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**From:** Richard Joslin <[REDACTED]>  
**Sent:** Tuesday, November 11, 2014 1:25 PM  
**To:** jeffrey E.; Eileen Alexanderson; lawrence delson  
**Subject:** RE:

LRN shares (K 12 Inc). RD and I contacted transfer agent and now RD is working with KUE outside counsel to get shares quantities confirmed and re-issued if necessary. The transfer agent records do not match the amount we should have received (nor is the name on file the holder of record (LBF Holdings)) and transfer agent has not received instruction to deliver to broker. Once we get quantity and other transfer agent issues cleared up, we will move to broker and sell. RD is contacting outside counsel again today for follow up

I rec'd the last of 3 IT outsource proposals yesterday= Second meetings with all concluded last week and EA/ LD included in=second meeting. I will summarize differences and take one firm out of running (cost 3x). Plan was to discuss internally today/ tomorrow for final selection. Cost ~ 10% cheaper than current=provider with same/ improved coverage.

Foundation has been funded with appreciated stocks and=these positions have been liquidated. There are 1648 shares of Unite= Rentals that are restricted. RD is sending paperwork to LDB to sign today=to clean these shares up. Once the paperwork is provided to broker and they release the restriction (move the shares to=type 2 account) then transfer to Foundation will begin. There are a =ouple of loss positions worth < \$3K that need to be sold. RD is to provide shares and ticker to EA today so that clearance/ compliance approval can begin. I'd like to have the accounting group be involved in this to gain familiarity with the Apollo compliance process. There is a worthless position that JPM will purchase for \$1 to take off their books (Scienta is the name of the company - no longer on pink sheets or OTC BB) RD has paperwork for this for LDB to sign today.

401k - call with specialist yesterday with EA/RJ. = To not have Julie be part of 401k, the thought is to begin plan Dec=1. Compensation would be one month and any employer contribution would be minimal given any contribution would be for rank and file on one month comp. Given that highly compensated is defined by prior year compensation, RJ and RD are not highly comped in 2013 and will help cure any low participation by rank and file for 2014 plan year= (Plan year is calendar year) Top heavy rules should not be applicable given that RJ and EA are only key employees=and AC/RD are not, ie the key employee contributions will not exceed 60% of total plan contributions as of 12/31/2014. For 2015, the 401k specialist is running numbers based on our census to see if we will have any issue either on the discrimination rules=or the top heavy rules. Specialist indicated that matching can be made only for non-highly compensated and not for highly compensation, For 2015= HG will not be highly compensated apparently as her stub comp is less than \$115K. The more non-highly comped that=participate, the better. 401k specialist is running some scenarios and costs under different matching scenarios and will revert tomorrow (Tuesday is Ambrose holiday)

Art list has been provided to LDB. Gating question is what is cost benefit of retaining more than 2x collateral - step up benefit of art retained in estate vs lesser value of art partnership leaving an unpaid note in hands of APO1 (with a zero basis), ie capital gain by trust at death. This was the gist of the meeting with LDB /HG/RJ late Oct. HG has confirmed we

can expand collateral list to 200+ names and go down the value scale to \$200K per item. LDB OK with this. This was discussed in FO team meeting two weeks ago.

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From: Jeffrey E. <jeeva=ation@gmail.com>  
Sent: Tuesday, November 11, 2014 5:31 AM  
To: Eileen Alexanderson; lawrence delson; Richard Joslin  
Subject:

please tell me where we are , with=specificity. KU shares. 401 k, IT cont=act. foundation sales and contributions of stock. , TIMBER ? list of=art to be contributed to partnership.

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please note

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