From: Gianni Serazzi <[redacted]>
Sent: Monday, August 17, 2015 2:49 PM
To: jeffrey E.
Subject: Re:

For the italian company I think it will be difficult. Gian=arlo is the Director of the company and I need him to remain it. If I have=80% he would probably still do it, if I have 50% even for a few years I do='t think he will accept. There are also other legal implications I wil= look into.

On the French company it's much easier =s it's a virgin structure and we could set it up so that we can see 10=% of the invoicing done there separate from Italy.

=hx
G

On Mon, Aug 17, 2015 at 2:53 PM, jeffrey E. <=a href="mailto:jeevacation@gmail.com" target="_blank">jeevacation@gmai=.com> wrote:

> the speratation is somewhat artificial, so i think it would be pr=bematic.
>
> On Mon, Aug 17, 2015 at 4:16 AM= Gianni Serazzi < <mailto[redacted]= target=>
> I think svetlana might want to invest 800 e. =C2� in return she should receive 50 percent of the co. but you wou=d have the right to buy back half of her position anytime in the next thre= years for 800 e. . in essence leaving you with 75 % aft=r she had her money back, as hers is the most at risk , since the pr=jections have been off dramatically,
>
> On Sun, Aug 16, 2015 at 11:32 AM= Gianni Serazzi <[redacted] <mailto[redacted]= target=>
> > wrote:
>
>> Thank you for your support
>> I agree=that the situation was degenerating from last summer. I had to wait to int=rvene as I was still in the group and I wanted in any case to get Giancarl='s shares back in case things went bad. I am now sure I will fix it
>>
>> You have a clear situation in front of you, how woul= you structure it the best?
>>
>> Thx
>> G
>>
>> On Sun, Aug 16, 2015 at 3:21 PM, jef=rey E. <jeevacation@gmail.com <mailto:jeevacation@gmail.com>
>> > wrote:
>>
>>> understood, as you are well aware, =he structures could range from a secured loan to biz and you persona=ly . security could not be subject to litlgation. =C2� ex. structured so the burden is on you . not the lender. the s=cuirty is transferred on closing and you get it back when money is repaid.=not the reverse, . i see that the

decline is over a year old.=C2� as you say re jean carlo, but obvious by nov. of 14,�=A0 , we are now sept 15. I only see numbers , not mother=C2� or im sure a wide range of jean carlos excuses.

On Sun, Aug=16, 2015 at 8:48 AM, Gianni Serazzi <[redacted]> w=ote:

I understand and I t=ank you for your consideration.

The 800 will go to cover net working capital coming from growth and to get =ne final director for the print division. Of the other 3 directors one is =erforming really well and the other 2 I just brought them over to these po=itions in July. If just one of them makes it we will be at 600k profit. Ab=ut 150-200k need to go to Paris to bring in a strong team and finance net =orking capital.

As per the forecast vs actual you see very clearly the deter=oration coming in the summer of 2014. Giancarlo started spending 2 days in=the agency, fired the director and then dealt with the problems of h=s mother. I am confident that I will put it again on the right track. Not =asy but we will become as strong as fashion.

G

On Aug 16, 2015 2:33 PM, "jeffrey E." =lt;jeevacation@=mail.com <mailto:jeevacation@gmail.com> > wrote:

all the agencies , now sell for roughly 50 - 60=perecent of revenue, used to be 100 -125%. no valu= admitteldy to contingent case recovery , which could/ should be out=of the deal. ie you keep it . . where does t=e 800 go, ? if it is to factor receivables. . one thing=C2� if it is to buy bookers. another, very aggressive , prio= projections are a big neg factor. in valuations. very big.�=A0 . . some months are off by hundreds of percent. . not good. .�=A0 I would like you to make a lot of money on your deal. =C2� so ownership , is not relevant getting the 800 bac= with security woudl be the issue,

On Sun, Aug 16, 2015 at 3:10 AM, Gianni S=razzi <[redacted] <mailto[redacted]> > wrote:

I think your consideration is accurate.

On top of it you should factor in

-800k would go entirely into the company so that should be added as post mo=ey valuation

-on top what is the value of new management (myself) coming in at zero sala=y? If we use market valuation that's quite an asset

-I only count the cash once we have it, however we have a lawsuit going on =ith QVC the big client lost that stole our models internalizing them that =he lawyer says will pay minimum 300k and max 800k within 1 to 2 years

-also please remember that it's written Ebitda but it's cash genera=ion pure and simple

Adding these aspects it brings you to the 4m post money valu=tion that I honestly believe to be a fair value if I were sitting on the o=her side of the table

Thx

G

On Aug 16, 2015 5:03 AM, "jeffrey E." =lt;jeevacation@=mail.com <mailto:jeevacation@gmail.com> > wrote:

ive looked carefully at the bad projections and the c=rrent numbers only ebitda. it looks as if the valu= and comps only give it a 1.5--2.2 value . .

=br>--

=please note

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=C2� please note

</=iv>

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