From: Richard Joslin [redacted]
To: jeffrey E. <jeevacation@gmail.com>
Subject: talk later - I am heading out for a bit.
Sent: Friday, August 1, 2014 4:51:47 PM

Call with Artspace summary:
New set of financials will be circulated with tweaks to letter of intent (Black initiated changes). Some less than precise answers from Artspace attorney re voting and how and who were needed to gain approval. Debt understated on balance sheet as debt shown at 1x and should be 3x. Asset purchase seems doable as apparently only contracts are with suppliers – no contracts with dealers/ institutions. Artspace gave little substance on not preferrign for asset sale other than they preferred stock sale/ merger. Also appears sales tax only on auction sales and none on online sales. No answer on $583K of interest paid June 2014 other than it was repayment of debt (which was not evident on balance sheet). John at Phaidon is gathering info – I asked for detailed general ledger, payor (online purchaser) payment activity detail, and sales tax returns. This will give more details on revenues and expenses and who got re-paid.

Richard Joslin
CFO
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[redacted]
(w) [redacted]
(c)
(f)