

From: Eileen Alexanderson <[REDACTED]>

To: "[REDACTED]" <jeevacation@gmail.com>

Subject: Fw: please see attached re our conversation later

Date: Sun, 30 Sep 2012 15:19:54 +0000

Attachments: img-926105557-0001.pdf

Update on the attached structure chart for our purchase of Phaidon by the Trusts: the decision was to use a UK LLP instead of the Scottish one largely because the setup process (ie. You need Scottish counsel and a Scottish registered address) is easier and the PWC man could not convince all others that there was enough benefit. I've been advised there is a definite advantage to having the trusts own this through LLCs instead of going directly in (as you read in the email I forwarded from Gregor) and Leon will enter through a separate LLC than the trusts and be the Managing Member. I'm just thinking through governance and who should be on what Boards. The Trustees then would be the members of the LLP. Bidco will be buying and own the shares of PPL. Since money for that is coming from the trusts I am thinking at least one of the Trustees should be on this Board with Leon and Debra-correct? Leon wants the kids themselves to be part of this too as a learning experience and as prep for one of them potentially running this someday-I am thinking they should only be on the Board of PPL, the actual company, Phaidon Press Ltd with the Exec Directors from company management and a few additional outsiders Leon has in mind with Publishing expertise-or could/should they be on the bidco board? I was advised board meetings of these UK cos need to take place in the UK or you can jeopardize status as a UK company. Leon & Debra are there frequently, the kids less so. Errors in my thought process so far?

I've also been thinking through your idea of Leon lending money to the trusts in the name of an opportunity to forgive over time and thereby make gifts to the trust. One of the trusts owes Leon \$20mil. I was going to use \$21 mil I now have on hand in that trust for the purchase. I can first pay Leon back on the outstanding loan and then make a new loan if that makes sense. Debra has \$4mil left on her gift exemption, Leon I believe has less than \$2mil. Can I make the loan and then forgive in December to use up the gift exemption, or is that too soon. If not, how should I size the loan. \$20mil just seems large unless you do the forgiving over a very long period of time. Thanks, sorry for imposing on your Sunday, just need to go in tomorrow armed. Best, Eileen

----- Original Message -----

From: Eileen Alexanderson

Sent: Wednesday, September 26, 2012 11:08 AM

To: McCaffrey, Carlyn <[REDACTED]>

Subject: please see attached re our conversation later

-----Original Message-----

From: NY_730_11_XRX_COPYROOM [mailto:[REDACTED]]

Sent: Wednesday, September 26, 2012 10:56 AM

To: Eileen Alexanderson

Subject: Scan from a Xerox Color

Please open the attached document. It was scanned and sent to you using a Xerox Color.

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