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Subject:

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n June and then again Sept, we both agreed to a 50% of **phaidon** payout., then only after weeks, when you delayed any detailed discussion of money wanting to give the issue a thoughtful response (which I fully understand) . you unilaterally changed changed our agreement. . 5m would be reserved for the future ? . and out of the remaining 15m ,? i would receive only a third. (note : I'm confident that both the debt , and the **artspace** investment will also lead to a write off of another 30 m. plus) In my dining room ,you were surprised when I said that i require most people to pay their advisory fee up front so that I am assured that I will be properly compensated for my work when strategies are implemented . you may recall that you appeared offended and said " are you suggesting that i would go back on my word " I said no , of course not ! you are my closest of friends ,but my experience is that when amounts get large, people tend to get unhappy when it actually comes time for them to pay

I included in this letter the email i sent to you on April 15, the day i was examining your returns It laid out my understanding of the compensation for a transaction of the magnitude to the penny of the one just completed. though the number was great it was clear. When it appeared that the details could now be worked out I was the first to say , it is too much money, however.

From day zero I proposed to discount to 50 - 60 million the fair price of the transaction just completed . including Phaidon. . though this amount was already substantially less than our agreed and negotiated formula. - I was never told that this was out of range. in fact, alternative methods of payment . plane, or an -in-kind payment were discussed (ie including keeping the 30m portion of fee outstanding till March) ,I provided as you specifically requested a detailed step by step execution plan and reviewed all documents that i was given access to. (Phaidon was not forthcoming) in order to make my many corrections . I was then told that **Alans** involvement warranted a discount . Even in the best of light , though it is beyond question that not one time in the three years of his retainer has he ever **proposed** a unique idea. (including any way to deal with the use issue on debras death ,or even the most basic review of your largest asset by far , the BRH agreement.) O.K. - lets say he made a contribution to the plan and stretch reality beyond the pale and say it was 50 % . though no one could posit such a large amount unless they were wearing a brightly colored clown suit. , the payment associated with the deal was known . It had both sent in writing and spoken about on the phone numerous times , a detailed execution plan was provided . then and only then after all was laid out for the group I was told that after a number of conversations with brad **karp** that a total of only 20m would be paid , (and even that was more than originally contemplated) for both transactions . Leon I feel It was remarkably unfair. I wondered whether brad even knew of our prior agreement.? I called him and he said he was never told.?, I would ask that you I and Brad **karp** sit together if you think it would be helpful. . I would like to send him this email, with your consent of course.

If the transactions were never consummated , i would not be owed a dime, however , the expected fee was known up front. , the detailed step by step plan was followed and overseen by me, the amount that I had requested before the transaction was even begun, and had already been heavily discounted, out of friendship, from our agreement . I believe the decision re only paying 20 m has frankly , left me felling quite uneasy.

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please note

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