

## Richard Joyner

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**From:** Richard Joyner  
**Sent:** Saturday, April 17, 2021 11:56 AM  
**To:** Ryan Rogers (Ryan.Rogers@mkcorp.com)  
**Subject:** Quick Update - RRR 1975 Trust

**Follow Up Flag:** Follow up  
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Ryan:

I've had quite a bit of communication with Nancy the last few days, and thought an update might be helpful:

- Nancy has asked, on Richard's behalf, for reimbursement of about \$2.4 million of health care costs. We've received documentation for about \$2.1 million, so we're continuing to work with Nancy and Kris on this. Included in this total is some of the travel, lodging, and related expenses for Nancy and others to stay with Richard in NYC. We're talking about whether those are "health" costs or maintenance and support. I anticipate making some type of request for medical reimbursements next week after confirming that eligible expenses have been submitted first for health insurance reimbursement.
- Nancy is also asking for the Trust to pay about \$250,000 a month of recurring health care expenses. I don't have any documentation on those items yet.
- Since Richard has never taken any distributions from the Trust, our team believes it is reasonable to consider a "catchup" distribution to Richard to help mitigate the impact of lower MKHC dividends, particularly for 2020 and 2021. I don't have support for a specific dollar amount right now, but I'd throw out \$15 million as a "straw man," contingent on further discussion and documentation. Richard's income has fallen substantially from where it was 2016 – 2019 (his dividend income fell from about \$39.5 million annually from 2016-2019 to about \$10.9 million (estimated) for 2020 and 2021). Nancy notes that Richard has had to draw sizable amounts from savings to fund their lifestyle.
- We believe that we could consider one or a series of catchup distributions over the course of 2020 and 2021 and characterize them as exceptions to our long-time distribution policy. During that time, we do not think it would be necessary to adjust distributions to Rick, Terri and you. If Richard requests recurring distributions for more than 18-24 months, we probably need to evaluate how that fits within our current distribution framework.
- Most of our communication has been directly with Nancy. Richard joined briefly on one phone call. We should consider whether to speak directly with Richard – and whether that should be you, us, or both.

Please consider all of this just "thinking out loud" to begin the conversation. We'll continue to gather documentation and discuss this internally. We will also keep you fully apprised, and of course we welcome your input at any time.

A final note: we've prepared a financial summary of the assets held by the RRR 1975 Trust as of March 31, and plan to provide that to Richard and Nancy. In one of our earlier calls, we also discussed the February 28 values with them. I'm pointing out the updated MKHC valuation in my email to them, so I wanted to give you a head's up in case either of them reaches out to you with any questions.