

From: Eileen Alexanderson <[REDACTED]>
To: "[REDACTED]" <jeevacation@gmail.com>
Subject: Re: Phaidon
Date: Fri, 12 Apr 2013 22:44:37 +0000

Rate is 12%. No actual interest is paid though. Will send you the docs tomorrow morn and will relay how Tom is handling.

From: Jeffrey Epstein [mailto:jeevacation@gmail.com]
Sent: Friday, April 12, 2013 06:39 PM Eastern Standard Time
To: Eileen Alexanderson
Subject: Re: Phaidon

sub-part f is not a problem at all, i would like to see how tom showed this investment, what is the interest rate and terms of top mid debt. . i would like to see the debt docs

On Fri, Apr 12, 2013 at 6:06 PM, Eileen Alexanderson <[REDACTED]> wrote:
Jeffrey, See Phaidon org structure attached.

Mechanics of the purchase were as follows:

PLB LLC was funded with \$54mil from the Black Family 1997 Trust, \$3mil from the Black Family 1997 GST Exempt Trust, and \$10mil from the LDB 2011 LLC. JMWT LLC was funded with \$67,000 from Leon. These provided funding for the JMWT Acquisition LLP. Bidco (JMWT Ltd) purchased the shares of Phaidon Press Ltd. The acquisition purchase price paid from JMWT Ltd (through client account at Macfarlanes) was £41,000,000 + .005 stamp tax (\$67mil).

In between, 2/3 of the funds were booked into the Topco as equity and 1/3 into the Midco as debt. From a US perspective the funds into JMWT Ltd were treated as an equity contribution. This debt is just between the topco and the midco and was established for UK interest deductibility purposes and be converted to equity if we choose. Great care was taken to avoid creating phantom income.

Profit or loss at Phaidon Press level has no impact for us until we choose to issue a dividend. The one issue I believe you will need to consider if Phaidon was to purchase are relates to the US tax aspects of subpart F income and whether Phaidon owning art (or eventually selling it at a gain) would create that type of income. I believe it might.

As I mentioned this morn, I have a call on Monday morning set with the tax guy at PWC-you are welcome to join-he is flexible re what time.

Best, E.

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

From: NY_730_11_XRX_COPYROOM [mailto:NY_730_11_XRX_COPYROOM@apolloip.com]
Sent: Friday, April 12, 2013 5:33 PM
To: Eileen Alexanderson
Subject: Scan from a Xerox Color

Please open the attached document. It was scanned and sent to you using a Xerox Color.

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