
From: Brad Wechsler [REDACTED]
Sent: Sunday, December 14, 2014 9:07 PM
To: 'jeevacation@gmail.com'
Cc: [REDACTED]
Subject: Phaidon

Jeffrey-after our conversation today I took a look at Phaidon summary financials (for the first time). Here's how I would re-state your observation(s)= 1. Do Leon and the trustees know/understand that the \$1.5mm net income projection for 2015 disconnects from cash substantially, ie, 2. The cash projection from the operating business and modest cap-ex is negative \$4.4mm and 3. Maximum cash drawdown for 2015 looks like \$6.25mm in January (mostly from changes in working capital).

4. Presentation seemed reasonably clear EXCEPT, in my package, you can't really have insight into 2016/17 cash flows.

Basic question for Leon and Ee's is "familiarity" with \$4.4mm cash use. Are you and I in synch? This, of course, is based on "2015" which looks like it ends in June of next year. Additional question is for Phaidon to develop the future cash flows (which they may have already done?) so they can go to the trustees with a more developed cash flow projection and funding request. =

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