



Allen Schwartz <allen@allenschwartzlaw.com>

Fwd: FW: Oak/JJ Proposal

----- Forwarded message -----

From: Jared Chassen <jchassen@archcre.com>
Date: Wed, Oct 4, 2023 at 2:49 PM
Subject: FW: Oak/JJ Proposal
To: jaredchassen@gmail.com <jaredchassen@gmail.com>

JARED CHASSEN

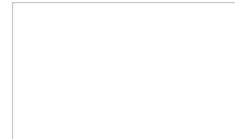
Partner

—
D 646.854.1947 | C 646.634.9955

jchassen@archcre.com | archcorealestate.com

[88 University Place](http://88UniversityPlace.com), 2nd Floor, New York, NY 10003

PLEASE NOTE THAT OUR ADDRESS HAS CHANGED



From: Jeffrey Simpson <jsimpson@archcre.com>
Sent: Thursday, July 20, 2023 2:51 AM
To: Tristan Last <tlast@archcre.com>; Jared Chassen <jchassen@archcre.com>; Michelle Miller <mmiller@archcre.com>; Jason Paul <JPaul@archcre.com>
Subject: Fwd: Oak/JJ Proposal

I guess Jared is getting promoted and I'm out of work. Congrats .

NYSCEF: **JEFFREY SIMPSON**

RECEIVED NYSCEF: 10/06/2023

Managing Partner | Arch Companies

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88 University Place, 11th Floor, New York, NY 10003

Sent from my iPhone

Begin forwarded message:

From: Len Breslow <LBreslow@breslowwalker.com>
Date: July 19, 2023 at 11:01:35 PM EDT
To: Jeffrey Simpson <jsimpson@archcre.com>
Subject: FW: Oak/JJ Proposal

See below. Can discuss tomorrow. I should be at my office by 10am or so.

Len Breslow

Breslow & Walker, LLP

www.breslowwalker.com

----- Original message -----

From: "Silberstein, Andrew" <Andrew.Silberstein@haynesboone.com>
Date: 7/19/23 9:33 PM (GMT-05:00)
To: Len Breslow <LBreslow@breslowwalker.com>
Cc: "Lavender, Brad" <Brad.Lavender@haynesboone.com>, "Thorne, Leslie" <Leslie.Thorne@haynesboone.com>
Subject: Oak/JJ Proposal

Len,

On behalf of our client, the below outlines the terms on which Oak proposes to resolve the major issues

NYSCEF DOCUMENT NO. 1009. Please let us know if you can jump on a call tomorrow after you've spoken with your client. Thanks.

DOCUMENT NUMBER: 10/06/2023

Subject to FRE 408 and Equivalent State Statutes

- Jeff immediately steps away from active day-to-day management of Arch and its subsidiaries and relinquishes authority to act on behalf of Arch and its subsidiaries. He would make himself available as a consultant on an agreed hourly rate to help out with specific properties as and when Arch requires. The settlement documents will include customary mutual non-disparagement, confidentiality, and similar provisions. Jeff would also agree to a period of non-solicitation of Arch employees.
- The JJ Operating Agreement is amended such that Jared has sole control over JJ. Any further amendment involving control or otherwise granting any person approval rights would require Oak consent. JJ would remain the managing member of Arch (subject to the below).
- The applicable provisions of the Arch Operating Agreement will be amended such that no direct or indirect transfer or change to JJ's structure can be made that would result in Jared ceasing to have sole control of JJ without Oak consent in its sole discretion.
- Arch and Oak will agree to a reasonable budget for the Properties and for Arch's operations for a reasonable period of time, and Oak will commit to funding that budget in accordance with the JV agreement. Amendments to the budget, adopting any further budget, or incurring or calling for capital for expenses outside the approved budget will require the consent of Oak. The budget will take into account the timing of expenses, fee payouts, etc so that as much as possible Oak contributions towards the capital of Arch and the Properties is funded by money coming out of the properties.
- Oak will have the right to appoint the Arch controller/CFO
- Oak/JJ will discuss a broker (including ACRE) but Oak should have the right to bring in Infinity without a fee and to otherwise bring third party capital on board to help fund/replace capital in on some of these properties
- JJ and Oak work together in good faith to see if they can get alternative managers to come in and run the portfolio or specific properties at the end of the initial budgeted period (the "Interim Period")
- After the end of the Interim Period, if (a) alternative managers are not engaged (b) a new budget/business plan for the next one year period is not agreed-to, or (c) there is any other material deadlock between Oak and JJ, then, at Oak's option, at any time thereafter Oak or its designee will become the managing member of Arch.
- JJ will cooperate in good faith to enable Oak/Arch to obtain all required third party consents in connection with any change in the manager/managing member. JJ will also confirm that Jared taking control of JJ does not violate any applicable agreement.
- If Oak or its designee becomes the managing member of Arch, JJ would then remain as a non-managing member with a right to its proportionate share of distributions. Oak/JJ to discuss compensation for work done by JJ up to date of the change of control, including any promote that would then be earned based on current valuations and recognizing their will need to be an incentive for any replacement manager.
- Customary mutual releases between Oak and Jeff, other than for fraud or willful misconduct

image001.jpg

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Counsel
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Jared Chassen

3 attachments

HAYNES BOONE [image001.jpg](#)
2K

