

To: jeevacation@gmail.com[jeevacation@gmail.com]; Eileen
Alexanderson [REDACTED]
Cc: Jeffrey Epstein[jeevacation@gmail.com]
From: Richard Joslin
Sent: Wed 8/6/2014 10:08:17 AM
Subject: Re: See draft merger agreement attached

Company NOL is greater than purchase price.

On Aug 5, 2014, at 11:16 PM, "Eileen Alexanderson" <[REDACTED]> wrote:

Sent from my iPhone

Begin forwarded message:

From: "Lakhdhir, David K" <[REDACTED]>
Date: August 5, 2014 at 8:10:27 PM EDT
To: "Fleming, Ronald A." <[REDACTED]>, "Addonizio, Tarmi"
<[REDACTED]>
Cc: "Larsen, Sonia" <[REDACTED]>, "Okun, Brad R"
<[REDACTED]>, "Kelly, Colin" <[REDACTED]>
Subject: ArtSpace

I just tried to reach you in the office, but from my perspective there's no need to speak this evening.

Attached is a draft merger agreement for your consideration. This has been drafted very quickly (as you know), and the client is still reviewing (or, to be more accurate, in some cases the relevant people have not begun to review, but they will, soon), but I have been given permission to send to you so you can review concurrently. It would be very useful if you could let us know in the morning if you have any concerns or material comments. I am sure there are some glitches, and as you will see a few things need to be filled in. My objective here is to make sure ASAP that we are all in the same ballpark.

A note on the clause that still contemplates a possible flip to an asset deal. Here's the reason: We would like to hold this business in an LLC, going forward, so that its initial losses can more effectively be used up above. Converting from a C Corp to an LLC has some tax risk for us, which may not exist in reality in light of the company's NOLs but does in theory because we haven't had time to do any tax diligence. I note this because we may


want to do that very quickly, and also so that you can understand why that alternative has not entirely gone away.

I look forward to discussing this with you in the morning.

Best,

David K. Lakhdhir | Partner

Paul, Weiss, Rifkind, Wharton & Garrison LLP



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