Agents or their Representatives.

The New Investment Manager, DBZCO and the Buyer Enter into an Information Sharing Agreement Relating to Documents and Records Which were not Required to be Delivered by DBZCO to the Buyer Pursuant to the Asset Purchase Agreement because They May Contain Privileged Communications between DBZCO and Legal Counsel or May Constitute Attorney Work Product.

The Buyer Enters into Guaranty Agreements with David Lee, Lawrence Cutler and Other DBZCO Employees Providing Transition Services, Pursuant to Which Guaranty Agreements the Buyer Guarantees Salary, Bonus and Certain Severance Payments under Executive Employment Agreements and Other Employment Agreements.

NOTES FROM THE JULY 20, 2009 FORTRESS MEETING

Fortress Priorities

Understanding the assets/investments of the Funds – We were advised that there are approximately 1200 entities in 200 jurisdictions with which Fortress was attempting to become familiar. Fortress had not done any macro type numbers on the investments. Fortress was reviewing the assets of the Funds investment by investment in order to create a binder of investments for each Fund, which binder was anticipated to be available for review in Fortress's office by any investor in approximately one month. The Investment Binder would detail type of investment, valuation, exit strategy, and would include additional cash requirements of the investment and projected cash flow.

Settling Credit Default Swaps. This was a top priority of Fortress, which claimed that the Funds had CDS notional exposure of approximately \$100 billion, which Fortress advised has been reduced to approximately \$15 billion. Fortress wants to eliminate the exposure so that there are no calls of cash on the Funds.

Determining cash flow needs. Fortress did not set this as the highest priority and did not expect to have a projection of cash flow needs until the end of the summer.

Domestic Fund Constitutes Approximately 33% of the Asset Value of All the Funds.

All of the Funds Have Consented to the Fortress Transition

Liquidity – Fortress advised that there are no more liquid assets in the Funds, and most of the 3rd party lenders have been paid. Fortress acknowledged that the Interfund Notes must be paid before any distributions are made and that the interest on the Interfund Notes exorbitant. However, Fortress advised that Fortress will not release any cash for payment until Fortress settles the CDS exposures and is certain that no other capital calls are due.

Estimated NAV of Domestic Fund – Fortress commented on the DBZCO estimated NAV of the Domestic Fund at December 31, 2008 of \$702MM, advising that \$150MM of that estimated NAV was in the Domestic Fund's "Bernard" subsidiary, which has certain promissory note obligations which do not flow up to the Domestic Fund. Fortress would not commit to the accuracy of the value of the \$702 MM, but did state that it was a significantly discounted figure based on cash flow projections and that actual collection could possibly be higher. Fortress advised that the \$702 MM estimate did not include the \$45 MM to which JEEPERS is entitled to payment under the Settlement Agreement, but did include the value of JEEPERS' remaining investment which Fortress estimated at approximately \$42 MM.

Time Frame for Payment of JEEPERS' \$45 MM under the Settlement Agreement –

Fortress advised that JEEPERS' \$45 million withdrawal was part of a total \$80MM+/- liability with respect to those who redeemed as of December 31, 2007 and that these redemptions had priority over all other redemptions and distributions to investors in the Domestic Fund. However, Fortress would not and said they could not provide any time frame for paying JEEPERS's \$45 MM or the other December 31, 2007 redemptions. However, Fortress advised that it did not anticipate paying off the Interfund Notes until it eliminated CDS exposure and until Fortress got a handle on projected cash flow. Fortress said that it did not anticipate determining projected cash flow until the end of the Summer or early Fall. Based on these statements it did not seem likely that payment of JEEPERS' \$45MM was likely to be made before the December 31, 2009 deadline in the Settlement Agreement.

Time Frame for Initial Investment and Financial Data

Fortress advised that:

- The Fund's Investment Binder would be ready for review in 30 days.
- DBZCO was then working on April and May 2009 NAVs for the Funds and Fortress anticipated that DBZCO would have the NAVs available "shortly."
- Fortress would not release June 30 NAVs to be prepared by Fortress until DBZCO released the April and May 2009 NAVs, but Fortress anticipated that the June 30, 2009 NAVs should be ready by the end of the Summer.
- Fortress anticipated that projected cash flows for the Domestic Fund and other Funds would be ready by the end of the Summer shortly after the June 30 NAVs were prepared.
- Fortress anticipated that 2008 financials would be ready sometime in 2009, but would not be more specific.

Zwirn's Interest in the Funds – All Fortress would tell us about Zwirn is that Zwirn has some interest in the Offshore Fund, does not have an office in Fortress's building and that Fortress did not know what Zwirn was doing otherwise. Note that I remember reading in the Proxy Statement that there is a provision in one of the Transaction documents prohibiting disparagement of Zwirn entites and affiliates, which may have affected Fortress's willingness to discuss anything related to Dan Zwirn.

PROPOSED INFORMATION AND DOCUMENT REQUESTS FOR FORTRESS

- I. Please provide complete closing binder of all executed Transaction documents including the following:
- Asset Purchase Agreement
 - VRF I Assets LLC Limited Liability Company Operating Agreement
 - Subscription Agreements for VRF I Assets LLC
 - DB Zwirn Special Opportunities Fund, LLC Limited Liability Company Operating Agreement
 - Investment Management Transition Agreement
 - Transition Services Agreement
 - Indemnity Trust Agreement
 - Information Sharing Agreement
 - Domestic Fund Interest Assignment and Assumption Agreement
 - New Investment Management Agreement
 - Guaranty Agreements
 - Executive Employment Agreements of David Lee and Lawrence Cutler and Other Employment Agreements of DBZCO employees that are subject to Guaranty Agreements
- II. Please confirm what Transactions from the Fortress transition have closed and what transactions remain to be completed.
- III. Please confirm whether conversion of the DB Zwirn Special Opportunities Fund, L.P. has been completed and when it was completed.
- IV. Please provide a complete schedule of capital contributions made and capital commitments given by each Fund with respect to its membership interest in the Buyer (VRF I Assets LLC). Please confirm what percentage interest is assigned to the membership interest of each Fund that subscribed to the Buyer. Include whether the membership interest is held directly or indirectly and, if held indirectly, the name and jurisdiction of organization of the entity which holds the membership interest. We understand, for example that the Offshore Fund and the TE Fund will subscribe indirectly through wholly owned subsidiaries, but will guarantee obligations to make additional capital contributions as provided in the relevant subscription documents and the Buyer LLC Agreement.
- V. For each of the Transactions, please provide a complete schedule of all payments made or to be made by each party to the transactions, including to whom such payments were made or are to be made. Based on the Proxy Statement, we understand that total cash outlay by the consenting funds will be in excess of \$60 MM to cover initial and ongoing costs of all the Transactions, including (1) the purchase price for DBZCO's assets, (2) the provision by DBZCO and certain DBZCO affiliates of transition services, (3) the wind-down of DBZCO, (4) certain transaction

expenses of the parties and (5) to fund the \$15 MM indemnity trust to cover legal accounting and indemnification expenses of DBZCO and its affiliates and certain of their respective current and former partners and employees. In addition, we also noted that in the Proxy Statement the projected first-year operating budget for the New Investment Manager, excluding any management fees or incentive fees was estimated to be approximately \$61 MM. How accurate were these estimates? What portion of these expenses and costs will be borne by the Domestic Fund? At July 20, 2009 meeting, we were advised that the Domestic Fund would be responsible for roughly 33% of the costs and expenses. Is this accurate? As part of this information, please confirm the amount of the "TSA Budget" that serves as a cap on fees payable by the Buyer to DBZCO under the Transition Services Agreement.

VI. The descriptions of the Transactions in the Proxy Statement refer to a "Measurement Date" on which a number of financial obligations in the Transaction Documents are based. What is the actual "Measurement Date"? We understood from the July 20, 2009 meeting that the Measurement Date was June 30, 2009. Is this correct?

VII. At July 20, 2009 meeting, we were advised that the complete investment binder for the Domestic Fund would be ready for review by us at Fortress's office within approximately 30 days. Is it ready for review?

VIII. At July 20, 2009 meeting we were advised that Zwirn is working on the April 31, 2009 and May 30, 2009 NAVs and should be finished "shortly". Did Zwirn complete the NAVs? If so, please provide.

IX. At July 20, 2009 meeting, we were advised that Fortress anticipated completion of the June 30, 2009 NAV and cash flow projections for the Domestic Fund by the end of Summer. Has Fortress prepared June 30, 2009 NAV? If so, please provide. Has Fortress prepared cash flow projections? If so, please provide.

X. What is the outstanding balance owed by Domestic Fund on Interfund Notes and to which entities is the balance owed? The Proxy Statement provides that as of December 31, 2008, principal balance on the Interfund Notes in favor of the Offshore Fund was approximately \$98MM and accrued and unpaid interest was approximately \$34MM (totaling approximately \$132 MM) and the principal balance on the Interfund Notes in favor of the TE Fund was approximately \$27MM and accrued and unpaid interest was approximately \$10MM (totaling approximately \$37 MM). According to the Proxy Statement, the Interfund Notes were amended from time to time, please provide copies of all the Interfund Notes, including the originals and all amendments or restatements of the Interfund Notes. When do you project to pay off the Interfund Notes?

XI. At the July 20, 2009 meeting, we were advised that the CDS notional exposure had been reduced from \$100 Billion to \$15 Billion. What is DB Zwirn

Special Opportunity Fund's current notional exposure on CDS? When do you project to eliminate the exposure?

XII. What other liabilities are there that must be eliminated before distributions can be paid by the Domestic Fund?

XIII. When do you project to begin and complete distributions to JEEPERS and the other December 31, 2007 redeemers?

XIV. Please provide most recent financial statements of fund, including unaudited financial statements.

SUMMARY OF TRANSACTIONS

I. DBZCO, DBZGP, FIG, the New Investment Manager and the New Managing Member entered into an Investment Management Transition Agreement dated as of May 1, 2009 providing for the transactions described below (the "Transactions"). The Transactions were subject to consent of the Funds. We were advised at the July 20, 2009 Fortress meeting that all of the Funds consented.

II. In the Proxy Statement for the Transactions it was estimated that total cash outlay by the Funds will be in excess of \$60 MM to cover initial and ongoing costs of all the Transactions (excluding payments under the new investment management agreement with the New Investment Manager). In addition, it was also stated in the Proxy Statement that the projected first-year operating budget for the New Investment Manager, excluding any management fees or incentive fees was to be approximately \$61 MM. The accuracy of these estimates is disclaimed in the Proxy Statement and we should request actual numbers from Fortress to the extent they are available. At the July 20, 2009 Fortress meeting, we were advised that the Domestic Fund's allocable share of these expenses was roughly 33% relative to the other Funds. We should get Briger to confirm this as well.

III. As you read through the summary, you will note that the transactions and number of documents are fairly extensive and complex. With the exception of the proposed form of a Limited Liability Company Operating Agreement for the Domestic Fund (when it converts from a Limited Partnership to a Limited Liability Company) and the proposed form of Investment Management Agreement for the New Investment Manager, no actual forms of the relevant transaction documents were provided in the Proxy Statement. Instead, only descriptions of the other documents were provided. It is difficult to fully understand the various indemnification provisions in the transaction documents discussed in the Proxy Statement without reviewing the executed versions of all the documents. I would like copies of all of the relevant documents so that I can prepare a proper analysis of the indemnification rights and obligations of the parties. The description in the Proxy Statement of the Indemnity Trust Agreement is fairly limited and I do not see any limitations in the description of the indemnities under the Indemnity Trust Agreement for willful misfeasance, bad faith, gross negligence and the like. I would like to review the Indemnity Trust Agreement in particular.

IV. The Domestic Fund is to convert or has converted from a Delaware limited partnership into a Delaware limited liability company, and the New Managing Member has become or is to become the Managing Member of that limited liability company. The TE Fund and the Asia Pacific Fund will also convert and their LLCs will also be managed by the New Managing Member.

V. The Funds, directly or indirectly, will subscribe to and become or have subscribed to and become members of the Buyer, which will be a party to the Asset Purchase Agreement, the Transition Services Agreement, the Domestic Funds

Interest Assignment and Assumption Agreement, the Information Sharing Agreement and the Guaranty Agreements. The Domestic Fund and the Asia Pacific Fund will subscribe directly. The Offshore Fund and the TE Fund will subscribe through wholly owned subsidiaries. The subscribing Funds or their subscribing subsidiaries, as the case may be, will make capital contributions and capital commitments necessary to fund all of the Buyer's obligations under the Transactions described in this Summary. The capital contributions and commitments will be in proportion to the respective net asset values of the Funds on the Measurement Date (a date to be provided by Fortress which is based on closing date of the Transactions – based on advice at July 20, 2009 meeting, we believe the applicable Measurement Date is June 30, 2009, but this must be confirmed by Briger). Briger should also confirm the total capital contributions and capital commitments made by each of the Funds or their subsidiaries under the Subscription Agreements.

VI. The assets of DBZCO have been or are to be purchased by the Buyer pursuant to an Asset Purchase Agreement, dated May 1, 2009, between DBZCO and the Buyer. The Buyer will also assume DBZCO's liabilities in respect of contracts assigned to the Buyer pursuant to the Asset Purchase Agreement. In exchange for the assets of DBZCO, the Buyer will pay the following: (1) \$19.75 MM to DBZCO, (2) \$15 MM in trust to be administered under the Indemnity Trust Agreement, (3) all expenses and fees incurred by Buyer and DBZCO in connection with all the Transactions (estimated in the Proxy Statement to be \$14 MM), and (4) all transfer taxes incurred in connection with the Transactions.

VII. DBZCO has ceased to be investment manager of the Funds, and the New Investment Manager has become the new investment manager of the Funds. The New Investment Manager is an indirect subsidiary of FIG.

VIII. The New Investment Manager and FIG have entered into an Investment Management Agreement with each of the Funds. The assets owned by DBZCO which are to be or have been purchased by the Buyer under the Asset Purchase Agreement or are available to Buyer pursuant to the Transition Services Agreement are to be used by the New Investment Manager in performing its duties under the Investment Management Agreement. Under the Investment Management Agreement each of the Funds pays the following:

- A monthly management fee equal to 1% of gross amount collected by the Fund in respect of its assets.
- An incentive fee of 5% of all amounts distributed to investors in excess of the NAV of the Fund as of the Measurement Date (a date to be provided by Fortress which is based on closing date of the Transactions – based on advice at July 20, 2009 meeting, we believe the applicable Measurement Date is June 30, 2009, but this must be confirmed by Briger).
- An amount equal to the Fund's allocable share of the New Investment Manager's costs and expenses (including overhead expenses) payable

quarterly in advance. According to the Proxy Statement first year's projected costs and expenses, excluding the New Investment Manager's management and incentive fees are approximately \$61 MM.

- The Fund's pro rata share (relative to the other funds) of all expenses incurred by the New Investment Manager in connection with the Transactions or relating to DBZCO and its affiliates.

IX. DBZCO, The New Investment Manager and Buyer also will enter or have entered into a Transition Services Agreement pursuant to which DBZCO performs certain services in the transition of management from DBZCO to Fortress. The fee payable by the Buyer under the Transition Services Agreement is equal to the expenses, fees and costs of DBZCO of winding down the operations of DBZCO and its affiliates during the term of the Agreement (initially 12 months). The "fee" is paid monthly in advance and at the end of the month any shortfall is also to be paid by the Buyer. According to the description in the Proxy Statement, the fee is based on a "TSA Budget" provided by DBZCO in the Proxy Statement and the agreement provides that total fees during the term shall not exceed the "TSA Budget" by more than \$500K, subject to certain exceptions. The Proxy Statement is somewhat unclear as to whether the defined term "TSA Budget" means DBZCO's projected budget of \$27MM or DBZCO's projected budget, net of cash and fees, of \$11.6MM, but it appears that the "TSA Budget" is intended to be \$11.6 MM. Briger should confirm this number.

X. Under the Asset Purchase Agreement, at the closing of the purchase of DBZCO's assets, the Buyer is required establish and deposit \$15 MM into a trust pursuant to an Indemnity Trust Agreement. According to the Proxy Statement, the Trust is to be administered by an administrator to be designated "in order to facilitate advancement of, and indemnification for, any costs and expenses (including, without limitations, legal fees and disbursements) and indemnification obligations, whether contingent, known or unknown, that are sustained or incurred by DBZCO or certain of its affiliates or current or former principals, members, officers, directors, partners, employees or agents or their representatives (except for certain excluded persons). . .". No actual copy of the Indemnity Trust Agreement is provided with the Proxy Statement; only a limited description. The description of the Indemnity Trust Agreement does not detail any limitations on the indemnities provided in that document. I would like a copy of the executed document to properly understand the indemnities in that document and any limitations on such indemnities.

XI. The New Investment Manager, DBZCO and the Buyer will enter into or have entered into an Information Sharing Agreement relating to documents and records which were not required to be delivered by DBZCO to the Buyer pursuant to the Asset Purchase Agreement because they may contain confidential communications between DBZCO and legal counsel that may be subject to attorney client privilege or work product doctrine. The agreement requires retention of the documents and records in electronic form for 7 years. It also provides for procedure whereby, upon

request for information by the Buyer or the New Investment Manager, legal counsel of DBZCO will review the request and provide responsive information to the extent that it is non-privileged or, if privileged, is relevant to the business of managing the Funds and the Managed Accounts.

I cannot be certain, but I suspect that Schulte is the legal counsel in respect of which those attorney client privileges are claimed by DBZCO under the Information Sharing Agreement. It is my understanding that Schulte was counsel for the Domestic Fund and I am uncertain how DBZCO can claim privilege as against the Domestic Fund and other Funds (assuming that Schulte was counsel to the other Funds as well). If so, how can documents relating to any of the Funds be privileged from disclosure to the Funds, and isn't the whole Information Sharing Agreement arrangement suspect? Just a point to consider down the line.

Significantly, under the description of the Information Sharing Agreement contained in the Proxy Statement, which is fairly limited, there is reference to a provision in that Agreement relating to certain (unspecified) matters that may be the subject of current or anticipated legal proceedings. As to such matters, according to the description in the Proxy Statement, the Information Sharing Agreement provides that DBZCO, the Buyer and/or the New Investment Manager will enter into a joint defense or common interest agreement so that information can be shared among the parties and their counsel without waiving any privilege applicable to such information. **I would like to know to what extent are our claims against Zwirn subject to this provision and whether the New Investment Manager or any other Fortress affiliate has entered into a joint defense agreement or common interest agreement with respect to our claims.** However, this is probably not a question for your conference call.

XII. DBZGP will sell or has sold to the Buyer its partnership interests in the Domestic Fund, the TE Fund and the Asia Pacific Fund for a total purchase price of \$2.25 MM. DBZGP was to have separated its general partner interest from each such Fund, so that DBZGP's capital account and other economic rights, but not management and control rights, become a limited partnership interest in such Fund. Each of those limited partnership interests was sold or is to be sold pursuant to a Domestic Fund Interest Assignment and Assumption Agreement. As part of that Agreement, DBZGP will grant an option to purchase its interests in the ZM Private Equity Fund I GP, LLC for \$100.

XIII. The Buyer will enter into Guaranty Agreements with David Lee, Lawrence Cutler and other DBZCO employees providing transition services, pursuant to which the Buyer guarantees salary, bonus and certain severance payments under Executive Employment Agreements and other employment agreements.