

Subject: "THE RAN PLAN" - PART 2 > SETTLEMENT OF JASON EARL IP LICENSING DEBT AND SALE OF RAN LIMITED TRADING ASSETS TO J EARL TRADING LIMITED - VERY URGENT
From: George Eaton-Busfield <george@g-cv.com>
Date: 03/08/2016, 16:57
To: "medwards@setfords.co.uk" <medwards@setfords.co.uk>, index arb <indexarb@hotmail.com>, Fieldhouse <fieldhouse@ntlworld.com>, "anthonycheung10@hotmail.com" <anthonycheung10@hotmail.com>, Matthew Cheung <matthewcheung50@hotmail.com>
CC: Adam Voce <adam@g-cv.com>, Aubrey Hayward <aubrey.hayward@ransquawk.com>, Albie Turner <ast@pjmarksandco.com>, Adam Linton <adam.linton@ransquawk.com>, George Eaton-Busfield <george@g-cv.com>, Verona Cocks <vcocks@setfords.co.uk>, Brad Alcini <brad.alcini@ransquawk.com>

Dear Michael, Adam, All,

On behalf of the Directors

Please reply with your support wherever possible.

JASON EARL IP LICENSING DEBT (IMMEDIATE ISSUE) AND RAN LTD SALE OF SQUAWK TRADING ASSETS

I have been trying to negotiate an agreement with Jason for the company to continue to utilise the Intellectual Property that he has developed. Essentially this is all the IT Infrastructure, Code and software that he has developed as a contractor to the company over 8 years and it underpins everything the company does. In the early stages of our discussions he stated that he was willing to discuss the issue but that essentially he felt "Taken advantage of" and that Ranvir had always been promising that he would make it up to him with equity or otherwise.

Unfortunately, it seems that Ranvir simply abused his position of power again to manipulate Jason and then after the way Jason felt he was treated by Matthew Silvester and Sonny Schneider I think it may have been at that point that Jason decided that he was likely to be unwilling to negotiate or work with RAN Ltd in the longer term

The current position is not ideal however I think we / the company has options going forward - which I propose below for your consideration and advice - and ultimately for your support.

Jason has confirmed to me in conclusion of our discussions (and I had expected to have already received an email or legal letter confirming this) that he is no longer willing to work with RAN Ltd in the longer term and that he wants to take his IP and go and set up his own business. He says that he feels that he fears reputational association with the company, litigation risk and ultimately he has obviously gone and investigated what he believes he is entitled to.

As a result he says that he is going to issue a demand for repayment of back licencing fees as MNI, Dow Jones have done and potentially others may do in the future.

With this in mind, yes, he has confirmed that he is intent to issue the debt you state and that in the event some suitable compromise is not agreed then he will cease to provide use of his IP and the related services within 7 days - THIS WOULD ULTIMATELY MEAN WE WOULD BE ENTIRELY UNABLE TO PROVIDE ANY SERVICE TO OUR CLIENTS WHICH ULTIMATELY MEANS THAT OUR BUSINESS WOULD LIKELY DIE OVERNIGHT.

Michael, we have spoken and I acknowledge that we could try to seek an injunction and such forth but the problem is that I fear Mr Singh has placed us in this position and that ultimately yes the debt is due. I also fear that given all the other actions that Mr Schneider is pursuing against us and the fact that if we fight and Jason pulls the plug are business is dead in any case.

IN SUMMARY I FEAR THAT IF WE DON'T FIND A WAY TO RESOLVE THE DEMAND / REQUESTS FROM JASON PROMPTLY WE WILL HAVE NO BUSINESS ANYWAY.

I ALSO FEAR THAT THE (RAN) SQUAWK BUSINESS IS UNTENABLE GOING FORWARD FOR THIS COMPANY SPECIFICALLY - We cannot attain any Tier 1 news services legitimately, our reputation is badly damaged both internally and externally by the embezzlements and the destroyed relationship with key suppliers (Bloomberg / Reuters etc) that mean we can't utilise these services and essentially therefore can't provide a service - sales are already falling.

I ALSO SERIOUSLY FEAR THAT IF WE DO NOT CEASE TO SQUAWK WE ARE AT HUGE RISK OF FURTHER LITIGATION - we have no idea what other services Mr Singh, Mr Cheung and Mr Schneider may have stolen in the past.

HOWEVER, JASON HAS OFFERED US A WAY OUT – I BELIEVE HE WILL CONFIRM THIS BY EMAIL TODAY – HE WILL AGREE TO SETTLE WITH US ON CONDITION THAT WE ALLOW HIM TO PURCHASE THE SQUAWK. HE STATES THAT HE ALREADY OWNS THE IP AND THINKS HE CAN GAIN TRACTION WITH SUPPLIERS.

I SUMMARISE HIS PROPOSITION AND THE EFFECTS UPON US BELOW AND I BELIEVE WE SHOULD TAKE IT – I ASK FOR YOUR SUPPORT AND AGREEMENT TO DO SO.

- I fear we have no option at this point given the risks above.

1. He is demanding **£1.356 million** for back licencing at £15,000 pcm (based on perspective that he is slightly less valuable than Reuters (who pitched licence fee of circa £20,000) and more than MNI (licence circa £5,000)).
2. He is stating that he does not want to but that he is to switch us off in **7 days** if we don't agree "some type of settlement" (we can obviously fight this in the future but we have to get something to keep the business going for now).
3. He is proposing that we pay him **-£300,000** today as a part payment for historic licencing of IP.
4. He is proposing that he will then make a payment of **+£480,000** for "all the trading assets of the Squawk business and associated products and services – including Talking Forex) – based on a x2 multiple of earnings (he is aware of the valuation / numbers from Mr Schneider historically) and feels that a multiple of x1 is applicable give the very serious risks facing the company (Schneider, Bloomberg, Reuters, General Industry change etc.)
5. He is then requesting that the company immediately repays him a further **-£400,000** as an additional payment against his historic
6. He is then requesting that the company pays him a final **-£300,000** – essentially annually 5 years - and that he will seek a charging order for this amount.
7. He has also requested that Adam Linton be released from Notice and non-compete to take up service with JET trading.
8. He has asked for the sale agreement to be completed by the 4th August 2016 as he has concerns over Mr Schneider's actions.

The net effect of this is:

- He would acquire the trading asset that is RAN Ltd.
- He would receive an immediate payment of £220,000 (-£300k+£480k-£400k)
- There would be an additional secured charge against the company to JET for £300,000 due within 36 months
- He will not allow us to utilise his IP going forward from the 31st November 2016 BUT he will not charge for any use in the meantime (albeit irrelevant)

BUT - I FIRMLY BELIEVE WE SHOULD TAKE HIS PROPOSAL BECAUSE:

- We would save £0.356 against his total demand, plus legal costs and ...
- We the directors do not believe that RAN Ltd can continue to provide a squawk service and that it MUST redefine how it provides web enabled real time analysis to the world.
- Our own desk and analysts have confirmed that we cannot compete in the market place without Dow Jones, MNI, Reuters, Bloomberg and essentially a bad reputation left by Mr Singh.
- We believe that if we continue to provide a squawk service to the world in the current format we are likely facing future litigation as we simply have
- THIS IS AN OPPORTUNITY TO REMOVE OR AT LEAST MINIMISE THESE LIABILITIES WHILST SECURING SOME CASH FOR THE BUSINESS TO RETAIN WHILST IT TRIES TO REDEFINE ITS APPROACH.
- ULTIMATELY, IF WE DON'T AGREE TO SOMETHING LIKELY THE BUSINESS WILL FAIL IN THE NEAR FUTURE AND SHAREHOLDERS WILL BE LEFT WITH ALMOST NOTHING EXCEPT LIABILITIES AND LITIGATION.

AS AN ASIDE – I WOULD NOTE THAT WE THE DIRECTORS CAN NOT GUARANTEE THAT THESE ACTIONS WILL BE ENOUGH TO SAVE THE COMPANY. WE HAVE SERIOUS CONCERNS AS TO THE DAMAGE THAT HAS ALREADY BEEN DONE.

THEREFORE MICHAEL (or Piers which is Jason's lawyer I believe) - PLEASE COULD YOU DRAFT: (For signature subject to agreement of these actions)

1. A **"Trading Asset Sale Agreement"** For all RAN Ltd squawk related assets, clients, contracts,

- IP, revenue streams, hardware, software, including Talking Forex to JET Ltd.
- 2. A "SECURED CHARGE" for the remaining £300,000 that is due to JET that is to be repaid at annual increments on the 4th August each year over 5 years - starting on the 4th August 2017.
- 3. Advice on any TUPE obligations - I understand that he is willing to employ all staff on current terms that work for RAN Ltd and I see no reason for
- 4. He has also agreed as part of the sale / purchase agreement to agree to finance (by loan debt) additional finances on an on demand basis to enable RAN Ltd to pursue the completion of its legal actions against Mr Singh and Mr Cheung.
- 5. No need for a licence agreement going forward because we won't be utilising Jason or Jet's Infrastructure or IP as we will need to define a new / legitimate way to provide services.

THE MAIN THING IS TO GET THIS DONE - IF AMENDMENTS NEEDED THEY CAN BE MADE SUBSEQUENTLY BUT MY FEAR IS THAT JASON IS SERIOUSLY LOOSING PATIENCE AS THE CONVERSATION HAVE BEEN ONGOING FOR A LONG TIME.

Please reply with your support via a simple email "I support the proposed actions of the Directors in the interest of the company" - or advise otherwise - please call if any questions.

I can confirm that these proposals are made by myself and Adam Voce in the interests of the company,

Kind Regards
George

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From: Michael Edwards [mailto:medwards@setfords.co.uk]
Sent: 03 August 2016 13:28
To: George Eaton-Busfield <george@g-cv.com>; 'adam voce' <adam@ginkgocv.com>
Cc: Verona Cocks <vcocks@setfords.co.uk>
Subject: RE: RANS - Piers Instruction for JET Ltd

Dear George,
 I have spoken to Piers and he tells me that RANS is to acknowledge a debt to JET of £1.365 million (91 months @ 15k per month) in respect of IP belonging to JET ,some part of which is to used as consideration for Squawk assets belonging to RANS which are to be the subject of an asset sale agreement at open market value .This will involve some sort of documentary evidence in acknowledgement of the debt and an asset sale agreement .We will also need some sort of legal agreement as to how the balance of the debt is repaid to JET -we cannot have a large debt repayable on demand as this may affect both distributable profit and solvency positions .I understand we shall also need a licence agreement (at 15K per month) to allow RANS to continue to use IP ,subject to termination at one months notice.
 Please let me know how this correlates with your understanding of the position .Piers tells me we need to complete by 4pm tomorrow .
 This can be done but I must be sure of the precise terms and documentation required .Please get back to me as soon as convenient.
 Regards

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 Dear George
 Piers Larbey has now been in touch and I would be grateful for your instructions as to the precise terms of the deal .We still have to discuss the question of Distributable profit in relationship to the proposed purchase of SHL,s shares. And look forward to discussing this with you after receipt of the above terms.
 Many Thanks

From: Michael Edwards [mailto:medwards@setfords.co.uk]
Sent: 03 August 2016 11:36
To: George Eaton-Busfield <george@g-cv.com>; 'adam voce' <adam@ginkgocv.com>
Cc: Verona Cocks <vcocks@setfords.co.uk>
Subject: RANS

Dear Both ,

I have spoken to Leanne this morning and she informs me that the offer made on Monday for the purchase of the shares in the name of SHL is still under consideration and the she ,or Ashursts will let me know as soon as they hear .

She also asked me whether we had any news on the sale of the Singh properties-----I said not , and she mentioned that she has seen that both properties are listed as being 'under offer' on rightmove but has no other information.

I am preparing the asset sale agreement but have not yet had confirmation from Piers Larbey that he is instructed ,although I know he has been in touch with the parties in question. Regards

Michael Edwards

Consultant Solicitor

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