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Sent: Monday, March 16, 2015 7:58 PM
To: Melanie Spinella

sent fri from joslin

Brad asked that I note a few thi=gs:

- =A0 As he and I move to progressively update and revise the cash flow projection, while not in the shape we would like to be, it has served sufficiently well for general planning purposes.
- =A0 The cash flow projection has been updated bi-weekly to incorporate updates, ie Apollo projections, capital call timing, delay in Knowledge Universe sale/ distribution, but the effort to fully update and drill down in=0 specific items, eg matching plane use to cash outlays, timing of boat charters, construction costs, etc has taken a back seat to priorities such as April 15 taxes, bill pay transition , Phaidon restructuring, LDB 2014 cash flow reporting.
- =A0 Apollo has indicated ye=terday that April 15 gross up payment will be revised from 20 cents to 8 cents. TRA payable 4/15/15

<=pan style="font-size:11pt;font-family:"Calibri",sans-serif;col=r:rgb(31,73,125)">Im not sure for who this report is for and what is its purpose. leon , brad, tom? it mixes wild projections=with minute actuals. loans. inter co. , and no overall report =t all. child support of 20k. ?? no footnotes. . =A0

this is very difffent from the one joslin and i wor=ed on. that you and i reviewed, you will recall large boat and=plane numbers .

1) having a head with multiple dates =s very confusing - payment dates should be on line below actual payment amounts, why is family office liste with capital calls. ? has leon seen=the capital calls for the month? . why is the family office in=jan feb different? why have amounts of 3k in and out when we are est=mating millions both ways. ?

2) cash balance (last line) of 18,444,902 makes no sense without a beginning balance - a line should be added to show each months beginning balance and ending balance and should be properly labeled

3) ove=al statement needs to have consistency or scope of dollars to be included=- examples

a) =C2 inflows - other refunds / receipts of 3,266 and 31,779 in Jan / Feb - why include with such small amounts silly - should have Misc to capture t=is - also why only in Jan and Feb?

b) =AOinflows - does Leon earn a salary at APO?

=C2 c) outflows - rare books of 18,304 - again a Mis= should be used to capture this along with items in d and e below

d) outflows - support - children - 20,000 (i am=sure number is larger than this on an annual basis) - why only 1 month? don't we h=ve history to project a full year mkaes no sense again. changing the hea=ing from feb, .

e) outflo=s - misc - only 3 months projected ??

4) household / transfers to ms - 17,000,000 continues to be shown is it=? 1,000,000 per month - why in lumps each quarter? should be presented monthly..

.. household operating expenses / capital improvements / RE taxes

<=iv>5) art consultant receives a check 1x per year in May 2015- why is this not paid from Narrows? Family office?

Deduction for expense? how many consu=tants benefits office expenses. numbers do not seem right.,

6) Art loan shows interest paid quarterly yet 2 other loans show monthly payments - loan expires in May 2015 - and must be renewed that is the only relevant fact.

=div>7) plane - was there no debt service or use expense in January 2015 as=this was left blank?

8) Townhouse construction - are payments ac=ually made quarterly? monthly? how was amount derived?

9) =arrows transfers - are they actually made quarterly? monthly? how was amou=t derived?

10) Insurance / Property tax figures seems low overall - insurance for what? if households then why is it not include in households above - does 688,000 include townhouse, art. etc.

11) Legal and Acco=nting - why are there two line items (Current and Prior Year) is paul weiss stil= unpaird? -

12) Charity - lumps again - modern art mu=eum? ? gifts? judy black trust ?

13) IRS Taxes

<=iv> a) January - based on my k=owledge estimated payments are due Jan 15th - if true then why are state payments show= in Jan 16-31 column (would that make them late??)

=A0 b) April payments for Fed and State should show what amounts relate to =extension vs 2015 Q1 estimate

c) Taxe= overall seem low for 2015 how decided.

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14) Overall presentation is poor

a. no overall . see=C2 f) loans as inflows? liabilities=.boat and plane loans greater than current value.

b) headings and footings should b= bolded and stand out - to many lines and numbers in headers and footers</=iv>

c) all running balances show amounts in 25mm + range yet why are we breaking out Jan and April into days 1-15 and 16-30/31 -

d) footnotes should be included to show basic assumptions such as APO reimbursement for plane / projected charter revenue on boat / 2014 vs 2015 estimated taxes we have gone over this already , not sure why no= incorporated.

e) if purpose is=to show cash flows then quarterly lumps other than IRS payments should not=be presented

f) spreadsheets are great individually however they a=l should be consolidated to show true picture of all entities - examples

=A0 1) inflows - sale of cl=ss b interest ap narrows llc - shows 10,000,000 yet net affect on global b=sis is 0

=) apo 1 interst - 27,325,266 shown yet net affect on global basis is 0

g) spreadsheets should be legible a=d understandable to all who may read and not just author

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=A0 please note

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