

**From:** Darren Indyke <[REDACTED]>  
**To:** "jeffrey E." <jeevacation@gmail.com>  
**Subject:** Fwd: [BULK] Re:  
**Date:** Mon, 30 Jun 2014 19:19:51 +0000

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Please advise.

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Begin forwarded message:

**From:** Ari Glass <[REDACTED]>  
**Subject:** RE: [BULK] Re:  
**Date:** June 30, 2014 at 3:17:14 PM EDT  
**To:** 'Darren Indyke' <[REDACTED]>

It would be complicated to wait another month – [REDACTED] be only investor in the fund and only accomplish not getting access to first loss.

We need the sub docs in today.

Regarding everything else – lets sign whatever you have as a version at 4 pm today and have god faith understanding that we will deal with it in coming days

Do whatever he is fully comfortable with today as long as we have full understanding that we then work on later

**From:** Darren Indyke [mailto: [REDACTED]]  
**Sent:** Monday, June 30, 2014 2:59 PM  
**To:** Ari Glass  
**Subject:** [BULK] Re:

I thought there has to be a 10% illiquid position threshold before we begin to evaluate the percentage increase in illiquid positions. Let's just include provision to work together in good faith to develop specific criteria for the Liquidity Agent to use in making an Illiquidity Determination. I have marked suggested changes from the 6-24-14 draft on the attached. I also sent your suggestion below to JE.

I will go through all the sub docs and make sure they are ready to be submitted, assuming I get your and JE's approvals. Alternatively, JE said that if this has to wait another month, then fine.

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On Jun 30, 2014, at 1:09 PM, Ari Glass <[REDACTED]> wrote:

If we declare a liquidity event –(And the liquidity agent agrees)- it means that we are certifying a certain percentage of our portfolio as illiquid.

2 types of illiquidity

First loss managers who have a locked up period for their capital. Even though this capital is highly unlikely (as in never happened yet) to cost us trading [REDACTED], the money is needed for margin.

The proportionate shares of locked up first loss capital would be one bucket of illiquid. –Jeffrey should have less concerns on this bucket as its not really ongoing [REDACTED] risk (not zero but highly unlikely)

The second is real illiquid. In this case, if paying out a full redemption would increase the percentage the remaining investors have in illiquid position by more than 10% (for example if the implicit portion of other LPs investment would go

up by more than 10% -meaning if they had a 10 % illiquid position it would now go to 11% illiquid, this would be considered to be substantial and any amount above that would be held back until those positions were liquidated. –in this case ■ proposing only amounts in excess of the 10% change. So if you pull out \$10m of an \$80m fund and now 8 /70 is illiquid, then 11.43% is illiquid. Since that changed the illiquid percentage by more than 10% then the excess (.43%) would be deemed illiquid and stuck in the fund until those position actually liquidate.

Of course if we declare a full fund liquidation then it changes everything. Then all investors get out pro rata and ill have my money stuck in fund as discussed until you are fully redeemed

Ari Glass

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