

**From:** "jeffrey E." <jeevacation@gmail.com>  
**To:** Melanie Spinella <[REDACTED]>  
**Subject:** Fwd: PRIVILEGED & CONFIDENTIAL  
**Date:** Wed, 06 Dec 2017 22:46:17 +0000

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please read the whole page

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

**From:** Bronstein, Richard J <[REDACTED]>  
**Date:** Sat, Dec 12, 2015 at 6:30 PM  
**Subject:** RE: PRIVILEGED & CONFIDENTIAL  
**To:** "jeffrey E." <jeevacation@gmail.com>

I would hope that we could have a discussion and even disagree without it being an argument ;-)

But I'll take the bagel anyway.

Richard J. Bronstein | Partner  
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[REDACTED] | [REDACTED]

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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, December 12, 2015 2:36:43 PM  
**To:** Bronstein, Richard J  
**Subject:** Re: PRIVILEGED & CONFIDENTIAL

I love a good argument but want to make sure you see it the same way . When I am in New York I'll come by with a bagel

On Saturday, 12 December 2015, Bronstein, Richard J <[REDACTED]> wrote:

Same view with or without Richard. I think that time commitment understanding came from Brad W, I assume he got it from Leon but I don't know for sure. If business continues down, then Leon is just getting a timing benefit (assuming that write-off comes before he dies). How much is that worth?

We are for sure on the same team, everything is based only on what I believe to be Leon's best interests, please don't take differing views as suggesting anything else.

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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, December 12, 2015 1:30:51 PM

**To:** Bronstein, Richard J

**Subject:** Re: PRIVILEGED & CONFIDENTIAL

i understand your concern. . however the greatest likelihood is that this business will continue its downward spiral. leon will also end up writing off the debt . please keep in mind that you and I are on the same team. , - we have not met. . I have great respect for your tax views . do you do many 1040 audits ? if brad did it all without richard, , same view. the time commitment that you referenced. did you get that from Leon?

On Sat, Dec 12, 2015 at 1:17 PM, Bronstein, Richard J <[REDACTED]> wrote:

I understand the technical arguments, which are not so bad, but the concern comes from the facts that LDB doesn't really want to get out and will stay involved and he is not dealing with unrelated persons, he is dealing with an employee and his brother-in-law, neither of whom really want to own this business, they are doing this only because LDB asked them to do this. Plus if the business increases in value and LDB buys it back at FMV, then he will give up some or all of the tax savings in the repurchase price. So he is taking risk for a benefit that he might not get to keep.

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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, December 12, 2015 1:11:47 PM  
**To:** Bronstein, Richard J  
**Subject:** Re: PRIVILEGED & CONFIDENTIAL

if it were publicly traded stock, wash sale rules would apply, and be clear. even you had every intention of buying it back after 30 days, would you still be concerned. is there a way that you feel comfortable.

On Sat, Dec 12, 2015 at 1:06 PM, Bronstein, Richard J <[REDACTED]> wrote:

Brad W pays 1/3 to 1/2 cash plus nonrecourse note, put after two years at FMV, put expires after five years. I would rather have no put at all, but apparently Ressler (all cash) insists on it, so Brad would have it, too.

Frankly, we can dress the transaction up all we want, but I think the IRS will not approve the transaction in any event, on audit they will be skeptical and believe that there is an understanding that LDB will take care of the buyers and they will believe that he and his wife want to keep the business (and the facts will show that they stayed involved and didn't reduce their time commitment at all) , and we will face an ugly choice between settling by giving up 40-60% of the loss or going to Tax Court, which will result in an embarrassing article in the Wall Street Journal.

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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, December 12, 2015 12:55:58 PM  
**To:** Bronstein, Richard J  
**Subject:** Re: PRIVILEGED & CONFIDENTIAL

what do you suggest

On Sat, Dec 12, 2015 at 12:51 PM, Bronstein, Richard J <[REDACTED]> wrote:  
I'm not sure there is any difference between (a) 25% cash plus 75% nonrecourse note and (b) 100% cash and recourse note with put at 75%. Either way, I would prefer more than 25% exposure to buyer.

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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, December 12, 2015 12:37:13 PM  
**To:** Bronstein, Richard J  
**Subject:** Re: PRIVILEGED & CONFIDENTIAL

understood, what do you think of the fixed price put below purchase price. . and that brad pays for it , he should also pay real interest , and full recourse note are you ok with 25% below purchase price

On Sat, Dec 12, 2015 at 11:02 AM, Bronstein, Richard J <[REDACTED]> wrote:  
No sales tax because the underlying asset is an intangible, i.e., an interest in Phaidon Global LLC, so an sale of an individual interest is a sale of an intangible. Different answer if the undivided interest relates to tangible assets (e.g., art).

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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Saturday, December 12, 2015 9:39:59 AM  
**To:** Bronstein, Richard J  
**Subject:** Re: PRIVILEGED & CONFIDENTIAL

I suggested no pik , full recourse put below purchase that he buys, . 25%.

Rick, if the trust were to enter into a common interest agreement and sell leon a 5 % interest is it your view that there would be sales tax on the sale of the interest. . ? its more like an llc or corp , than tangible?

On Fri, Dec 11, 2015 at 5:01 PM, Bronstein, Richard J <[REDACTED]> wrote:

I agree no PIK interest is best. I also prefer full recourse, I have told that to Brad W. We have also said that cash/recourse should be at least 50% of purchase price to avoid option treatment.

I don't really like fixed price put, it makes it even less like a sale, but I would be curious to know what fixed price you have in mind. If it is not substantially higher than the purchase price, it might look like a financing.

We have indicated that the put should not be exercisable for 2-3 years, so it makes sense to me that the note should be longer, like 5 years.

Assignment is not relevant, Brad W is signing and closing at the same time.

Payment for put should be not necessary if put is FMV.

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**From:** Halperin, Alan S  
**Sent:** Friday, December 11, 2015 4:56 PM  
**To:** jeffrey E. <jeevacation@gmail.com>; Brad Wechsler <[REDACTED]>  
**Cc:** Bronstein, Richard J <[REDACTED]>; Lakhdir, David K <[REDACTED]>  
**Subject:** RE: Re:

By copying Rick, I am asking for him to weigh in. Thanks. Alan

**Alan S. Halperin** | Partner  
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[REDACTED] | [REDACTED]

**From:** jeffrey E. [mailto:jeevacation@gmail.com]  
**Sent:** Friday, December 11, 2015 4:33 PM  
**To:** Brad Wechsler <[REDACTED]>; Halperin, Alan S <[REDACTED]>  
**Subject:** Re:

my preference , 1 no pik interest on note. 2. terms of put should be fixed price, rather than market. i prefer full recourse,note, . 24 to 48 months, buyer can assign purchase obligation. . brad should pay for put,

On Fri, Dec 11, 2015 at 3:59 PM, Brad Wechsler <[REDACTED]> wrote:

Jeffrey,

Fyi. Please see the attached.

**Yvonne Berger / Executive Assistant to Mr. Wechsler**

**IMAX Corporation / Ph: [REDACTED] / Fax: [REDACTED]**

**[REDACTED] / [REDACTED]**

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