
From: jeffrey E. <jeevacation@gmail.com>
Sent: Friday, January 20, 2017 12:31 PM
To: Hosain Rahman
Subject: Re: Final Notes <CONFIDENTIAL SETTLEMENT COMMUNICATION - FOR SETTLEMENT PURPOSES ONLY>

i can talk sometime tomorrow! I would like you=to tell me of ian osbournes role. did he get any commssi=n fees, value on my investment. ? CAUTION you are =alking a taut tightrope with me. . suggesting that my witnesse= will be of the same mind in a lawsuit. its clear that b=ackrock will support my complaint - strongly.

=div class="gmail_extra">

On Tue, Jan 17, 2=17 at 5:56 PM, Hosain Rahman [REDACTED] >>
wrote:=br>

Hi J=ffrey,

Here is some background on the BlackRock a=d communication that we had with the Kuwaitis on it. I got clearance to sh=re it with you. We are finalizing the other materials to share with you.=C2◆

Please treat this as a settlement communica=ion.

Let's discuss,

Begin forwarded message:=/div>

<=pan style="font-family:-webkit-system-font,Helvetica
Neue,Helvetica sans-serif;color:rgba(0,0,0,1.0)">From: Hosain Rahman 8
<mailto:[REDACTED]>

Subject= Final Notes

Date: October 11, 2016 at 2:18:1= AM PDT

To: </=pan>"Farouk Bastaki

Cc: "Hussain AlHalabi =br>

Farouk,

Attached is the bottomline analysis of the options available to the Comp=ny right now. It is a pretty stark difference between the two paths. Ultim=tely we are asking BlackRock to chose the path that is economically best f= them - we are killing ourselves for them to have a better financial outc=me. Our intentions should be aligned...

I've also attached a timeline of our BlackRock relationsh=p. There is a one page summary at the beginning and the full detail behind=it.

Hey are notes in som= key areas:

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Background on the =llobal Allocation team

- * Dennis Statt=an is head of the Global Allocation Team.
- * Lisa O'Do=nell, Co-COO of the team, has been the Fund officer overseeing BlackRock&#=9;s position in our company and has been the chief decision maker in this =rocess.
- * She has been extremely aggressive, mean-spirited and=difficult to work with since the beginning of their investment. She dislik=s all of their private investments and has stated she wants to make a nega=ive example of Jawbone. She objected to our deal in the beginning and feel= like the investment was made despite her viewpoint.
- * No one =rom Jawbone has ever met Lisa in person. She refused to meet us either in =er Princeton office nor has she ever visited us. We have tried multiple ti=es.
- * Lisa has repeatedly stated in front of advisors and bank=rs on the phone that she doesn't care if BR loses all of their capital=from this deal- the loss is insignificant for them with the size of their =und.
- * Lisa has also stated to me directly that we should neve= expect any help from BlackRock in any situation - "we are your cr=ditor, do not ever expect anything from us"
- * I have heard f=om several different people that they refer to me as "The Terroris=" internally. Terrible given the current state of affairs in the w=rld.
- * David Clayton is a non-investing Managing Director with=the Fund and has recently been our primary contact recently (he reports to=Lisa).
- * The Senior Investment Analysts on our deal have been =aniel Daniel and Patrick Edelmann. They seem powerless in the situation an= do not stand up to Lisa.
- * No one from BlackRock has visited =awbone in 2016. They have not seen any of the new things we are working on= No demos of the prototypes, nothing.

Possible anticipated points from BlackRock and our =esponses

- * Management team- we=don't trust Hosain, the Board, his management team, everything he =nd the team have told us has turned out to not be true, promises are never=hit. We have missed targets and it has been painful. We are taking=great care to make sure we don't repeat the mistakes of the past, =here are reasons we missed targets - slow sales in stores, quality issues,=product delays. We had a bad product cycle and we haven't been fun=ed to come out of it. Instead of focusing on the business we fight with BR= It's a waste. But to your point it sort of doesn't matter=relative to the economically rational decision going forward.

<=i>Wasting money - opex super high put in this much money three =onths later they needed more money Again perhaps we sho=ld have cut expenses earlier but we needed to move the ball forward to whe= it is today in many areas. We have a smart focused plan going forward wh=re have a very manageable burn rate and are raising 2 years of operating c=pital. We have never done this in the history of the business.

<=i>Deals aren't real, they create the term sheets and they ar=n't real, we can♦=80♦t respond until they are real. No one will move forward with=closing until term sheets are agreed to. This feels like a stall tactic.=C2♦

* They threw this Larry/JPM term sheet in front of us, L=arry Unrein says he isn't sure if he will do it or not, we got the feeling that JP Morgan wasn't a sureshot♦=AO- Larry hadn't taken the deal to his investment committee and go=ten final approval because he wanted BR to sign off on it before he got th= final approval to ensure he didn't have to go back multiple times= If BR shows flexibility and a willingness, Larry will come through and fu=d. Other investors are also happy to participate.

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Third party feedback

C=mpany

- * JP Morgan will tell you that t=ey have never seen a more "destructive" \$285M put into a
- * Our Skadden lawyer on the re-structuring side is widely cons=dered to be the top re-structuring lawyer in the country. He will tell you=he has never seen anyone behave as BlackRock has behaved in the dozens of =eals he has worked on - no debtor has not even engaged in a dialogue to gi=e feedback on possible solutions.
- * Skadden has also stated re=eatedly that the Board since May has done more than any other Board they h=ve ever seen in exploring every option and finding the best solution for a=l constituents - we have turned over every possible stone we could think o= to find a solution.
- * PJT has never seen a lender behave this way i= any situation they have been involved with
- * CODE does not understa=d what BlackRock is doing and why

please note

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