

---

**From:** jeffrey E. <jeevacation@gmail.com>  
**Sent:** Tuesday, February 23, 2016 11:42 PM  
**To:** Nathan Myhrvold  
**Subject:** Re: Fw: Core Club

your guys are right

On Wed, Feb 24, 2016 at 12:39 AM, [REDACTED] <[REDACTED]@gmail.com> wrote:

=  
=  
=  
==

=  
From: </=> [REDACTED]  
Sent: Tuesday, February 23, 2016 18:38  
To: Nathan Myhrvold  
Subject: Fw: Core Club

Sent from my smartphone.

From: Russ Stein <[REDACTED]>  
Sent: Tuesday, February 23, 2016 17:45  
To: Nathan Myhrvold  
Subject: Core Club

Hi Nathan,

FYI, we did a call today with Jennie, her CFO, Dan, and their tax counsel at Denton's.

During the call it became apparent to Jennie that her counsel had flipped the tax structure twice in what they sent us. They originally attempted to not have Cancellation of Indebtedness Income (CODI) which they then changed to a structure that affirmatively attempted to force CODI. Her counsel also apologized for not having informed us that he had flipped the structural approach previously and the concern that that change had caused. During the call her counsel then also asked to brainstorm with us on a third structure he had thought of with a different COD timing approach.

Jennie recognized on her own during the call that her advisers kept changing the tax structure in a way that way that could expose you.

=A0      =C2      =A0

I am speaking with Jennie later today and I intend to say the following:

1. The proposed structures are not nailed down enough to protect you from historical tax risk –she already recognizes this.
2. A way forward would be for us to only have you potentially invest in a new structure that did not have the historical risk –as we had proposed originally. She could then use the proceeds to buy out her partner but without involving you or your ownership, or,
3. Her side could really bake the structures, file the historical returns and also resolve how we can all be comfortable that the landlord and lenders are reporting matching economic results to the IRS.

Please let me know if you recommend a different approach.

--

please note

The information contained in this communication is confidential, may be attorney-client privileged, may constitute inside information, and is intended only for the use of the addressee. It is the property of JEE. Unauthorized use, disclosure or copying of this communication or any part thereof is strictly prohibited and may be unlawful. If you have received this communication in error, please notify us immediately by return e-mail or by e-mail to [jeevacation@gmail.com](mailto:jeevacation@gmail.com) <<mailto:jeevacation@gmail.com>> , and destroy this communication and all copies thereof, including all attachments. copyright -all rights reserved