lets talk

On Fri, Feb 16, 2018 at 8:11 PM, Paul Barrett < ███████████████ <mailto: ███████████████ > > wrote:

Jeffrey

The Amazon lending business I invested in is looking to raise one year=money at 12%. They are looking for $3-4mm as part of this first debt raise=

There is a 15% equity first loss tranche beneath the 12% Notes. Assumi=g you get 2 quarterly coupons you need a 1yr cumulative loss of 21% before=you lose any principal which is highly unlikely given the underlying loan =ook. They are forecasting 5-6% cumulative annual losses. Given the amount of data we have from Amazon, th=ir credit underwriting makes me comfortable with this estimate. Recall the= are making 3-9 month loans in the 20%-25% range. Average size of around $=5K. Repayment of principal and interest (via ACH debit) begins after 1-3 months. So effective duration is=very short.

We can discuss more if you like but at 12% I want you to have first lo=k.

For full disclosure I own 3% of the company and have money in the firs= loss equity tranche (along with Anthony and John).

Down the road as they develop a longer default history the equity tran=he could be very interesting.

Let me know.

Paul

Paul Barrett

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