

---

**From:** Richard Kahn <[REDACTED]>  
**Sent:** Friday, March 13, 2015 9:24 PM  
**To:** jeffrey E.  
**Subject:** Cash Flow Projections

My comments are as follows:

Leon & Deborah Black

- 1) having a head with multiple dates is very confusing - payment dates should be on line below actual payment amounts
- 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) overall statement needs to have consistency or scope of dollars to be included - examples
  - a) inflows - other refunds / receipts of 3,266 and 1,779 in Jan / Feb - why include with such small amounts - should have misc to capture this - also why only in Jan and Feb?
    - b) inflows - does Leon earn salary at APO? 273,000 not included ??
    - c) outflows - rare books of 18,304 - again a misc 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 have history to project a full year
    - e) outflows - misc - only 3 months projected ??
- 4) household / transfers to ms - 17,000,000 continues to be shown yet Rich Joslin told me when we met that number probably is 1,000,000 per month - why in lumps each quarter? should be presented monthly..
  - a) we should highlight how 7,000,000 is spent as opposed to 5 lumps.. household operating expenses = capital improvements / RE taxes
- 5) art consultant receives a check 1x per year in May 2015- why is this not paid from Narrows? Family office? Deduction for expense?
- 6) Art loan shows interest paid quarterly yet 2 other loans show monthly payments - inconsistent and probably incorrect - loan expires in May 2015 - renewal??
- 7) plane - was there no debt service or use expense in January 2015 as this was left blank?
- 8) Townhouse construction - are payments actually made quarterly? monthly? how was amount derived?
- 9) Narrows transfers - are they actually made quarterly? monthly? how was amount 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?
- 11) Legal and Accounting - why are there two line items (Current and Prior Year) - with all the in-house accountants and attorneys this number seems to high..
- 12) Charity - lumps again - does Leon only make contributions in 3 months during the year
- 13) IRS Taxes
  - a) January - based on my knowledge estimated payments are due Jan 15th - if true then why are state payments shown in Jan 16-31 column (would that make them late??)
    - b) April payments for Fed and State should show what amounts relate to extension vs 2015 Q1 estimate
    - c) Taxes overall seem low for 2015 yet this can be function of income..
    - d) I understand probably in AMT each year but why are state taxes for Q4 not paid in Dec??
- 14) Overall presentation is poor
  - a) print should be larger and easier to read
  - b) headings and footings should be bolded and stand out - too many lines and numbers in headers and footers
  - 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 - seems silly..

d) footnotes should be included to show basic assumptions such as APO =imbursement for plane / projected charter revenue on boat / 2014 vs =015 estimated taxes

e) if purpose is to show cash flows then quarterly lumps other than IRS =ayments should not be presented  
=  f) spreadsheets are great individually however they =ll should be consolidated to show true picture of all entities - =xamples

  1) inflows - sale of class b interest ap narrows llc - =hows 10,000,000 yet net affect on global basis is 0

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

g) spreadsheets should =e legible to all who may read and not just author (more collaboration =eeds to done with Rich D)

Richard Kahn  
HBRK Associates Inc.  
575 Lexington =venue 4th Floor  
New York, NY 10022



=