

From: Jeffrey Epstein <jeevacation@gmail.com>

To: Jean Luc Brunel <[REDACTED]>

Subject: Fwd: confidential.

Date: Mon, 15 Feb 2010 00:57:39 +0000

Attachments: AMEX_swimsuit_model.pdf; Picture_6.png; Picture_7.png; Picture_8.png

----- Forwarded message -----

From: TOMMY MOTTOLA <[REDACTED]>

Date: Sun, Feb 14, 2010 at 2:46 PM

Subject: Fwd: confidential.

To: JEFFREY EPSTEIN <jeevacation@gmail.com>

Begin forwarded message:

From: [REDACTED]

Date: February 14, 2010 2:40:06 PM EST

To: Hunter <[REDACTED]>

Subject: Fw: confidential.

Reply-To: [REDACTED]

Sent via BlackBerry by AT&T

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

From: michael jurkovac <[REDACTED]>

Date: Sun, 14 Feb 2010 14:19:44

To: <[REDACTED]>

Cc: Scott Spanjich <[REDACTED]>

Subject: confidential.

INTRODUCING THE FASHIONTRUST®

A NETWORK THAT RE-DEFINES HOW TALENT AND BRANDS
PRODUCE, DISTRIBUTE AND MONETIZE CONTENT TOGETHER!

1. PRODUCE: the art+-fashion group (pier59, 359° productions, 59 red motion, etc.) is the (service-based) support network for "now generation" photographers and the fashionTrust®.

2. DISTRIBUTE: fashionTrust® is the digital media network with proprietary social tools that help models, photographers and other fashion-related members (stylists, hair and make-up artists, promoters, etc.) market themselves.

3. MONETIZE: i think this is what you and tommy are talking about when you ask, "what can we own (beyond the tools outlined in the Confidential Investment Memorandum" – i.e., how do we partner with artists and brands to create original IP – a catalog that we own and license back to the brands.

as discussed, this in essence is what photographers do (they get paid to create assets and then they license the usage of these assets back to the brand and/ or get paid a buyout fee) ... AND what we have been trying to do – albeit one-step at a time – at cYclops LLC with the IP that we create and manage. the fees and overhead for these services (basically \$4M) were not included in the CIM for fashionTrust® because they threw the investment/ return model off. nobody is investing directly in production companies or the content that they create – it is currently a service business.

change the model, change the game.

- step one > ELVIS: we were paid \$240k by RCA to create the platform for the launch of the 30 #1 Hits album. we delivered the "look and feel" for the program; partnered RCA/ EPE with nike, fye and other brands for 2% of the media that they placed behind the program plus the right to produce original "mobile graceland" merchandise for a 12% royalty to EPE. the album sold in excess of 6M copies on a projection of 600k and we were retained to develop the E2: second-to-none property. in february 2005, robert sillerman acquired an 85% interest in elvis presley enterprises, Inc.
- step two > SPORTS ILLUSTRATED SWIMSUIT ISSUE: we were paid \$240k by sports illustrated to produce the 2007 swimsuit: music issue and tnt network special. working directly with editor terry mcdonell we helped produce and score each of the 2007 spreads/ "behind-the-scenes" shoots with original music from beyonce, fergie, [will.i.am](#) and sergio mendes, big & rich, elvis presley, james brown and the stax catalog, amongst others. this soundtrack drove the "look and feel" of the tnt special which we helped SI package to major brands like budweiser and victoria's secret in return for back-end participation and the creation of a disposable iPod which featured the respective playlists. that product was a flop because no one, other than [bud.tv](#), was ever going to buy music for \$19.99 regardless of whether or not it was essentially a CD that played itself. great marketing gimic but not a sustainable revenue model – even with \$1M of bartered SI media support. the cYclick® was born from this experiment and the incremental fees directed to cYclops LLC from the 6-month license we delivered to Budweiser – we owned 66% of the IP/ SI 33%.

New York, NY – Feb. 14, 2007 – Time Inc.'s Sports Illustrated releases its first-ever music-themed swimsuit issue today with an edition that's tied to the sounds of Brazil, Memphis, Jamaica and Miami. The effort will be backed by the release of a series of revolutionary pre-loaded portable digital music players called dop! The dop! players contain over two hours of music inspired by the issue's lush and sexy photo spreads, as well as a music-themed Swimsuit special that will air on cable network TNT on Feb. 17, 2007.

The S.I. dop! music player and cable special are the result of a partnership between cYclops LLC, Sports Illustrated's content Executive Production company, which has been tasked with extending the magazine's brand and print assets into areas of sight, sound and motion and Sports Illustrated.

- step three > SWIMSUIT, DONE RIGHT (original proposal attached below).

for \$2.5M we create our own swimsuit issue, distribute it on CBS the night b4® the super bowl; via covers/ feature editorial in 12 niche publishing titles; and the fashionTrust® online network... and then we license the rights back to participating brands.

we do this by partnering with the artists – in this case the photographers and top models from IMG and marilyn that SI couldn't get – to create a library of IP and merch (digital and hard goods – like pirelli-like calendars, high end coffee table books on each model, supermodel bottle water deals, downloadable music and work-out videos, digital wallpaper downloads, etc.) that we own in perpetuity.

all of which leverages the proprietary fashionTrust® social tools, production and distribution network that is outlined in the CIM.

we pay the photographers and models to OWN the assets in the same way they are paid – but the upside is that we split profits 50/50 with them as IP owners.

jeb in your "say we make \$1M" scenario this is how the profits from the SWIMSUIT, DONE RIGHT would break out:

- fees are a guaranteed to the photogs/ models as draw against editorial/ catalog rates.
we keep 50% of the profits (\$500k)/ the artists split the other 50% (\$250k to the photographer/ \$250k to the model pool).
- we, which includes the photogs and the models, OWN the IP against these splits and the next ten shoots we produce in perpetuity.
the brands own the rights to use the IP for as long as they pay the license.

sports illustrated has built a significant business from this every year – and there is no real money in it for the artists (photogs/ models).

with the proper funding, we can do it better.

in fact, with cYclick® and the content we shot and edited from necker, we just did.

we need the money and the ongoing content/ IP creation team to create 3 or more of these every year – with top photographers, models and musicians... and we need to OWN the IP going forward and then license

it back to the brands AND make money with the artists via the content that we produce, distribute and manage, together.

in the original model, i projected....

YEAR ONE COSTS:

STAFFING \$360,000

ceo, biz/ dev and sales (based on half rate) 120,000

cco, original content (based on half rate) 120,000

head-of-production, original content (based on half rate) 120,000

ORIGINAL CONTENT TEAM \$465,000

editor (based on half rate) 80,000

fashion director (based on half rate) 80,000

designer (based on half rate) 70,000

flash designer/ programmer 70,000

lead writer (based on half rate) 50,000

freelance "stringer" pool (based on 15 features/ blogs per month)
50,000

project/ content manager 65,000

OPERATIONS \$130,000

ORIGINAL CONTENT PRODUCTION \$3,000,000

to produce a monthly "online" fashionTrust® magazine PLUS up to three other original content platforms – SWIMSUIT, DONE RIGHT and two others that we would develop, produce and distribute off of the success/ money generated from the respective SDR licenses.

note: VS spent over \$2M to produce the shoot on necker island and they own it

BUT they didn't get the cbs special and/ or any of the other incremental upsides from our program.

in a perfect world we would have delivered both for in excess of \$4M in licenses...

and owned all of it in perpetuity with the photographer (russell james) and the models (IMG and marilyn girls).

VS would have gotten everything they needed for their SWIM '10 catalog and then some based on the music

and media and "once-click" tools and social network comprised of thousands of models.

note: amex, via guy mcarter and green room entertainment (their media company)

was interested but decided to go with another program – we hadn't shot the necker content

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with the girls we said we could deliver. SI was a safer bet for them.

here's three pages from the SWIMSUIT, DONE RIGHT presentation AND the actual deck.

take a look and call me.

michael jurkovic
ceo, executive producer
cYclops



main
direct
cell

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ceo, executive producer
cYclops

[Redacted]

[Redacted] main
[Redacted] direct
[Redacted] cell

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