

From: Tom Zaccagnino
To: Rick Wester
Subject: Re: Precision Jobs
Date: Wednesday, August 04, 2010 4:13:19 PM

Saul is sending out an email. He said Ellen would be included. Pete and Mike told me 10 yr was the most expensive 150-200bps above normal pricing we were targeting.

We can't do the deal w the net proceeds getting hit like that.

Saul thinks they have BOA and Citizens willing to take 50mm in a private offering...I think they will softly push Wells tomorrow on holding the other 25mm...or they might get tossed. Saul thinks pricing on private would be in the 5's.

DB on the same terms would be a better deal for us. More net proceeds and single relationship that can be helpful downstream.

Let's hear them out tomorrow and see. Do not mention DB tomorrow. I just finished a call w DB...they are reviewing the term sheet now.

Best,

TZ

Sent from my iPhone

On Aug 4, 2010, at 4:06 PM, Rick Wester <rwester@38studios.com> wrote:

Informally from what I'm hearing, the 10 year deal would be the least expensive.

Jen told me about the 9am with EDC. Should I have Ellen on the call?

Any chance we could catchup latest today for a few?

Rick Wester

Chief Financial Officer

38 Studios, LLC

978.310.5198 T

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From: Tom Zaccagnino
Sent: Wednesday, August 04, 2010 2:23 PM
To: Rick Wester
Cc: Bill Thomas
Subject: Re: Precision Jobs

Btw ten yr deal is extremely expensive and as you pointed out crushes net proceeds.

Best,

TZ

Sent from my iPhone

On Aug 4, 2010, at 2:21 PM, "Rick Wester" <rwester@38studios.com> wrote:

Sounds good!

Rick Wester

Chief Financial Officer

38 Studios, LLC

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From: Tom Zaccagnino
Sent: Wednesday, August 04, 2010 2:16 PM
To: Rick Wester
Cc: Bill Thomas
Subject: Re: Precision Jobs

I spoke w mike Saul...there are a number of options...let's nit take any position on the deal until we all speak. Saul loved the db option. I have already spoken to db and we r speaking again later.

Best,

TZ

Sent from my iPhone

On Aug 4, 2010, at 2:05 PM, Rick Wester
<rwester@38studios.com> wrote:

He was mentioning going to the 10 year (3 year interest, 7 year pay down) that's in the model. I'm ok with it. We might want to offer it up to keep things moving. Only downside is that our net will be about \$60+ when taking the debt reserve into consideration.

Rick Wester

Chief Financial Officer

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From: Tom Zaccagnino
Sent: Wednesday, August 04, 2010 12:01 PM
To: Rick Wester
Cc: Bill Thomas
Subject: Re: Precision Jobs

I would hold off until we speak tomorrow w riedc and working group. Saul called me a said they are

definitely having issues w the rating agencies re structure.

Best,

TZ

Sent from my iPhone

On Aug 4, 2010, at 11:48 AM, "Rick Wester"
<rwester@38studios.com> wrote:

Tom, Bill,

I've mentioned to Tony (RI Bond Counsel) that I'd like to try and keep Precision jobs out of the docs since it is an IP cloaking entity only and could defeat the purpose if disclosed. He's open to discussing that, but would like to talk to the relevant lawyer to discuss. (Fox Rothschild, I believe). Ie. IP was never assigned to Precisions jobs. Sole purpose is to cloak the identity of the IP for registration filings.

Thoughts?

Rick

Rick Wester

Chief Financial Officer

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