

To: Jeffrey Epstein[jeevacation@gmail.com]
From: David Stern
Sent: Fri 9/11/2009 9:27:27 AM
Subject: F Update

Below same summary as yesterday but with confirmed speaking engagements included.

Current Liabilities: £ 4,684,436 (completeness not confirmed, no tax status available)
Might be able to negotiate to defer / convert into 10-year notes (approx. £ 2.5 million)

Business Model:

Use Mothers Army brand (MA) in all activities.
(MA stands for integrity, consciousness, morals, etc)

Revenues:

Current deals, not signed – DS reviewed contracts:

- Handmade Films for animation of children characters:
 - o Executive Producer for series “Tea For Ruby”: 15% of producer fee, 7.5% of Handmade fee
 - o Series “Tea for Ruby”: £125K upon signing against 5% of production budget; 30% adjusted gross of all revenue
 - o Series “Little Red”: £75K upon signing against 2.5% of production budget; 30% adjusted gross of all revenue
 - o Series Nat Geo Kids: £15K per episode; 15% producers fee; 30% of adjusted gross
 - o Option to acquire 500,000 shares in Handmade Kids Inc. (to be established) as non-executive Director

Current deals, not signed, DS is still waiting for contract drafts to verify:

- Book “Mothers First” to be published by Atria: US\$500k milestone based plus unknown royalty
- Star Branding (Hilfiger) & Castle Hill (manufacturer): fashion line with Tommy Hilfiger support. Castle Hill guarantees sale of US\$18m over 3 years of which F. royalty is 8% of which 40% goes to Star Branding (*note: bad financial deal but F states that Tommy Hilfiger wants to create TV show starring F and himself about the launch of this label – this would put F. back on screens of US households*)

Speaking Engagements Confirmed Bookings:

Gilda's Club Cancer Benefit

Friday, March 19, 2010

Davenport, Iowa

Fee: US\$45K gross/US\$35K net plus US\$7500 travel

Michigan State University – Women in Leadership

Friday, April 16, 2010

Detroit/Lansing, Michigan

Fee: US\$40K net plus \$7K travel

Women for Women Annual Power of the Purse Luncheon

Wednesday, May 5, 2010

Greenville, NC

Fee US\$25K minus 12% plus roundtrip air UK/US

Celebrity Series/Washington Speakers Bureau

Monday May 10, 2010

Denver, Colorado

Fee: US\$50k + hotel and meals – does not include air /ground travel

Discussions held but no contracts, nothing verified:

- Handmade/United Business Media merchandise: US\$ tbd
- QVC selling products of F: US\$ tbd
- Frozen Food with Findus Group: US\$ tbd
- TV show Pony Express in association with Target: US\$ tbd

Structure:

Mothers Army Inc or Ltd (need to check tax / JEE preference)

49% F equity / 51% JEE

F Salary on US\$250.000/year

Receive income as loan: pledge stock

Initial Basic Set Up:

(fire all current staff)

Office in New York (or London)

1 Managing Director (identified by DS)

1 PA

Estimated Basic Budget p.a (not discussed with F.) : US\$ 1.1 million

F Salary US\$250.000

MD Salary US\$170.000

Legal US\$200.000

Travel US\$300.000

Office costs incl PA: US\$150.000

Misc : US\$30.000

Note: question is whether the office and her location should be in NYC. Would make sense because UK market is poison for her and business is in US. Travel costs would be exchanged for NYC living cost (rent etc)

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