

From: Richard Kahn <[REDACTED]>
To: "jeffrey E." <jeevacation@gmail.com>
Subject: Fwd: Information You Requested
Date: Mon, 05 Feb 2018 23:07:21 +0000

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022
tel [REDACTED]
fa [REDACTED]
cel [REDACTED]

Begin forwarded message:

From: "Kelly, William" <[REDACTED]>
Subject: RE: Information You Requested
Date: February 5, 2018 at 5:58:26 PM EST
To: Richard Kahn <[REDACTED]>
Cc: Sam Bain <[REDACTED]>

For Settlement Purposes Only

Dear Richard:

I look forward to speaking with you tomorrow and hope that we can come to a mutually-acceptable resolution of Noam Chomsky's issues with Bainco.

Sam Bain and Isabel Scharmer believe that, in all of their dealings with Noam and specifically in recommending that he invest in the private equity deals, they acted in Noam's best interests in a manner consistent with his stated investment objectives.

My understanding is that Noam made two investments through his Revocable Trust (\$17,500 in 372 Outsmart Ext II and \$100,000 in 500 NRI) and three investments through his IRA (\$75,000 in 372 Outsmart Ext, \$50,000 in 372 RFID CVT and \$25,000 in 372 RFID CVT II), for an aggregate commitment of \$267,500 to private equity.

Sam and Isabel recognize that a protracted debate regarding these investments would be expensive, disruptive and time consuming for both sides and so, without acknowledging any liability, they have authorized me to make the following settlement offer:

- (i) Bainco will identify a third party to purchase the RFID investments at Noam's original purchase price of \$75,000 and will facilitate this transfer; and
- (ii) Bainco will make an additional lump sum payment to Noam in the amount of \$75,000, to cover a portion of his losses on the OutSmart and NRI investments.

With the \$150,000 cash payment and the tax benefit that Noam's revocable trust received on its capital losses on the OutSmart and NRI investments (which we calculate to be approximately \$27,000 based on an assumed combined federal and Massachusetts capital gains tax rate of 25%), Noam's total recovery will be approximately \$177,000.

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Of course, any settlement agreement would include mutual releases and standard non-disclosure and non-disparagement provisions.

Bainco made significant profits (in excess of \$1.5 million through December 31, 2017) for Noam through management of his overall investment portfolio. In light of Noam's express direction (initially in 2008 when Noam became a Bainco client and reconfirmed by him in writing in 2012) to allocate to private equity investments 5% of his investment portfolio (changed in 2012 to 0-10%) investments and his written authorization, after delivery to him of disclosure materials including comprehensive disclosure of risk factors, to make each of his private equity investments, Sam and Isabel are more than willing to defend Bainco's management of his investment accounts, but we hope that their generous settlement offer will permit both Bainco and Noam to put this matter behind them.

I look forward to speaking with you tomorrow, and I trust that we will quickly reach an agreement that will put this matter to rest.

Bill

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William E. Kelly
Senior Counsel

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From: Richard Kahn [[mailto:\[REDACTED\]](mailto:[REDACTED])]
Sent: Monday, February 5, 2018 8:49 AM
To: Kelly, William <[REDACTED]>
Cc: Sam Bain <[REDACTED]>
Subject: Re: Information You Requested

tuesday is best
thank you

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022
tel [REDACTED]
fax [REDACTED]
cel [REDACTED]

On Feb 1, 2018, at 3:46 PM, Kelly, William <[REDACTED]> wrote:

Richard:

I've been working with Sam Bain on a settlement proposal for Noam Chomsky and would like to talk with you about it at your convenience. Tomorrow is a little tight because of prior commitments, but I am wide open on Monday afternoon and most of the day on Tuesday and Wednesday. Is there a time when you'll be available?

Bill

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William E. Kelly
Senior Counsel

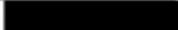
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From: Richard Kahn [<mailto:>] 
Sent: Thursday, January 25, 2018 3:50 PM
To: Sam Bain < >
Cc: Isabel Scharmer < >; Kelly, William < >
Subject: Re: Information You Requested

we are happy to move things out, AFTER a settlement.
I think your lawyer should propose a reasonable settlement and we can move out the next day after signing

Richard Kahn
HBRK Associates Inc.
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tel 
fax 
cel 

On Jan 25, 2018, at 3:37 PM, Sam Bain < > wrote:

Richard,
As I mentioned previously, today is my first day back from vacation; tonight by Fedex you will receive the documentation you requested being sent to you by William Kelly, my attorney at Nixon Peabody. We like you would like to resolve this matter. Additionally, please advise to whom the liquid assets for Noam's accounts will be transferring to?
Sincerely,
Sam

Samuel E. Bain
CEO, Founder, Managing Partner

699 Boylston Street | 10th Floor | Boston, MA 02116

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██████████ | ██████████

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