

**From:** "[REDACTED]"

**To:** "Jeffrey Epstein" <jeevacation@gmail.com>

**Subject:** Fw: China Outbound

**Date:** Fri, 16 Jul 2010 03:00:34 +0000

**Importance:** Normal

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-----Original Message-----

From: Joe Sealy <[REDACTED]>

Date: Fri, 16 Jul 2010 01:48:39

To: [REDACTED] <[REDACTED]>

Cc: Ketan Patel <[REDACTED]>; Francis

Crispino <[REDACTED]>

Subject: Re: China Outbound

David

Thanks for your note.

There are two sets of issues you raise. The first, with respect to economics, we have focused on the deal by deal economics. Reflecting on our last discussion on how to create a performance driven commercial relationship, we would propose the following economics:

\* 3% base per deal for deals accepted. Increments take this to:

\* 25% for deals accepted delivering >3x in 1 year.

\* 15% for deals accepted delivering 2-3x in 1 year.

\* 5% for deals accepted delivering >2x in 2 years. 10% if that exceeds 4x. Target deal size: >\$100m. (Smaller deals at our discretion).

We have already discussed our differences regarding the longer term fund economics and so we should not consider this proposition at this time.

The second issue you raise with respect to governance and decision-making we have not really discussed. However, our intention has not changed from the desire to create an innovative and entrepreneurial venture to unlock unique China outbound opportunities. We clearly need to kick this around to agree how we can achieve this by working together

Hopefully, this clarifies our position. We are of course happy to discuss further.

Regards

Joe

----- Original Message -----

From: [REDACTED] <[REDACTED]>

To: Joe Sealy

Cc: Ketan Patel; Francis Crispino

Sent: Thu Jul 15 15:51:20 2010

Subject: China Outbound

Joe,

As per our last conversation I wanted to give you feedback. Since I have had no further comments from you re the GPC side my current view is as follows:

- you stated that there is a disconnect and I agree this is the case on some items
- I still fail to see the entrepreneurial side and see a structure with little control or decision making
- the deals I generate will go to you and once executed I end up with little. Were I take my deals and "shop them around" to potential investors in my network would not get better terms?
- you mentioned several times that there is a disconnect on the terms. While I thought based on our meeting with Ketan we can discuss these issues it seems that GPC is fixed on the terms which do not work for me, even though - as you stated - more experienced managers accept them. The deals (if they were to work which of course I do not know yet...) would be

groundbreaking and open a new playing field

- another disconnect which is my fault in failing to explain, is your key point that the GPC platform will allow you to raise a dedicated fund following a first successful deal. The capital and fundraising is not why I came to GPC and I believe strongly that I can get all required capital from my sources, especially after deal One.

Considering these points and terms offered which unfortunately do not work for me at this stage, we either discuss a different way of collaboration or revisit ways of partnership in the future once I made substantial progress on this new business. Please let me know your views.

Many thanks  
David