

**From:** Barry Josephson <[REDACTED]>  
**To:** "'jeevacation@gmail.com'" <jeevacation@gmail.com>  
**Subject:** Re: "Arbitrage"  
**Date:** Sat, 27 Nov 2010 01:29:23 +0000

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Any 60+ actor other than Clint isn't going to have a lot of value, Susan & Eva or Drake the rapper don't have great value. Again...its impossible to judge properly without reading.

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**From:** Jeffrey Epstein <jeevacation@gmail.com>  
**To:** Barry Josephson  
**Sent:** Fri Nov 26 16:55:50 2010  
**Subject:** Re: "Arbitrage"

thanks,, why does the cast make it a long shot?

On Fri, Nov 26, 2010 at 8:53 PM, Barry Josephson <[REDACTED]> wrote:  
Jeffery,

Do you want my feedback? The reason Michael Ohoven is wanting Louisiana is most likely because the rebate there is far better than New York, crew rates are less, unions are easier to make deals on the side with, and he may have fund with other financiers to do a certain number of films at a certain price.

He's giving Nick the bare minimum I assume that he believes is required for New York exteriors (3 days).

Obviously I've not read the screenplay, but that cast makes it a long shot. If the script is remarkable, and his execution is great, the upside is that it does well at festival circuit and sells for a top price.

Obviously I know your longstanding important relationship with The Jarecki's , so let me know how I can be helpful to you.

Best,  
Barry J

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**From:** Jeff Epstein <jeevacation@gmail.com>  
**Date:** Thu, 25 Nov 2010 05:56:50 -0800  
**To:** Barry Josephson <[REDACTED]>  
**Subject:** Fwd: FW: "Arbitrage"

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

**From:** Nicholas Jarecki <[REDACTED]>  
**Date:** Thu, Nov 25, 2010 at 12:56 AM  
**Subject:** FW: "Arbitrage"  
**To:** Jeffrey Epstein <jeevacation@gmail.com>

CONFIDENTIAL

Hi Jeffrey,

Thanks for your call today; I hope I was amusing even under my current circumstances!

EFTA00752150

Per our talk, enclosed please find a finance plan for Arbitrage, as well as my updated sales figures (now up to 4.4 million sold.) I have also included the plan as an excel file so you can tweak it to your liking ;) The numbers aren't perfect but they are within striking distance and I've done a lot of work to vet them and get them here, considering every possible cost and revenue source.

Unfortunately, as I mentioned my current equity investor (Michael Ohoven) announced to me yesterday that he will not take any partners and will only shoot the film for 10MM all-in (including finance) in Louisiana with 26 shooting days, 3 of them in New York, with me not having much say on anything. He is asking me to sign over all rights now. He has some special deal in Louisiana that I don't even want to know about and I think that's his big motivation.

Of course, I have no idea whether Al or the rest of the cast would go to Louisiana and if Lisa Wilson my sales agent would be able to preserve her sales figures if we shot there. I feel creatively the film should be shot in NYC, especially as I have all my free toys there I can provide to enhance its feeling.

I'm open to any arrangement that works for you. I have the passion to see this movie through and make it with heart and beauty in New York, in the incredible locations I can provide for free, with the great cast that has come to play. *Last week the hip-hop sensation "Drake" signed on to play Jimmy!* He's a wonderful guy and will do great work (and work hard to promote the movie and substantially raise our American media and viewing profile.)

Kevin Turen (my creative producer and partner from the film's genesis) and I have committed to put up 500k in equity each. He and I have also deferred all of our producing fees, and I have deferred my writing and directing fee entirely.

In the last week I have faced the inevitable; I have begun cutting the script with my teacher, and we have artfully rewritten pages (we're not there yet, but we'll get to 105 pages) and the budget down to an achievable 9.5MM for a 29 day shoot in NYC that would start March 21st.

The attached plan assumes we can get a bank loan after fees and discounts of about 6MM. I don't have term sheets, but I have kicked the tires on these numbers pretty well and believe they will hold up. I'm trying to get term sheets now (but with holidays it is tough this week). My excellent line producer Bob Salerno ("A Single Man," "21 Grams") is already in process with a company called TCF on tax credit finance bids for New York.

We will need about 3.8MM in equity to finance the remainder of the film. As Kevin and I will put up 1MM together, we need an additional 2.8MM in equity.

I believe we will recoup and go into profit based on this plan, as it only assumes a 1.1MM US sale and there are about 2.8MM worth of unloaned foreign sales and tax credits to collect upon, assuming no overages in foreign sales. You asked how we could make money: we could get it by doing better on foreign sales (as they will certainly increase from showing and selling completed footage to buyers if I deliver a quality film— right now they have only bought a piece of paper- so when I show footage if it is good they will pay more— of course you have to believe I will make a good movie!) We could also make money through a higher US sale. Sales recently have been as high as 5mm and some decent films (like Rabbit Hole with Nicole Kidman) have gone for 3mm- we're only projecting 1.1mm. Finally one could force it straight to DVD, and I believe with this cast collect at least 2mm just from that, and already be 1mm in profit. I believe the downside risk of the equity is 1mm (we'd have to really mess up to have 0 domestic sale or drastically reduced remaining foreign)- and the upside is probably 2mm at least (1m increase on foreign, and 1m increase on domestic). Another way to go would be to self-distribute domestically, and put up our own P&A (although this is tricky and will require a couple million more spend- but could result in 5mm upside— and it's a decision that can be made down the line).

If you thought any of this plan made sense, we would be ready to go, and the moves would be: to sign off (we can execute contracts very quickly), fund some prep (200k of work to start scouting and working on the movie in mid-December in NYC), and make Al pay or pay for our March 21st shoot (his agent Jeff Berg is screaming for his 1.8mm money guarantee now!) in order to keep our dates and our principal actor.

We would shoot March 21 in NYC for about 30 days over 6 weeks. We'd then edit and post the film in New York over a 3 month period. We'd probably be ready to deliver it around March 2012.

One additional option would be also take out the bank position, which would save at least 714k in fees and a lot of headache. But it requires a lot more commitment (an additional 6mm)- so we can table that and know it will work without it.

If you came in you could executive produce or produce the film, and come on set, go to all premieres, receive awards, all the nice fun stuff.

Finally our foreign sales agent Lisa is currently at deal 7.5% upfront fees of her sales (7.5% deferred) plus 150k market fee in these projections. I believe if we were serious we could ask her to defer a bit more, but who knows.

I thank you very much for looking at all this. As my current partner has put a gun to my head, I do need to give him a yes by next Tuesday, or risk no movie at all. Of course, I'd love to tell him goodbye.

Have a great Thanksgiving, and no matter the answer- I appreciate you looking at this all. I expect nothing.

Give my dad a hug for me.

Best,  
Nick

PS please note attached budget is 10.65mm- but we have down to 9.5-10mm- still working with my guy to redo the numbers but they are really there- just don't have document finished yet- and numbers are real.

PPS This may be in "movie shorthand" so I can walk through in detail anything that doesn't just make sense. I also have all the real people to talk to available at a moment's notice.

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

From: Nicholas Jarecki

To: Nicholas Jarecki

Sent: Tue Nov 02 20:45:13 2010

Subject: ARBITRAGE

<http://www.variety.com/article/VR1118026780.html?categoryid=13&cs=1> <<http://www.variety.com/article/VR1118026780.html?categoryid=13&cs=1>>

VARIETY

Posted: Tue., Nov. 2, 2010, 6:08pm

Al Pacino heads for 'Arbitrage'

Financial thriller also stars Susan Sarandon, Eva Green

By PAMELA MCCLINTOCK

Al Pacino has financial thriller "Arbitrage" set as his next film. He'll star opposite Eva Green and Susan Sarandon.

Writer-director Nicholas Jarecki is set to start principal photography in Gotham next spring.

Michael Ohoven ("Capote") is producing and financing through his Infinity Media banner. Kevin Turen and Robert Salerno also are producers.

Lisa Wilson's Parlay Films, an affiliate of GK Films, is selling international rights and will debut the project at the American Film Market. ICM is repping North American rights.

Laura Bickford ("Traffic") and Brian Young ("The Runaways") are exec producing the pic.

"Arbitrage" stars Pacino as a hedge fund magnate who is in over his head and desperate to complete the sale of his trading empire to a major bank before his fraud is revealed. But an unexpected, bloody error forces him to turn to the most unlikely corner for help.

Foreign buyers have shown keen interest in financial dramas in the wake of the economic collapse of late 2008. Myriad Pictures has seen brisk sales for Kevin Spacey-Jeremy Irons-Zachary Quinto topline "Margin Call," which will also be at AFM.

Other upcoming Pacino projects include Sony's Adam Sandler comedy "Jack and Jill," which is eyeing a November start date. He's also circling a "King Lear" project. He was last in theaters in 2008 in "Righteous Kill."

Sarandon was most recently seen in 20th Century Fox's "Wall Street: Money Never Sleeps."

Green ("Casino Royale," "The Golden Compass") is in production on the "Camelot" series for Starz and GK-TV.

Jarecki's credits include docu "The Outsider" featuring James Toback. He also co-wrote "The Informers" with Bret Easton Ellis. He's the brother of filmmakers Andrew and Eugene Jarecki.

Ohoven is in post-production on "The Fields," starring Sam Worthington.

Infinity will next produce and finance psychological thriller "The Door," which begins lensing later this month.

Contact Pamela McClintock at [REDACTED]

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Nicholas Jarecki  
The Green Room  
[REDACTED]

----- End of Forwarded Message

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