

Adaptation of Massachusetts Institute of Technology Social Networking Experiment To Mobilize The Identification and Engagement of Professionals to Resolve MorganStanleyGate

Referral-Related Events Rewarded

Ref. Count	Referred Law Firms Engaged to Pursue ...
Civil Claims & Void Foreclosures by ...	
1	Morgan Stanley
2	Wells Fargo (Wachovia)
3	Paragon Commercial Bank
Subtotals	

Projections For Engaged Law Firms					
Claim (\$mm)	Expected Award %	Expected Probability	Gross (\$mm)	Legal Fees (\$mm)	Pre-Award Net (\$mm)
630.0	15%	50%	47.3	14.2	33.1
100.0	15%	65%	9.8	2.9	6.8
100.0	15%	99%	14.9	4.5	10.4
830.0			71.9	21.6	50.3

Libel & Other Civil Claims From ...

4	Local NC Newspapers
5	Municipalities & Related
Subtotals	

100.0	15%	85%	12.8	3.8	8.9
100.0	10%	50%	5.0	1.5	3.5
200.0			17.8	5.3	12.4

The Collection of ...

6	Rent Arrears from Tenants
7	Damages from Vendors
Subtotals	

3.5	100%	90%	3.2	0.9	2.2
30.0	10%	50%	1.5	0.5	1.1
33.5			4.7	1.4	3.3

Malpractice Claims Against ...

8	New York Attorneys
9	North Carolina Attorneys
Subtotals	

60.0	15%	50%	4.5	1.4	3.2
60.0	15%	50%	4.5	1.4	3.2
120.0			9.0	2.7	6.3

Totals

1,183.5			103.3	31.0	72.3
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Awards Paid Out For Successfully Referring Law Firms, Evidenced by Their Being Engaged (i.e., hired)

Success Award (%)	Success Award (\$000's)	Award Units	Referral Award (\$000's)	Total Award (\$000's)	The Six Degrees of Separation Referral Chain Award Percentages						MEVEP Foundation (\$000)
					Level 1 50%	Level 2 25%	Level 3 12.50%	Level 4 6.25%	Level 5 3.125%	Level 6 1.563%	
4.0%	1,323	4.0	321	1,644	822	411	205	103	51	26	205
4.0%	273	1.5	120	393	197	98	49	25	12	6	49
4.0%	416	1.5	120	536	268	134	67	34	17	8	67
	2,012	7.0	561	2,573	1,287	643	322	161	80	40	322

Ref. Count	Referred Capital Providers Secured To ...
Finance the ...	
1	Reclamation of Real Estate
2	Completion of Redevelopments
3	Working Capital Needs
4	Investment in Project Atlas
Totals	

Projections For Capital Providers					
Request (\$mm)	Initial Funding %	Eventual Funding %	Capital (\$mm)	Award Units	Incentives (\$mm)
11.3	70%	100%	11.3	1.5	120
1.5	30%	100%	1.5	1.0	80
1.0	50%	100%	1.0	1.0	80
100.0	10%	40%	40.0	5.0	401
113.8			53.8	8.5	682

Awards Paid Out For Successfully Referring Capital Providers Evidenced by Their Providing the Financing

Success Award (%)	Success Award (\$000's)	Award Units	Referral Award (\$000's)	Total Award (\$000's)	The Six Degrees of Separation Referral Chain Award Percentages						MEVEP Foundation (\$000)
					Level 1 50%	Level 2 25%	Level 3 12.50%	Level 4 6.25%	Level 5 3.125%	Level 6 1.563%	
1.00%	113	0.5	40	153	77	38	19	10	5	2	19
1.00%	15	0.5	40	55	28	14	7	3	2	1	7
1.00%	10	0.5	40	50	25	13	6	3	2	1	6
1.25%	500	3.0	241	741	370	185	93	46	23	12	93
1.19%	638	4.5	361	999	499	250	125	62	31	16	125

Ref. Count	Referred Public Relations Firms Engaged To ...
Cultivate Public Interest & Coverage ...	
1	In the NY Metro Area
2	In the NC Triangle Region
3	Nationally
Totals	

Projections For PR Firms Engaged					
Base		Discretionary		Total	
Award Units	Prof. Fees Paid	Award Units	Prof. Fees Paid	Award Units	Prof. Fees Paid
2.0	160	1.0	80	3.0	241
2.0	160	1.0	80	3.0	241
2.0	160	1.0	80	3.0	241
6.0	481	3.0	241	9.0	722

Awards Paid Out For Successfully Referring PR Firms, Evidenced by Their Being Engaged (i.e., hired)

Success Award (Units)	Success Award (\$000's)	Award Units	Referral Award (\$000's)	Total Award (\$000's)	The Six Degrees of Separation Referral Chain Award Percentages						MEVEP Foundation (\$000)
					Level 1 50%	Level 2 25%	Level 3 12.50%	Level 4 6.25%	Level 5 3.125%	Level 6 1.563%	
0.5	40	0.5	40	80	40	20	10	5	3	1	10
0.5	40	0.5	40	80	40	20	10	5	3	1	10
0.5	40	0.5	40	80	40	20	10	5	3	1	10
1.5	120	1.5	120	241	120	60	30	15	8	4	30

Aggregate Award Incentives and Fees Paid to Those Referrals Who Were Successfully Engaged >>>>>	(\$000's)	1,404
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Aggregate Dollar Amount of Awards to Those Making Successful Referrals >>>>>	(\$000's)	5,253	Total Award Paymts =	(\$000's)	6,657
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Projected Charitable Contribution assuming there are on average 3 levels in the Awarded Referral Chains >>>>>	(\$000's)	657
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Note: Other Non-Quantifiable Referral-Related Events Such as Engaging the Support of a Celebrity or Activist Group May Be Discretionarily Rewarded with Award Units Of Up to ...

Successful Referrals	
16	Total Number of Referrals Sought
5	Possible Other Referrals
21	<<<<< Projected # of Successful Referrals
3	<<<< Projected average degrees of separation
63	<<<<< Projected # of Referral Payees

Contribution to the MEVEP Foundation	
Aggregate Net Receipts	72.3
Less: Awards & Prof. Fees & Incent.	(6.7)
Less: Proforma Net Worth	(46.0)
Add Back: FMV Equity of Real Estate	10.0
Surplus to Net Worth	29.6
Percentage Split	50%
Total (\$mm)	14.8

Allocable Award Units	For Those Making the Referral		For The Engaged Professionals		Total
	Law Firms	Capital Providers	PR Firms	Discretionary Others	
14.0	4.5	8.5	3.0	5.0	14.0
14.0	3.0	9.0	5.0	5.0	13.0
14.0	3.0	9.0	5.0	5.0	12.0
14.0	3.0	9.0	5.0	5.0	10.0
21.5	22.5	44.0			44.0

Charitable Contribution from Projected Net Receipts	(\$000's)	14,809
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Projected Contribution to MEVEP Foundation	(\$000's)	15,466
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Other Notes

- The Claims against the 3 banks include reclamation of all real estate due to Fraudulent Foreclosures on ALL NY and NC properties
- Additional incentives may be set up at a later date to find managers to run the MEVEP Foundation, and perhaps even tenant referrals
- Legal professionals will be engaged on a contingent fee basis equal to 30% of the Gross Judgment/Settlement Receipts
- Each successive level in the Referral Chain is 50% of the previous level, as applicable, with all residuals donated to charitable organizations
- Each of the Six Degrees of Separation Levels represent the contribution that will also be made to the MEVEP Foundation if that is the final level
- Success & Referral Awards are one and the same for Capital Providers
- The Success Awards of QUANTIFIABLE Referral-Related successes are matched to fund the pot for determining the value of the Award Units
- The civil claims against Morgan Stanley are employment related and the result of FRESCA crimes, and include Punitive Damages
- The claims vs. Wachovia and Paragon pertain to Lender Liability and their involvement in the FRESCA crimes and include Punitive Damages
- The claims against Local NC newspapers pertain to defamation and their involvement in the FRESCA crimes and include Punitive Damages
- The Claims vs. Municipalities pertain to damages for their participation in and cover-up of FRESCA crimes and include Punitive Damages
- The claims for rent arrears are based on lease contracts and negligence in billing by property managers (part of Damages by Vendors)
- The legal malpractice claims are based on obvious negligence and ethics violations and include Punitive Damages
- The claims against Morgan Stanley should also name Kirkland & Ellis as Defendants
- The claims against Wachovia should also name Nelson Mullins as Defendants
- The claims against Paragon Commercial Bank should also name Kirkland & Ellis as Defendants
- All Award Payments are funded by aggregate "Pre-Award Net" receipts
- Award Residuals are donated to the MEVEP Foundation

Pot for Award Units (\$000's)	
Law Firms	2,891
Capital Providers	638
	3,529

Allocable Units	44.0
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Projected Value of an Award Unit (\$000's)	80
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