

- 12/21/06 The 2006 Judah GRATs A-K were formed. Leon contributed his ownership of an Apollo management entity into each GRAT per assignment and assumption agreements dated that same day. (see attached list)
- 12/21/06 The Black 2006 Family Trust was also created. At their termination, GRATS A-K assets were to pour over into this trust.
- 4/11/07 LBF Holdings was formed with GRATs Judah Trusts A-J as its members but not funded.
- 4/19/07 GRATs A-J transferred their assets into LBF Holdings in exchange for interests in LBF Holdings.
- 4/20/07 Deposit of \$431,696,805 from debt financed dividend into LBF Holdings #1 Acct 4548.
- 6/6/07 2007 Judah GRATs ~~L-O~~ ^{effective 5/1/07} were formed with Apollo CoInvests and Advisor assets contributed in per the assignment documents that day (see attached list) The Black 2007 Family Trust was also formed on June 6, 2007 to receive assets at the termination of these GRATs.
- 5/17/07 Black Family Partners was formed May 17, 2007. LBF Holdings, Leon, the 1992 Trusts, and Judah Trust GRATs K-O assigned their assets to Black Family Partners.
- 7/13/07 The strategic sale proceeds of \$460,545,600 were deposited into the LBF #2 money mkt acct 1195832 and then transferred on 7/17/07 to the Investment acct 4902 at US Trust.

Total annuity payments due to Leon in December 2007 and December 2008 were \$637,884,541 for GRATs A-K and \$220,640,193 for GRATs L-O in June 2008 and 2009 for a grand total of \$858,524,734.

During 2007 \$94.9mil investments were made.

HISTORY:

	4/16/2007 Valuation
LBF Holdings LLC	
Judah Investment Trust A (AM III)	0
Judah Investment Trust B (AM IV)	\$ 838,243
Judah Investment Trust C (AM V)	\$ 3,100,119
Judah Investment Trust D (AM VI)	\$ 49,236,845
Judah Investment Trust E (AIM)	\$ 206,673,688
Judah Investment Trust F (Value)	\$ 14,746,190
Judah Investment Trust G (SVF)	\$ 104,220,741
Judah Investment Trust H (Asia)	\$ 15,503,790
Judah Investment Trust I (Europe)	\$ 163,757,015
Judah Investment Trust J (AAA)	\$ 120,539,149
Goodwill	\$ 272,320,082
Total:	\$ 950,935,862

List of Entity Values (as of April 19, 2007):

LBF Holdings	
Management III	\$ -
Management IV	\$ 838,243
Management V	\$ 3,100,119
Management VI	\$ 49,236,845
AIM	\$ 206,673,688
Value Management	\$ 14,746,190
SVF Management	\$ 104,220,741
Asia Management	\$ 15,503,790
Europe Management	\$ 163,757,015
AAA	\$ 120,539,149
Goodwill	\$ 272,320,082
Total:	\$ 950,935,862

Ownership percentages of Black family Partners (transfers occurred on June 7, 2007):

LBF Holdings LLC	\$ 851,690,121	67.60%
Judah Investment Trust K (AA VI)	\$ 19,861,216	1.58%
Judah Investment Trust L	\$ 24,098,404	1.91%
Judah Investment Trust M	\$ 58,791,672	4.67%
Judah Investment Trust N	\$ 49,073,988	3.89%
Judah Investment Trust O	\$ 53,838,110	4.27%
Leon D. Black Investment Trusts A	\$ 25,352,301	2.01%
Black family 1997 Trust	\$ 23,274,198	1.85%
4 separate 1992 trusts for Leon Black's children	\$ 72,431,735	5.75%
4 separate 1988 trusts for Leon Black's children	\$ 3,215,230	0.26%
Leon Black (individually)	\$ 78,339,645	6.22%
TOTAL:	\$ 1,259,966,621	100.00%

List of Entity Values (as of June 7, 2007):

LBF Holdings	\$ 851,690,121
SVF Advisors	\$ 44,880,073
Value Advisors	\$ 10,664,982
Asia Advisors	\$ 11,358,014
SOMA Advisors	\$ 14,301,558
Advisors IV	\$ 37,484,586
Advisors V	\$ 84,143,973
Advisors VI	\$ 68,935,204
AAA Associates	\$ 53,838,110
Co-Investors III	\$ 7,200,000
Co-Investors IV	\$ 7,600,000
Co-Investors V	\$ 22,500,000
Co-Investors VI	\$ 34,050,000
AIC Co-Investors	\$ 7,800,000
Value Co-Investors	\$ 2,920,000
SVF Co-Investors	\$ -
SOMA Co-Investors	\$ 600,000
Total:	\$ 1,259,966,621

SUMMARY:

GIFTS by LDB

	Original values	2006 Trust now owns	3/31/12 value
GRAT A-J	950,935,862	70.8% int in BFP	847,110,588
GRAT K	19,861,216	1.8% int in BFP	21,583,324
	970,797,078		\$868,693,912
GRATs L-O	185,802,174	Judah '09 Trust owns 8.9% BFP	105,999,226
\$	1,156,599,252		\$974,693,138

See Q 7/24/12
undiscounted

this GRAT terminates in Aug 2013 - I have borrowed from the '06 Trust to make annuity payments so in kind transfer looks likely at termination with ownership ultimately split between the '97 & '06 Trusts

Annuity payments rec'd by LDB from the Judah GRATs

Dec '07 A-K	289,947,420
Dec '08 A-K	347,936,903
June '08 L-O	100,290,998
June '09 L-O*	120,329,195
\$	858,504,516

*These GRATs lacked insufficient liquidity to make final payment in cash

Payment made in kind to LBF in lieu of loan repay and to LDB for annuity payment. LDB then gifted to Judah 2009 Trust which became a new member of Black Family Partners@7.75% This also increased % ownership of LBF in Black Family Ptrs

Income rec'd by LDB post GRATs

Div & TRA
Conlv Income

HISTORY/STRUCTURE

Judah trusts A-K formed 12/21/06, L-O formed 6/6/07

Trusts are irrevocable

Leon & John Hannan are the trustees

For the benefit of the settlor and the beneficiaries

Leon contributed his entire ltd partnership interest in the various Apollo Management LPs into GRATs

Each GRAT set up to hold a specific property

Fair mkt value of the entities at time of formation of the trusts is paid out over two years in annuity payments (\$858 mil) with minimal gift tax paid.

Assets in Trusts A-K move into 2006 Family Trust upon termination of the GRATs

Assets in Trusts L-O move into 2007 Family Trust upon termination of the GRATs

2006 Trust, through LBF, becomes the member of BFP Holdings and small direct partner in BFP (due to GRAT K) upon termination of GRATs A-K as of December 20, 2008. The 2007 Trust becomes a member of BFP at termination of GRATs L-O in June 2009. Terms of the 2006 and 2007 Trusts mandate all income and operating profits of Trusts gets paid out to Leon. This is subject to review to avoid potential estate tax issues.

LBF Holdings formed 4/11/07

Judah Trusts A-J are the members

Leon is the sole manager

Black Family Partners LP formed May 17, 2007

Family Partnership – traditional asset protection vehicle, also an estate planning tool in that it gives the donor the ability to transfer assets to descendants at a lower transfer tax cost than in a direct transfer

Black Family Partners GP established and capitalized to act as GP of the Family LP for creditor purposes-this is the sole manager of BFP. Leon is the sole member with 100% of interests

Parents and trusts contributed assets to LP and then LP interests were assigned

GP has mgmt rights, LPs do not

Income is shifted to the members who own the partnership interests since income and gains get allocated among partners based on % interests

Assets owned by the family limited partnership are owned by the entity and not the various partners

BFP was set up to exist for perpetuity or until dissolution action is taken

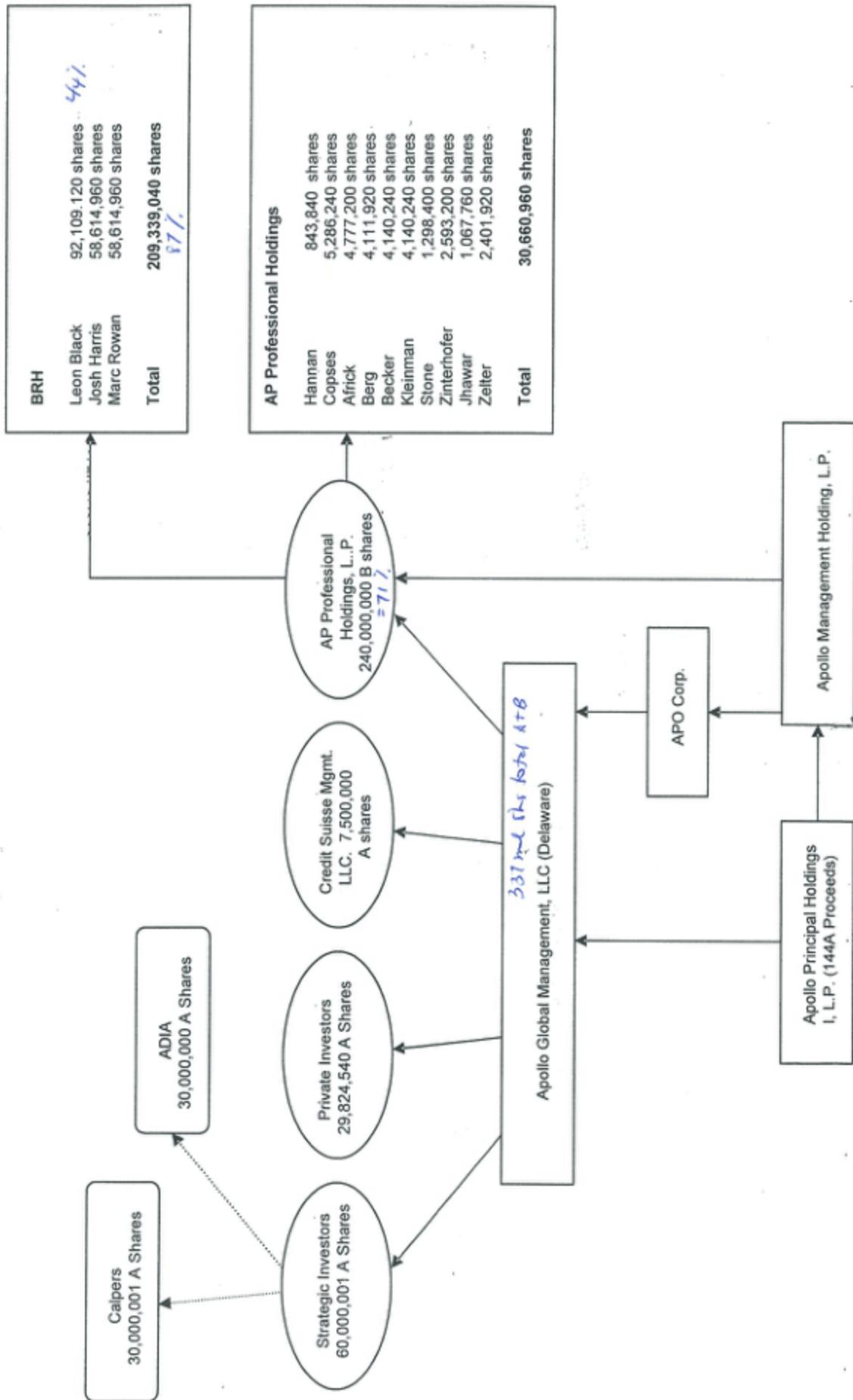
A family partnership allows parents to give away assets but retain control through control of the GP

Family partnership keeps assets in the family since the partnership agreement limits the ability of any partner to transfer his or her partnership interest to any outsider without the consent of other partners

Re creditor protection-creditors of partners have substantially less rights than they would have against assets directly owned by a debtor not inside a partnership. Absent any fraudulent conveyance to the partnership, a creditor generally may not reach specific partnership assets

The consolidation of family assets into a single Family LP gives significant efficiencies in investment, accounting, and management expenses

Multiple entity structures using limited partnerships, corporations, trust arrangements, foundations, retirement plans, life insurance and the like enable both tax planning and orderly wealth transfer, but also, importantly, facilitate the additional benefit of asset protection



List of Ownership Pre-Roll Up

Judah Investment Trust A	- Apollo Management III, LP
Judah Investment Trust B	- Apollo Management IV, LP
Judah Investment Trust C	- Apollo Management V, LP
Judah Investment Trust D	- Apollo Management VI, LP
Judah Investment Trust E	- Apollo Investment Management
Judah Investment Trust F	- Value Management
Judah Investment Trust G	- SVF Management
Judah Investment Trust H	- Asia Management
Judah Investment Trust I	- Europe Management
Judah Investment Trust J	- Apollo Alternative Assets, LP
Judah Investment Trust K	- 142/492.86 points in Advisors VI
Judah Investment Trust L	- 379.5/625.9 points in Advisors IV - 3.41%/18.91% of Co-Investors IV
Judah Investment Trust M	- 351.86/503.59 points in Advisors V
Judah Investment Trust N	- 350.86/492.86 points in Advisors VI
Judah Investment Trust O	- AAA Associates
Leon D. Black Investment Trust A	- 151.73/503.59 points in Advisors V
Black Family 1997 Trust	- 246.4/625.9 points in Advisors VI - 5.65%/23.1% of Co-Investors V - 7.5%/19.91% of Co-investors IV
4 Separate 1992 Trusts for Kids	- Value Advisors - AIC Co-Investors - Value Co-Investors - Co-Investors VI - 17.45%/23.1% of Co-Investors V
4 Separate 1988 Trusts for Kids	- 8%/18.91% of Co-Investors IV
Leon Black (individually)	- SVF Advisors - Asia Advisors - SOMA Advisors

All Management Companies and Advisors are now owned in Black Family Partners through BRH. CoInvests are owned directly by Black Family Partners