

From: "Rich Kahn" <[REDACTED]>

To: "jeffrey epstein" <jeevacation@gmail.com>

Subject: FW: Requested Documents

Date: Wed, 05 Jan 2011 14:33:39 +0000

Attachments: BE_Trim_view_1_2011.xls; SMG_Proj_2011-2012_v010411.xls

I spoke with Adam last night and reviewed attached this morning. I continue to have concerns about ability of Seed to meet targets and follow plan of cutting expenses. Two disturbing things from call and numbers are:

- a) Adam shows schedule of new 2011 breakeven budget of 1,522,355 and then his CFO says it has not yet been implemented
- b) Adams says he is trying to raise money from investors at Series C pricing giving Seed a valuation of 20,000,000 – I asked him how he has a conscience raising funds with that valuation and his response was I am not directly responsible as Innovium and Walnut are raising funds

In conclusion I have no trust or confidence in Adam and continue to think the best move is not to fund Seed.

Please advise

Rich Kahn
HBRK Associates Inc.

[REDACTED]
[REDACTED]
tel [REDACTED]
fax [REDACTED]
cell [REDACTED]

From: Vera Savcic [mailto:[REDACTED]]

Sent: Tuesday, January 04, 2011 6:25 PM

To: Rich Kahn

Cc: [REDACTED]; [REDACTED]

Subject: Requested Documents

Hi Rich:

Happy New Year to you and your family.

Adam requested that I send you the following documents based on your conversation today, so attached please find:

1. A pared down break even analysis with lowered salaries, etc. showing an annual run rate of \$1.5mm. We have not yet initiated these changes fyi.
2. A revised cash flow based on where we stand today. I have added a few items that remain unfunded from December but the offset is higher cash receipts this month than originally projected.

The largest change in this document is due to an error that I made in the GE recurring monthly fee. Because we expected an extra \$12k from another visualization source in January, I mistakenly copied this formula with the extra \$12k across all cells for the 12 months ending Dec 31, 2011. In other words, the cash flow receipts were overstated by \$150k due to my error. I did find this mistake a few weeks ago, but since we have not been in contact over the past several weeks I have not had the opportunity to advise you of this. If we implement the salary changes and reduced hiring based on the pared down BE, we will make up this difference.

Let me know if you needed anything else.

Best Regards,

Vera