

From: "jeffrey E." <jeevacation@gmail.com>

To: Melanie Spinella <[REDACTED]>

Subject: Fwd: FW: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

Date: Mon, 22 Dec 2014 22:08:23 +0000

Attachments: 29074893_1_Umbrella_agreement.DOCX

Inline-Images: image001.gif

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

From: **Richard Joslin** <[REDACTED]>

Date: Mon, Dec 22, 2014 at 5:53 PM

Subject: FW: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

To: "jeffrey E." <jeevacation@gmail.com>

Per the below – EA is to take care of the confirmations (first bullet)

From: Eileen Alexanderson

Sent: Monday, September 22, 2014 8:36 AM

To: Richard Joslin

Subject: FW: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

Good morning Rich. I will take care of the necessary confirmations. I would appreciate your touching base with Peter re the accounts requested. Thanks.

From: Salmon, Hannah (HKAS) [[mailto:\[REDACTED\]](mailto:[REDACTED])]

Sent: Monday, September 22, 2014 7:24 AM

To: Eileen Alexanderson; Larsen, Sonia; Lakhdhir, David K

Subject: RE: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

Eileen

We need the following in order to be able to finalise the documents list and draft the full suite of documentation to implement the reorganisation:

- Confirmation as to:

- whether the LLP Agreement dated 3 October 2012 was ever signed;
 - whether Phaidon LLC (formerly JMWTL Manager LLC) entered into a deed of adherence to the LLP Agreement;
 - whether Phaidon Global LLC and Phaidon LLC have taken any action as members of the LLP; and
 - what contracts (if any) the LLP, Topco and Midco are party to.
- Accounts / a balance sheet for each of Topco, Midco and the LLP (which should confirm a number of the assumptions listed in the email of 25 April).
 - Confirmation of the consideration for which Phaidon Global LLC will sell the shares that it holds in JMWTL Limited to Phaidon LLC.

The balance sheets are crucially important, as much of the reorganisation hinges on the share capital and distributable reserves positions of Topco and Midco. We spoke to Peter Goodwin about this back in June, but accounts / balance sheets were not available at that time.

Timing for the re-org will therefore depend on when we receive the above. We have drafted an umbrella agreement (copy attached) and initial documents list, as well as the steps paper which you have seen, and should be able to produce and finalise the required ancillary documentation quickly once everything is in place.

Kind regards

Hannah

Hannah Salmon
Solicitor
Macfarlanes LLP

20 Cursitor Street London EC4A 1LT

Description: Description:
Macfarlanes

From: Eileen Alexanderson [<mailto:>]
Sent: 19 September 2014 22:41

EFTA01003135

To: Salmon, Hannah (HKAS); Larsen, Sonia; Lakhdhir, David K
Subject: FW: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

Had not realized this ball was in my court. Please let's proceed asap. My original direction was to complete for June 30th. Please tell me what is realistic turnaround. Thanks, Eileen

From: Salmon, Hannah (HKAS) [mailto: [REDACTED]]
Sent: Friday, April 25, 2014 8:48 AM
To: Eileen Alexanderson; [REDACTED]; [REDACTED]; [REDACTED]
Cc: Powell, Luke (LXP); Greenbank, Ashley (DAG); McCabe, Claire (CZM)
Subject: Phadion re-organisation [MACS-LIVE_LIB.FID2559344]

All

I attach a documents list for the Phaidon re-organisation. The steps can be summarised as follows:

1. Transfer of Phaidon Press Inc to JMWTL Manager LLC (this is on hold).
2. The members of JMWTL Acquisition LLP ("**LLP**") will approve the distribution of the LLP's assets to the members. An application to strike off the LLP will then be made. Companies House will review the application and place a notice in the Gazette. If no objection is filed, approximately 3 months after the date of publication of the notice the LLP will be dissolved.
3. JMWTL Topco Limited ("**Topco**") will complete a capital reduction to create sufficient distributable reserves to enable the shares of JMWTL Midco Limited ("**Midco**") to be transferred to the shareholders as a lawful dividend in specie. £1 of share capital will remain. An application to strike off Topco will then be made. Companies House will review the application and place a notice in the Gazette. If no objection is filed, approximately 3 months after the date of publication of the notice Topco will be dissolved.
4. Midco will complete a capital reduction to create sufficient distributable reserves to enable the shares of JMWTL Limited ("**JMWTL**") to be transferred to the shareholders as a lawful dividend in specie. £1 of share capital will remain. An application to strike off Midco will then be made. Companies House will review the application and place a notice in the Gazette. If no objection is filed, approximately 3 months after the date of publication of the notice Midco will be dissolved.
5. Phaidon Global LLC will transfer its shares of JMWTL to JMWTL Manager LLC.

There will be no liquidator appointed and it is therefore essential that the directors/LLP members are able to identify all the assets and liabilities of the LLP, Topco and Midco.

There will be no need to wait for an entity to be dissolved before the next step can be taken. It should therefore be possible to complete the steps fairly quickly.

We hold the register of members for the LLP and this has not been updated to reflect Phaidon Global LLC and JMWTT Manager LLC becoming members of the LLP and PLB LLC and JMWTT LLC ceasing to be members, as we were not aware of the transfer of partnership interests. We have also checked the public registers and note that the public registers do not reflect the change in the membership of the LLP. As an initial step, it will therefore be necessary to pass ratification resolutions of the LLP members to confirm the membership of the LLP and update the registers accordingly. If Phaidon Global LLC and JMWTT Manager LLC can be included as members from now (rather than ratifying historic membership), this will be a much easier (and preferable) process. Have Phaidon Global LLC and JMWTT Manager LLC taken any action as members of the LLP to date?

We have based the steps on the following assumptions:

- the LLP, Topco and Midco have no liabilities (they have given no guarantees, entered into no contracts, there are no loan arrangements in place (intra-group or otherwise) and they have no creditors);
- the share capital of Topco exceeds the value of the Midco shares by at least £1 (this will enable us to reduce the capital of Topco, leaving £1 of capital to create sufficient distributable profits to enable the shares of Midco to be transferred to the LLCs as a dividend in specie);
- the share capital of Midco exceeds the value of the JMWTT shares by at least £1;
- the LLP, Topco and Midco have no assets other than the shares of Topco, Midco and JMWTT (respectively);
- accounts/balance sheets of Topco and Midco will be provided to show the assets and liabilities of Topco and Midco before each company reduces its share capital, and also an updated balance sheet will be provided following completion of the capital reduction. It is possible to just have accounts/balance sheets for the position following the capital reduction, but as the directors will have personal liability for the solvency statements they make in connection with the capital reduction, it is preferable for them to have accounts/balance sheets to refer to at the time the solvency statements are made;
- accounts/a balance sheet will be provided for the LLP to show the assets and liabilities of the LLP at the time of the distribution of assets to the members;
- the LLP Agreement dated 3 October 2012 was signed;
- JMWTT Manager LLC entered into a deed of adherence to the LLP Agreement (we have seen the deed of adherence signed by Phaidon Global LLC); and
- the members confirmed the termination of membership of PLB, LLC and JMWTT LLC as members of the LLP (in addition to transferring interests in the partnership to the incoming members which is included in the "reorganization agreement").

If any of the above assumptions is incorrect, please let us know as this will impact on the steps and the documents needed.

Eileen, please confirm if you are happy for us to commence drafting the documents; if you would like to have a call with us (and Sonia and Gregor) to discuss any of the above points before we begin drafting, please let us know your availability.

Kind regards

Hannah

Hannah Salmon
Solicitor
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 Description: Macfarlanes

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