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**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Monday, September 19, 2016 6:56 PM  
**To:** Melanie Spinella

dec 2015

IT, still desperately needed=reporting flawed cumbersome and inaccurate . all done by hand as =A0 one -off exercises , - airplane: re structure, (my only sugge=ted priority in june ) is really ,no further ahead, ,consultants up the kazoo but nothing at all done.( the office was told that i cannot even see the proposals=20 received without brads specific authorization ) - brad has no idea ev=n as to what questions to ask. he knows little of finance, is run roughshod over by almost everyone in the office. he is a little man ,=20 using your power, to appear larger . Eileen was self aware enough to know she was over her head , that is a huge difference. bad inf= is rampant ie 3 million in deductions Im told are taken for art space but on closer examination i= turns out they cannot be used at all. ( ZERO benefit ) though you will be told=20 yes they were deducted on the return they said that is the question=20 they get asked ! " were they deducted " not -" i= there a benefit " !! I asked for the balance sheet and P and L for Regan arts , a basic first step in order to check your financials. =C2 "sorry we never got one?" though 9.8 million invested, no p&l, =A0 nothing , a construction project run amok , no budget, the coo fired aft=r only 3 months. , no clue . I can add that artspace

As yo=r friend and in order toturn the page. I will try to be constructive=br>The following is a list of things I think would be in your=interest to get done asap .but definitely not by me .

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i suggest you form new grats. =A0 , hire a high level tax partner. use your trading accoun=s as they remain the paramount requirement 16 months after i emailed to you the=r importance. , I suggest you consider having the 49percent of <=pan>phaid=n merged into artspace and have Richard buy artspace. re-do bank loans. no need to pay interest at higher rates on b=at or plane. . as Richard is now no longer trustee. re- do will, =A0 make suydam executor , with Barry, =nd john as back up. pay 1 million a year for executor role. =A0 get rid of Judy Black trust, deal with gifts and their=tax returns, . review amounts to kids at fixed ages. put more protec=ions in for Alex and Victoria. , distribute some money to kids let them make decisions. =, decide art division with children in attendance . have fire drill done=on estate. fill out estate returns as if you and Debra died today, choos= advisers=/span> - rick bronstein said the only 1040 he ever=filled out was his own. ( this is brads chosen advisor??!) Halperin has a conflict that should be addressed., Debra should enter a tenants in common agreement with kids. you have airplane consultants tax consultants it consultants. plan= operation consultant. . boat consultants. architects, lighting , art, =A0 legal, . foundation , deal with TRA , BRH , rationalize investments. cash flow. reporting, gaming disclosures.=20 foreign, gift. . prepare tax projections for 15 and 16, . deal with neg basis ( tufts gain, debt financed. art partnership, pledges. se=I stock , art, deal with phaidon debt. athene,? income , capital , foreign , exit, corporate, insurance regs, out and inbound issues, basis, appropriate discount rates. = terminations. control. , qualified dividends. corporate tolls, inversion rule=. , issues, short swing and other sec disclosur=s, Rothsh=ild bank, 150 b they have a distribution network with no products = private bank Rockefeller Rothschild. financial service. deal with UK=20 visa issue sooner rather than later. we can talk about Rowen request =e Athene , 2 billion in taxes on transaction. ?!

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the facts as i see them

in June and then a=ain Sept, we both agreed to a 50% of phaidon payout., then after weeks of thinking about the issue ( which = fully understand ) . the payout was unilaterally changed . 5m wouldl =e reserved for the future ? . and out of the remaining 15m ,? i would=20 receive only 5. ( note : I'm confident that both the debt ,=and the a=tspace investment will also lead to a write off of another 30 m. plus=C2 ) In my dining room ,you were surprised when I said that i require most=20 people to pay their advisory fee up front so that I am assured =hat I will be properly compensated for my work when strategies that I devis= are implemented . you may recall that you appeared offended

=A0 and said " are you suggesting that i would go back on my word " =A0 I said no , of course not ! you are my closest of friends ,but my experience is=20 that when amounts get large, people tend to get unhappy when it actually comes time for them to pay ,.

From day zero a 50 - =0 million price was attached as the fair price of the transaction just=20 completed . though this amount was already substant=ally less than our agreed and negotiated formula. - I was never tol= that this was out of range. in fact, alternative methods of payment= . plane -in-kind etc, were discussed ( ie keeping the 30m portion of =A0 fee outstanding till March ) ,I provided as requested a detailed =C2 step by step execution plan and reviewed all documents that i was given acce=s to. ( Phaidon was not forthcoming ) in order to make my=many corrections . I was then told that Alans involvement warranted a discount . Even in the best of l=ght , though it is beyond question that not one-,not -one time in th=ee years has he ever proposed a unique idea. (including the new tenant in common idea,) and =ets say he made a contribution to the plan and even that it was 50 %. =A0 though no one could posit such a large amount unless they were wearin= a brightly colored clown suit. , the price of doing the deal was=known . It had both sent in writing and spoken about on the phone nu=erous times , a detailed execution plan was provided . then an= only then after all was laid out for the group I was told that after a number o= conversations with brad karp that only 20m would be paid , (and even that was more than originally contemplated ) for both transactions . I feel It was rema=kably unfair. Did brad even know of our prior agreement.? =A0 I called him and he said he was never told.?, I would ask that you I and Brad karp sit together if you think it would be helpful. . I would like to sen= him this email, with your consent of course. If the transactio=s were never consummated , i would not be owed a dime, however , the price=20 was known up front. , the detailed step by step plan was followed and=20 overseen by me, the price that had been requested before the transaction was begun, and had lready heavily discounted, out of friendship, =A0 from our agreement . I believe the decision re paying only 20 m has =20 frankly left me felling quite uneasy.

since you asked since last nov. i found=C2 11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon shwoing that john murph= is not an accountant. redid your gagosian contract , . =A0 organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt wit= bad sales tax use tax income tax . created 8 millino in deductions=C2 ,500k in mistakes , found bank of scotland fbar problems, . . reorg bad art purchases , funds taken, , charibale decustions , helped with fincnac=l sttment gamoing commions fling. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i =ent an email saying you would have to pay more. . on april 15. I sent =n email detailing payments owed if i could figure out the basis issue, =C2 please see attached, .

questions you might ask your team=C2 ask them to provide a balance sheet or p&l for REgan=arts. . doesnt exist

ask . either wechsler or haperin to tell you what brh is, or how the tra=20 works. . . ? as bronstein to tell you why the proposed phaidon=20 transaction DOES not work. . as them to give you a plan for the=plane. ? ask them to show you the cash mgmt for over 100 million doll=rs. . ask them to show you the IT system progress after one year. . the=20 approval process for payables. . the cash flow projections? assumptions? ask for a comparative review of investments. ask h=perin to describe to you in any detail BRH , the major asset of his two biggest clients. tax basis, disposiotion in the estate. . etc. ask br=d to show you the liquidation of the inteveing art space cos? .

Last year you asked , for my help I told you I preferred not =s we would be better off having no financial intereactions. the risk was n=t worth it. You told me that as my friend i had to do it =A0 I agreed., here we are in what I find to be an awkward situation. t=e transactions that i decvised were used , our agreement was ignored. a=d im not sure how to respond.

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since you asked since last nov. i found \$11 million dollars in dormant accounts. 4 million dollars in eileens drawer. . went through cash flows for phaidon showing that john murphy is not an accountant. redid your gagosian contract , . \$A0 organized structure in case of divorce. set up gift trust. stopped ada from including multiple times things not in your interest. dealt with bad sales tax use tax income tax . created 8 million in deductions \$2,500k in mistakes , found bank of scotland fbar problems, . reorg bad art purchases , funds taken , charitable deductions , helped with financial statement gaming commissions filing. . boat deductions, rescued stock from grats. . may 1 after months of brad not finding anyone i sent an email saying you would have to pay more. . on april 15. I sent an email detailing payments owed if i could figure out the basis issue, \$2 please see attached, .

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\$A0 please note

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