

To: Tom Zaccagnino[tzaccagnino@wellesley.com]
From: Andrew Scott
Sent: Mon 8/17/2009 1:31:02 PM
Subject: RE: 38 Studios

Sorry Tom, its been quiet on my front.

-----Original Message-----

From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
Sent: Monday, August 17, 2009 1:27 PM
To: Andrew Scott
Subject: Re: 38 Studios

Hi Andrew - just checking in. If you have a few can we close the loop on 38 studios and the discussions you have been having?
Thx.

Best,

TZ

Sent from my iPhone

On Jul 31, 2009, at 12:25 PM, "Andrew Scott" <ascott@maximgrp.com> wrote:

> Sorry tom, just got in from the dentist,

>

> -----Original Message-----

> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]

> Sent: Friday, July 31, 2009 9:31 AM

> To: Andrew Scott

> Subject: Re: 38 Studios

>

> Andrew - hope your day wrapped up ok! Are you still able to meet around

> 1100-1130? We could also grab lunch if that works. Chris also said he

> might join us. let me know what works best, tz

>

> ----- Original Message -----

> From: Andrew Scott <ascott@maximgrp.com>

> To: Tom Zaccagnino

> Sent: Thu Jul 30 15:17:30 2009

> Subject: RE: 38 Studios

>

> Sorry Tom, we have another video game publisher studio in front of them.

> I cant disclose the name, but Dave Depaolo sent a term sheet on it.

> Sorry about the confusion. I just got the names mixed up. I have

> Jeffrey Marron at Sheridan Capital looking at 38 Studios today.

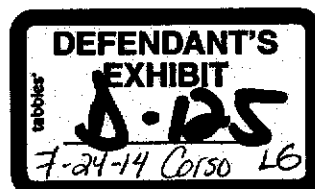
>

> Best,

> AS

>

> -----Original Message-----



> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 30, 2009 2:43 PM
> To: Andrew Scott
> Subject: Re: 38 Studios
>
> Andrew- I know you said that Brooks passed but I am meeting w Anthony
> Moretti at 3 and want to let gum know who you spoke w. Anthony know 38
> well and is actually speaking w them now. If you can let me know I
> would
> greatly appreciate it. See you at 5. Best, tz
>
> ----- Original Message -----
> From: Andrew Scott <ascott@maximgrp.com>
> To: Tom Zaccagnino
> Sent: Thu Jul 30 08:36:40 2009
> Subject: RE: 38 Studios
>
> 212 895 3744
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 30, 2009 8:26 AM
> To: Andrew Scott
> Subject: Re: 38 Studios
>
> One of the directors has been speaking w 38 recently and in the past
> when he was at BMO. I will call you when we finish up our 3pm. What is
> the best number to reach you at?
>
> ----- Original Message -----
> From: Andrew Scott <ascott@maximgrp.com>
> To: Tom Zaccagnino
> Sent: Thu Jul 30 08:19:35 2009
> Subject: RE: 38 Studios
>
> Im pretty sure Brooks isnt looking at it. There is not enough
> collateral
> or cash flow. Critical capital is stuck on the cash flow aspect
> too. I
> have a guy at Sheridan capital I can try too. I can do 5pm.
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 30, 2009 8:07 AM
> To: Andrew Scott
> Subject: RE: 38 Studios
>
> thanks. i am being told (via a dear friend that knows a director at
> Brooks) that Brooks has been having active conversations with 38
> studios...which is why i am asking who you spoke with.
>
> Do you want to meet for a drink around 5PM...also, speak with
> Chris...I
> know Mike has been speaking with him about the four of us getting
> together today....let me know what works.

>
> How do things look with Critical Capital?
>
> thanks for continuing to push...
>
> Confidentially they are negotiating a deal with EA for distribution of
> one of the RPGs that is coming out...best, tz
>
>

From: Andrew Scott [ascott@maximgrp.com]
> Sent: Thursday, July 30, 2009 7:50 AM
> To: Tom Zaccagnino
> Subject: RE: 38 Studios
>
> Charlie Robinson at Critical Capital
> Brooks Houghton is a pass.
>
> I can meet you tonight or tomorrow.
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 30, 2009 7:46 AM
> To: Andrew Scott
> Subject: RE: 38 Studios
>
> Andrew - can you let me know who you have been speaking with at Brooks
> Houghton...a dear friend has set up a meeting with one of their
> Directors to discuss 38 Studios. any chance of seeing you and Chris
> today/tonight/tomorrow?
>
> thanks!
>
> Best,
>
> TZ
>
>

From: Andrew Scott [ascott@maximgrp.com]
> Sent: Monday, July 27, 2009 12:46 PM
> To: Tom Zaccagnino
> Subject: RE: 38 Studios
>
> I have three calls out today, will be in touch by days end.
>
>

From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Monday, July 27, 2009 12:15 PM
> To: Andrew Scott
> Subject: Re: 38 Studios
>
> Andrew - any movement on the TICC front or any of the other options
> you
> are exploring? Thanks for the help.
>
> Best,
>
> TZ

>
>
> On 7/23/09 9:53 AM, "Andrew Scott" <ascott@maxingrp.com> wrote:
> I will make another call.
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 23, 2009 9:39 AM
> To: Andrew Scott
> Subject: Re: 38 Studios
>
> Absolutely. Not sure timing will work for Sept....we are working to
> solidify a path in the next few weeks. Is there any way to move the
> timeframe with TICC. Thanks for the help. Best, tz
>
> ----- Original Message -----
> From: Andrew Scott <ascott@maxingrp.com>
> To: Tom Zaccagnino
> Sent: Thu Jul 23 08:57:19 2009
> Subject: RE: 38 Studios
>
> Tom,
>
> TICC has asked to take a look at it in September. There are other
> funds
> I can approach if you would like.
>
>
>
> AS
>
>
>
>
> -----
>
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Wednesday, July 22, 2009 4:43 PM
> To: Andrew Scott
> Subject: Re: 38 Studios
>
>
>
> Andrew - hope all is well. I am hoping that you have had a chance to
> determine TICC and Brooks Houghton's level of interest in getting
> involved in 38 Studios. Would you kindly advise? Thanks!
>
> Best,
>
> TZ
>
>
> On 7/15/09 11:45 AM, "Andrew Scott" <ascott@maxingrp.com> wrote:
>
> Congrats! I will follow up. At this point, I believe TICC has more
> interest. I should know what level of interest by Friday. I

> appreciate
> the update.
>
> Best,
> AS
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Wednesday, July 15, 2009 11:39 AM
> To: Andrew Scott
> Subject: RE: 38 Studios
>
> Andrew - just checking in..
>
> I have secured the necessary funding for the bridge. However, I am
> wondering if TICC or BH would have an interest in a larger, more
> strategic conversation re: 38 Studios? There is an opportunity to
> provide development capital to finalize the funding needed to get the
> MMOG to launch..the range is 50M. let me know if there is
> interest...I
> am sure that BH could be value add beyond the capital by possibly
> helping to define a creative capital structure that minimizes cost.
> Thanks for the help.
>
> Best,
>
> TZ
>
> -----
> From: Andrew Scott [ascott@maximgrp.com]
> Sent: Friday, July 10, 2009 12:13 PM
> To: Tom Zaccagnino
> Subject: RE: 38 Studios
>
> Ticc passed for now.
>
> I should hear from BH today or Monday.
>
> Best,
> AS
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 09, 2009 5:01 PM
> To: Andrew Scott
> Subject: RE: 38 Studios
>
> Thanks Andrew....any luck hearing back? Best, TZ
>
> -----Original Message-----
> From: Andrew Scott [mailto:ascott@maximgrp.com]
> Sent: Thursday, July 09, 2009 3:23 PM
> To: Tom Zaccagnino
> Subject: RE: 38 Studios
>
> Brooks Houghton and Technology Investment Capital Group.

>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 09, 2009 3:11 PM
> To: Andrew Scott
> Subject: Re: 38 Studios
>
> Andrew- thanks for the time. Can you let me know the name of the two
> firms you mentioned? I was driving and didn't have an opportunity to
> write them down. Thanks. Best, tz
>
> ----- Original Message -----
> From: Andrew Scott <ascott@maximgrp.com>
> To: Tom Zaccagnino; Chris Fiore <cfiore@maximgrp.com>
> Sent: Thu Jul 09 09:20:45 2009
> Subject: RE: 38 Studios
>
> Tom,
>
> Please call me this morning when you have time. I can be reached at
> 212
> 895 3744.
>
> Best,
> Andrew Scott
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Thursday, July 09, 2009 12:48 AM
> To: Chris Fiore
> Cc: 'mcorso@orbdevelopment.com'; Andrew Scott
> Subject: Re: 38 Studios
>
> TNX Chris. Look forward to connecting tomorrow. Best, tz
>
> ----- Original Message -----
> From: Chris Fiore <cfiore@maximgrp.com>
> To: Tom Zaccagnino
> Cc: Mike Corso (mcorso@preservationcreditfund.com)
> <mcorso@orbdevelopment.com>; Andrew Scott <ascott@maximgrp.com>
> Sent: Wed Jul 08 20:19:09 2009
> Subject: RE: 38 Studios
>
>
> Andrew Scott (Sr banker at Maxim) is taking a look at it now and will
> reach out to you guys in the am.
>
> -----Original Message-----
> From: Tom Zaccagnino [mailto:tzaccagnino@wellesley.com]
> Sent: Wednesday, July 08, 2009 11:55 AM
> To: Chris Fiore
> Cc: Mike Corso (mcorso@preservationcreditfund.com)
> Subject: FW: 38 Studios
>
> Chris,

>
> I apologize for the delay...I had problems connecting to our server
> from
> the road last night. Curt's company is 38 Studios LLC and plays in
> the
> RPG and MMOG gaming space...closest example of a similar game is World
> Warcraft (www.worldofwarcraft.com) ...they do about 125-150MM/month
> in
> revenue. Curt's website is www.38studios.com.
>
> The basic situation is that there are two possible opportunities:
>
> 1) 1.5-2M 90 day bridge loan secured by a 1st position all asset lien
> (including all IP and ~4.2M in equipment), absolute pledge of Curt's
> ~80% interest in the company (which gives positive control in the
> event
> of an uncured default). We have already funded a 1.7M loan which is
> in
> 1st position so we would just participate out the new capital so
> everyone is on equal footing regarding the collateral...don't think
> anyone would go behind us.
>
> 2) 40-50M development capital loan needed to reach product launch...he
> currently is working with a Canadian group (CanWorld Finance) on this
> and should be receiving a commitment letter shortly....the CanWorld
> transaction is what pushed therefore creating the need for the bridge.
> If this is of interest to anyone on your side we would bump CanWorld
> assuming the timeline to close worked for Curt.
>
> Some other key data points....
>
> 1) Curt has basically self funded the venture to date...about +20M.
> 2) Timing is critical on the bridge or closing of the development
> transaction.
> 3) Curt is not in a position to put anymore money in.
> 4) The business does not generate revenue at this time...its pure
> development except that they have a few games that are being re-
> release
> in new version within the next 2-4 months...these are games that were
> purchased as part of the Big Huge Games acquisition.
> 5) I have attached a few docs for your review, PPM for Class B
> offering,
> Exec Presentation and Valuation backup.
>
> Let me know if you need anything else...and please keep the
> specifics of
> this email confidential.
>
> Best,
>
> TZ
>
>
>
>

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> *****
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> Wellesley Advisors
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> 978.823.8201 Fax

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