
From: Eileen Alexanderson [REDACTED]
Sent: Sunday, February 22, 2015 6:34 PM
To: Jeffrey E.
Cc: Ada Clapp
Subject: Re:

Sorry don't have access from here to check exact amount of note at time of distribution in 2010 but, from memory, it was approx \$7.8 mil. interest was accrued but not paid to Ben. It was decided taxes needed to be paid in this imputed accrued income-can check tomorrow on who ruled on that subject.

In December 2012 the note, with interest, had a value of \$8.37 mil. Just before yearend the note was divided into two notes:

Note 1 in the amount of \$5.12 mil was used to fund Ben's Yggdrasil Trust (formed to take advantage of the gift exemption due to concern the allowed level would be reduced.) Note 2 in the amount of \$3.25 mil remained in Ben's self settled 2010 trust.

Notes were restructured at yearend 2013. Note used to fund Yggdrasil was purchased by the LDB2011LLC. The \$3.25 mil was paid off by the same LLC. with interest that grew to \$3.45 mil. That cash was deployed as I indicated earlier, i.e. townhouse+current balance in the trust. Again, this is from memory. Will confirm tomorrow. On Ada please chime in. Re the Phaidon entities, loan to midco was on paper only, no interest paid, by PWC design, it was not supposed to be. Re money flow, at time of acquisition cash went from Acq LLP through Topco and Midco and then to Bidco (JMWLT Ltd) but all using MacFarlane's client account and then papered since there was no Acq LLP bank account. Again, no access to file from here today, sorry. No tax filings have been made to date. Rich would no better but I believe statutory accounts were filed in January after auditors signed off on the fiscal 2014 statements and John Murphy has BDO addressing tax filings currently. They could not do so until these accounts were filed.

Sent from my iPhone

On Feb 22, 2015, at 11:06 AM, Jeffrey E. <jeevacation@gmail.com <mailto:jeevacation@mail.com>> wrote:

what was the total note in the beginning? interest, where did the phantom income come in? did interest get paid. 2 can you tell me with topco bidco midco. did money ever move? what was debt? which entity, any tax filings = any filings at all? money flows etc

On Sun, Feb 22, 2015 at 11:30 AM, Eileen Alexander [REDACTED]

[REDACTED] > wrote:

\$3.25 mil of note was paid off by the LDB2011 LLC. That cash went to Ben's 2010 Trust. Part went toward townhouse purchase and \$1.2 mil cash is still held between the 2010 Trust and Donalbane LLC. \$5.2 mil of note was purchased by the LDB 2011 LLC (which is now owned by APO 1)

On Feb 21, 2015, at 4:57 PM, jeffrey E. <jeevacation@gmail.com <mailto:jeevacation@gmail.com>> wrote:

the phantom income generating note to ben, , did we get rid of it entirely?

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please note

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