

Jeffrey, I spoke to Tom Turrin, Wendy Dulman and Brad Okun. Apparently we have had to make many filings related to the foreign based companies Apollo owns for quite some time and will be subject to the new filing requirements that begin in 2011 anyway. No one I spoke to felt an investment in the UK LLP would give us any greater exposure.

You had mentioned forming a holding company. I'm not completely sure what you meant by a Holding company but are you comfortable with the structure articulated below and on the attached chart? or should we form a holding company for the interests of the LDB 2011 LLC and what I identify above as the Yet to be named Delaware LLC? I can issue promissory notes for the transfer if you believe I should make loans rather than direct transfers. Also, yesterday I suggested the 1997 repaying what it owes Leon and Leon making a new loan to that trust but can't he just forgive the loan we currently have out now? Thanks!!!

Structure/transaction update(please see attached chart also):

UK Acquisition LLP will have 3 Members:

LDB 2011 LLC (Black 2022 Trusts are the members of this LLC)

Yet to be name Delaware LLC (1997 Trust, 1997 GST Trust, LBF Hldgs for 2006 Trust)

JMWT LLC-General Partners (Leon Black .001% interest)

Board of the Acquisition LLP will be composed of one representative from each Trust (ie. a Trustee)
+ Leon Black

Topco Directors- LB, EA(for ease of administration)

Midco Directors- LB, EA

Bidco Directors- LB, DRB, EA

PPL Ltd=operating company=Directors will include 5 Senior Execs of Phaidon, Leon, Debra, the kids and potentially other appointees with publishing expertise or other additive capability. But this last category compose an Advisory Board rather than be part of Phaidon's Corporate Board.

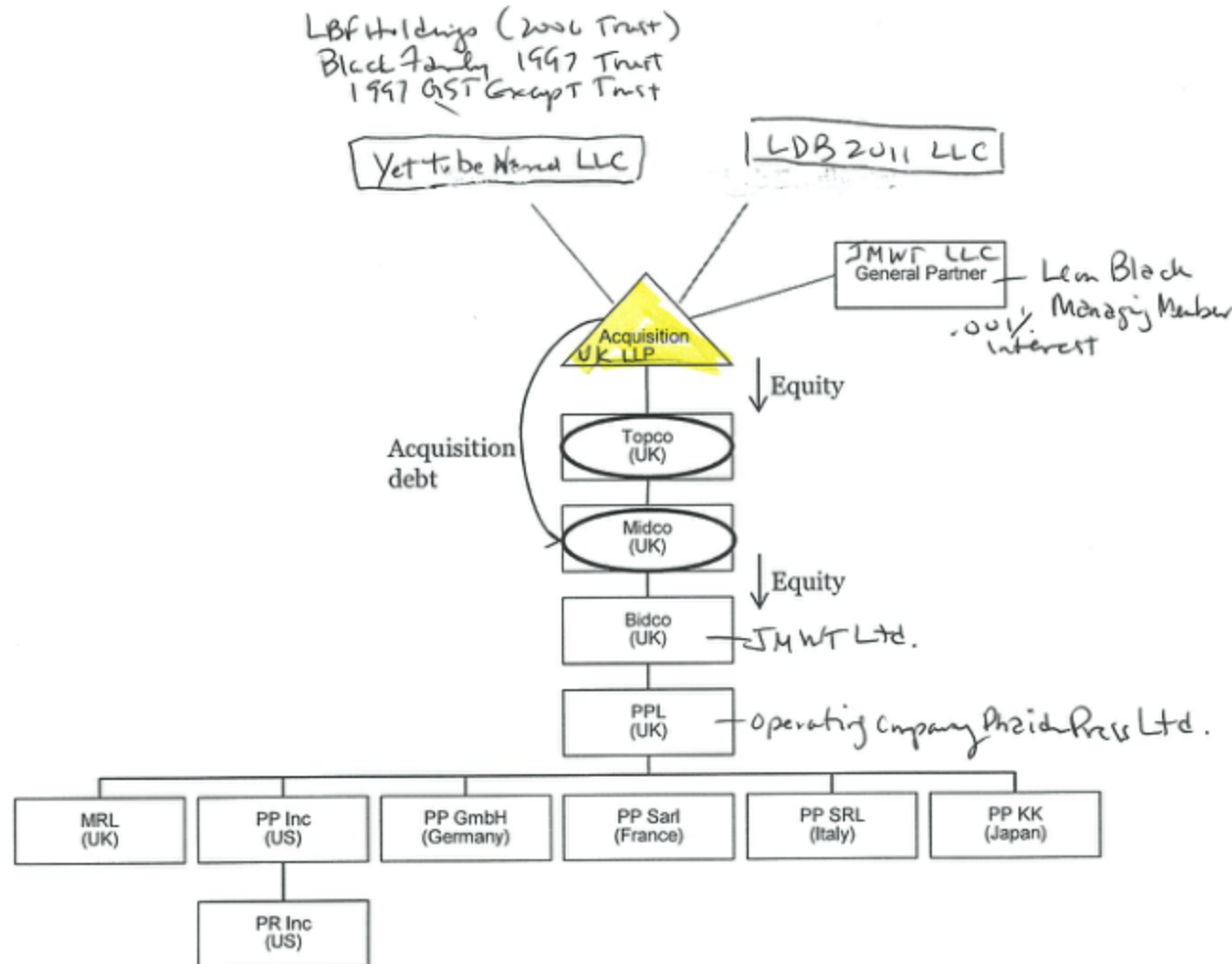
Mechanics for the flow of funds: Macfarlanes will receive the purchase monies into their client account and make the payment to the Sellers on behalf of the Bidco.

Completion: Representative of JMWT LLP must sign the Share Purchase Agreement. Leon Black as Managing Member will sign. He is not signing on behalf of the trusts. The trustees will sign the documents prepare as described below*

*Documentation will then be drafted post completion to support the steps as they are to be executed ie. subscription of equity and loan agreement for temporary debt. Board minutes will reflect intentions ie. subscriptions for equity, taking on debt, buying target and why these are all in groups interest.

Update 10/1/12

Draft



Governance -
Acq LLP Board =
 one rep for each trust
 + Lem Black as
 managing member

Topco - LB, EA

Midco - LB, EA

Bidco - LB, DB, EA

PPL Ltd - 5 Exec Dir
 for Mgmt
 LB, DB
 + kids
 + other
 members
 to be
 determined

27 August 2012
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TBD - May also put kids
 on Board of the UK LLP and