Schafer, Suzanne K. (Treasury)

From:	Workman, Wayne (TREASURY)
Sent:	Friday, January 31, 2014 10:07 AM
To:	Schafer, Suzanne K. (Treasury); Barton, John (Treasury); Kulcsar, Jeanet (TREASURY)
Cc:	Martin, Mary G. (Treasury); Koryzno, Edward (Treasury); Ryan, Howard (Treasury); Dempkowski, Angela (Treasury)
Subject:	Fwd: COMPARISON OF CASH REQUIREMENTS FOR KWA CUSTOMERS
Attachments:	IRR Genesee 300M Project 5% plus LS 5 5% v7 Clean User Comparative Chart 1.29.14.xls; ATT00001.htm; $605,000,000 with all attachments.xls 1.29.14.xls; ATT00002.htm; Assumptions using BAN and Life Settlements financing.docx; ATT00003.htm

Could we have a brief call to discuss this life settlement bonding scheme. After we talk briefly , I would set a call with the promoters to explain it in detail. Thanks, Wayne

Sent from my iPad

Begin forwarded message:

> **From:** David Hodgkins <Dhodgkins@house.mi.gov>
> **Date:** January 30, 2014 at 12:32:35 PM EST
> **To:** "Ryan, Howard (Treasury)" <RyanH1@michigan.gov>, "Workman, Wayne (TREASURY)" <WorkmanW@michigan.gov>
> **Subject: COMPARISON OF CASH REQUIREMENTS FOR KWA CUSTOMERS**
>
> Hello Wayne and Howard,
>
> Below and attached are the numbers discussed by KWA at our recent meeting. Please let me know if you have any questions.
>
> **From:** Manny Lentine [mailto:manny@230north.org]
> **Sent:** Thursday, January 30, 2014 10:09 AM
> **To:** John Walsh; David Hodgkins; Matt Solak
> **Subject:** Fwd: COMPARISON OF CASH REQUIREMENTS FOR KWA CUSTOMERS
>
> Rep. Walsh,
>
> As follow-up to the meeting with Treasury in your office, the below has been prepared by John O'Brien of KWA and John Lininger of Neuma, I am told. Treasury (Wayne) had requested data from KWA.
>
> if this is not in an acceptable format (if, for example, you need an accompanying letter from KWA), please let Matt and I know and one of us will pursue that.
>
> Thank you.
>
> Manny
>
> Begin forwarded message:

TIME SENSITIVE ASSUMPTIONS USING BAN AND LIFE SETTLEMENTS FINANCING

1) March 1, 2014

200 million dollar BAN loan @ 1% for 13 months (construction capital) = 2,167,000 dollars annual interest

2) April 1, 2014

180 Million Dollar Life Settlement loan@ 5% for 20 year term. PREPAID INTEREST AND UNDERWRITER'S FEES, INTEREST ONLY FOR 3 YEARS, INCLUDED IN LOAN). Loan paid in full in 20 years or less

3) April 1, 2015

100 million dollar additional BAN financing plus 200 million dollar rollover of initial BAN. Total 300 million dollars @ 2% for 13 months = 6.5 million dollars interest. Total interest cost for both BAN financing totals 8,667,000.

4) May 1, 2016

Combined loan for capital improvements and Life Settlements, including pre-paid interest, total 605,000,000 million dollars; see financial model "A"

ASSUMPTIONS USING BOND FINANCING ONLY

1) March 1, 2014

600 million dollar bond financing loan @ 5% for 25 years = 27,349,383 million dollars per year principle and interest; see amortization schedule "B". Total repayment = 601,686,428 million dollars

COMPARATIVE FINANCING MODELS TO KWA BETWEEN:

- "A" combined annual capital and life settlement loan costs for 20 years
- "B" conventional bond transaction for 25 years