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**From:** David Stern [REDACTED]  
**Sent:** Monday, November 17, 2014 5:30 PM  
**To:** Jeffrey Epstein  
**Subject:** AG CHINA DRAFT

Draft to General Counsel of Informa. Total loan from Informa US\$16m plus =0% compounded interest p.a.

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Dear Rupert,

I urgently need your feedback please.

I informed you on 13 October that the we are out of funds and described =hat I want to proceed in a fully transparent and mutual process with =nforma.

I am obliged as Director to take steps of closing based on the current =isastrous situation and at the same time I can not be in breach of the =agreements between the Company and Informa which requires Informa =onsent for a wind-down of any business.

As this is a matter of highest urgency I summarise the current =ituuation.

This is my view only and based on legal advice I received.

1. In absence of the ability to fund this November and beyond, and in =bsence of Informa responding to the request for solvent liquidation, =he Directors will trigger an insolvency in Hong Kong for CMDS HK. This =ould be a waste, especially since there are no meaningful assets to be =covered (you have received the relevant information). In addition, I =suggested that Informa can buy the business for US\$ 1 if preferred in =rder to handle the solvent liquidation yourself to ensure the fact that =here are no assets of meaningful value.

The HK insolvency means the HK liquidator will deal with the Chinese =usiness liquidation which is very tedious and not straightforward. Most =ikely bankruptcy will not be be permitted by the PRC court (see =ttached legal memo from a leading Chinese law firm addressed to me).

2. Solvent liquidation in HK is an option once Informa agrees to waive =he loan. In this case a HK law firm will be appointed by the Company to =roceed with the liquidation of the business, once the PRC business went =hrough a voluntary liquidation process. This is a preferred, cleaner =nd better process while also not straight forward due to costs and =rocess in PRC. Once Informa makes it position clear re loan waiver I =an explain this process and whether/how we can do this.

3. As we discussed I am continuously trying all avenues to keep the =usiness afloat and find investors - the business model of AG remains =ound and we have first revenues coming in. This week we signed our =irst hospital contract for our solution which pays a yearly maintenance =ee of RMB 30k.

There appears to be one possible source of funding: a Russian investor =ased in Moscow who is looking at us as distressed high risk case.

There is a chance that they invest US\$ 5 million but they require the =ancessation of the data rights agreement with Informa (since they see =ur history as too messy and complicated, the agreement too ambiguous) =nd a US\$ 10million haircut of the loan. I am trying to move them to a =ore logical loan haircut which is Informa reduces the current loan by =S\$ 6.2 million in return for the Company also giving up its right to =he additional total of US\$ 6.2 million that is still due from Informa =fter we are in four cities (i.e. US\$ 200k per additional city).

I am in discussions and need your position asap on this option - if =nforma rejects this then I will cease discussions which requires trips =& associated costs) to Moscow.

I kindly urge you to reply to me on the points by latest tomorrow evening - I am also always available for a call or meeting.

Thanks

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