

From: "jeffrey E." <jeevacation@gmail.com>
To: David Mitchell <[REDACTED]>
Subject: Re: Antiquorum Budget 2014 [REDACTED] High, Base, Low Cases
Date: Thu, 05 Jun 2014 21:15:13 +0000

nothing attached

On Thu, Jun 5, 2014 at 12:23 PM, David Mitchell <[REDACTED]> wrote:

I would never take this type of risk when I take over this asset

Please note new location:

DAVID MITCHELL
Mitchell Holdings

[REDACTED]

Begin forwarded message:

From: Bruno <[REDACTED]>
Date: June 5, 2014 2:21:29 PM EDT
To: 'David Mitchell' <[REDACTED]>
Subject: RE: Antiquorum Budget 2014 [REDACTED] High, Base, Low Cases

David:

"Other Contractual Expense"

The drop in "cost of revenue" between 2013 and 2014 is due in large part to extraordinary "other contractual expenses" which accounted for \$535K in the May '13 Geneva sale and a one-time finder's fee of \$165K relating to the consignment of high-value timepieces.

"Other contractual expenses" refers to charges incurred by the company when a lot is hammered below the reserve price. For instance if a consignment contract is concluded with a reserve price of \$11,000, a 5% vendor commission and hammered at \$10,000 the company will post the following:

- "vendor commission" revenue: \$500 (5% X \$10,000 Hammer Price)
- "other contractual expenses" cost: \$1,000 (Reserve - Hammer Price)

In the May '13 sale three high value lots sold below the reserve price which resulted in an extraordinary cost of \$535K for the company.

Catalog Production

Between 2013 and 2014 the company pared down the catalog distribution list by weeding out the VIP recipients who haven't transacted over the last three

years. It results in an annual savings of \$500K.

Best,

Bruno

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

From: [REDACTED] [mailto:[REDACTED]]
Sent: Wednesday, June 04, 2014 7:33 PM
To: David Mitchell
Subject: Re: Antiquorum Budget 2014 [REDACTED] High, Base, Low Cases

- 1- Due to high value lots that sold below reserve in one particular sale last year. Will explain in more details on the phone.
- 2- Cut down the catalog distribution hence significant savings in print and fulfillment cost.
- 3- Cut travel requirements to essential staff only for previews and auction sales.

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

From: David Mitchell
To: Bruno
Subject: Re: Antiquorum Budget 2014 [REDACTED] High, Base, Low Cases
Sent: Jun 4, 2014 6:35 PM

What is the reason the cost and sale expense is so dramatically different

David Mitchell
MITCHELL HOLDINGS LLC
[REDACTED]

On Jun 4, 2014, at 6:22 PM, "Bruno" <[REDACTED]> wrote:

David:

As a follow up to our conversation of yesterday please find attached for your review the following documents:

- Consolidated [REDACTED] High Case; we assume 100% of the budget is achieved for the balance of the year
- Consolidated [REDACTED] Base Case; we assume 85% of the budget is achieved for the balance of the year
- Consolidated [REDACTED] Low Case; we assume 75% of the budget is achieved for the balance of the year

I added the low estimate value (value of consigned merchandise) and hammer price data for comparison purposes against the previous years.

Text me if you'd like to go over the numbers this evening; I'll be available after 8:30pm.

Best,

Bruno

Bruno Ayanian

Chief Financial Officer

Antiquorum USA, Inc.

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<AQ Conso [REDACTED] Budget 2014 Base Case 85%.pdf> <AQ Conso [REDACTED] Budget 2014
Low Case 75%.pdf> <AQ Conso [REDACTED] Budget 2014 High Case 100%.pdf>

Sent via BlackBerry by AT&T

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please note

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