
From: jeffrey E. <jeevacation@gmail.com>
Sent: Tuesday, February 24, 2015 1:21 PM
To: Melanie Spinella

Leon,

Yesterday, I again spent hours upon hours of my time with your office. (I speak to Brad to get flavor) and you and I will discuss the results in gory, gruesome detail on Friday. It mirrored many other weeks spent doing the things that I don't have the time to do.

In order to keep things in perspective, maybe reviewing an analogy I have used before with you, might be helpful. You and your family are a billion dollar corp. with an income between 250 -500 million dollars per year. It contains a few operating biz's, a large wide array of existing investments, in various categories, a desire to enter into others. A panoply of loans, notes, purchases, wide range of all types of taxes, planes, boats, homes, trusts, rats, a crazy number of bank accts. (with no oversight), law firms, acct firms, 800 page tax returns, foreign firms, art consultants, construction consultants, bill payers, home mgmt., vast multitude of llc's, including foreign, and with all that you only have a combined overhead of less than 3 million dollars.

I have previously sent you the very same note that I have enclosed again below, this time with highlights. I wrote it to you over a year ago. As my acute disability (selective memory) seems to have been raised as one of your concerns, as a rule I try to memorialize things in writing in an attempt to lay out issues that I fear may later turn out to be a problem. ie what I would and wouldn't do, - my responsibilities, etc and those things that are not. Below you will find detail of things that I thought needed to be done, so that you wouldn't find yourself in the very place where you currently find yourself. However, you chose to defer many of my suggestions- see below -, until only weeks ago. ! you chose to defer the jpm acct. the art partnership on and on - into this year. and though the 60- 50 40 timber emails all carried with it a clear warning that you needed to do something re personnel if it were to stabilize, - you chose to wait.

ONE YEAR AGO

Feb 17 2014 i wrote :

With regard the more pressing issue I am uncertain of just how to proceed. I am torn, as my very strong inclination is not to be involved at all. It is extremely time consuming, delicate, fraught with many pitfalls many that will make you very upset and a major pain in the ass. I wrote you months ago that the quality of the people involved needed to be upgraded. (lucky for me these last issues arose way before the beginning of my involvement) I am also aware however of my overarching friendship obligations of ok, given all the complexities who else can do it? problem.

Your family office needs a daddy. children with good intentions are running around, sniping, nitpicking with little direction. As a stopgap measure I am suggesting, we put in Larry Delson to take charge. Everyone would report to him. Eileen included. He would however work for me. This is not, by a long shot my first choice as I prefer only being responsible and standing behind my own personal work (ie the word DONE will no longer be transmitted to reflect status stated by others)

With no commitment on my part whatsoever, to do it. So far as I have failed in my attempt in trying to think through the problem creatively. My organizations handling of the more complex issues I believe you might find very costly, very ! (however many structures available some risk sharing, maybe risk caps, etc) but would require my teams doing the work, not yours. Ada should be only a trust, grant administrator. not sure what role you prefer for Eileen as you hired her initially to oversee investments. whether Rich your controller stays or not, is not urgent. having

Tom report to a new person,- is. coordi=ation with Suydam Kathy Gregory, I would suggest limiting to one=person. The increasing public profile needs to be taken into conside=ation.

TODAY

With y=ur acquiescence , Eileen did not report to Delson (he acting as = conduit directly to me) , she continued to provide bad info to both=C2 you (cash flows , stock accts, structures. sales Etc) =A0 and me. and each time with my many annoying calls to you made immediate=y afterwards that she was g.....y !! No one was hired to run Y=UR office until two months ago , no one was even interviewed and ev=n now , Brad, a very nice man, is not even full time,(crazy) Hours=upon hours of time need to be spent training him . and his new staff. =A0 Eileen followed your instructions. not mine. in fact she continue= to ignore mine saying " but Leon said " or " i=s on Leon's desk etc " , You would become frust=ated when i pointed out each instance. of her obfuscation. original=y you were given the clear choice, but to save money ,you chose =A0 not to hire my team . I was hired to do the architecture, you kep= your own team. with Eileen at the head. instructions were=given by me, , detailed but ignored by her. (except in the instance= where I inserted myself and personally had to do the weeks of grunt=work),ex. jpm morgan acct still not in u=e? That being said, If you do the cold calculation ,starting=C2 from where you were, to where you are currently . you h=ve made a hell of a deal. -- negotiating down my o=iginal amount requested , calling upon our friendship and sugg=sting that the Carlyn mess was partially my fault. (=though in that specific example , I had never been asked to do more than m=rely provide you the name of the most highly recognized =tty in the field, not consulted,nor even asked again =A0 for my guidance along the way.). I accepted t=e discount as your friend. (by the way ,,suggesting now, tha= your Tom is now that last word on tax characterization, frankly is = bit much,-). however - that is all in the past. =A0 In order to move forward

I would ask =hat you realize that very unlike yours, My business is o=ly comprised of my personal attention and my personal time =A0 . Time that I was forced to grossly overspend on your various iss=es last year. . As you are my very close friend I will not hav= you participate in a bidding process that I have decided i will hav= this year for my time . (hopefully a more fair way to allocat=) I would also ask that you keep in mind that though our dea= expired months ago. (also keeping in mind , that your understanding of th= final payment terms neither reflected the emails or my memory, we f=nished it up your way.) I have answered every call Brad , josl=n, Ada or you, have made . reviewed docs over and over/ u=til once again, I was forced to insert myself =trongly as I thought it dangerous not to. I made serious dollar and =ime concessions last year.very serious I am wiling to continue to a=commodate some of your concerns , but I am, under no circumsta=ces , none, willing to spend my time for free. its not fair. After c=eaning up Carlyn's mess , which was a few weeks and 30 million dollars=C2 . We were both highly aware of the dire circumstances in=which you found yourself last year, and in fact due predominately to its=C2 seriousness. and those very circumstances I took extra care in=our negotiations . (you had claimed I had you over a barrel , (a ho=rible position to be in with my very close friend.), unfortunately I fear =hat if you are not cautious ,in the near future, another barrel will=appear of your own design)

I heard you when yo= said you believed i had already been paid for the work that is now requir=d. The art partnership has fully answered all your concerns and disc=arged all my obligations and more so. . (FYI Carlyn's art partnership that you referenced is =A0similar in only its title.) You will also recall that you required that my pa=ments be at the end of my work not at the beginning as everyone else's=.(my work was never to include hours upon hours of training your st=ff). I eventually agreed, this of course should ma=e clear that the 2014 tax year that will close Oct 2015 =s not covered by our past agreement at all. I pointed this very fact out t= you when I initially proposed a multi year agreement right out of the box= you said you preferred not. As you said ,I have produced=C2 results to date, far in excess of even my own exalted opi=ion of my projections. I have devoted a monumental amount of my limited am=unt of time-- way, way in excess of our agreement. I will be f=ir, I am willing to roll in the amount still outstanding from last =ear if that helps .. However, As my best student , and m= only one, you are now capable of doing most, if not all= of the required work yourself. I can put my whiteboard away w=en you come to eat and just have fun, trade stories,. share moments =deas etc. . I am of course always available to guide you as a=friend if you choose that route . always . It will take a great deal=C2 of your time , but you will not have to spend any more money o= mine .

We are scheduled to meet fri at 430 , I leave=at 5 am sat morning.

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=A0 please note

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