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Subject: PPF Follow-up Materials

Date: Mon, 31 Jan 2011 19:49:53 +0000

Attachments: Considerations_in_the_Valuation_of_Interests_in_Estate_Freeze_Entities.pdf; PPF_2010_-_Jeff_Epstein_-_4-ppt.zip

Jeffrey,

As promised, attached please find the abbreviated flipbook with comments as to where some of the assumptions/numbers came from. A few other important notes to consider:

- Attached is the white paper from Empire Valuation entitled "Considerations in the Valuation of Interests in Estate Freeze Entities." The discounts applied in this paper should foot to the discounts used in the generic model that was provided.
- With regard to whether there is liquidity with which to pay the preferred payments, as can be seen on page 3 of the white paper, one doesn't have to assume that the entire balance sheet is illiquid; rather one may assume that the hypothetical funding value is composed of various asset classes, some of which have realized economic performance that would provide liquidity for the annual fixed payments to the preferred. The discounts on each of those asset classes differ, and the discount we assumed on the asset funding is a weighted average of the discounts assumed on each asset class.
- Comments are inserted throughout the pages of the deck to facilitate understanding and address questions that were raised on the call.
- The economic flows slide on page 12 of the new deck shows the cash flows summarized on slide 11.

Regards,

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