

62. The full extent of Defendant Epstein's involvement in the TFC Ponzi Scheme and related frauds, which harmed Plaintiffs and the Class, could not have been discovered prior to Hoffenberg's execution of the Affidavit annexed hereto. Hoffenberg's Affidavit, dated August 17, 2018, sets forth for the first time, under the penalty of perjury, Defendant Epstein's full involvement in the TFC Ponzi Scheme.⁷

63. While Plaintiffs and the Class were aware of the illegal activities which caused them and many others to lose hundreds of millions of dollars, Plaintiffs and the Class only knew that Hoffenberg had "co-conspirators" who remained unnamed, uncharged, and unindicted.

64. Defendant Epstein continues to control the Defendant Entities which wrongfully received money fraudulently acquired from the Noteholders and Bondholders through the TFC Ponzi Scheme and the profits earned from monies misappropriated by Epstein and transferred as capital to the Defendant Entities including, but not limited to, Defendant TFTC.

65. Defendant Epstein, individually, and by and through the Defendant Entities, continuously engaged in the fraudulent activities by concealing his fraudulent Ponzi schemes from banks, financial institutions and current investors of his margin account syndication.

66. Defendant Epstein continues to deny his involvement in the TFC Ponzi Scheme and continues to wrongfully possess the funds to which Plaintiffs and the Class are entitled as victims of the TFC Ponzi Scheme.

CLASS ACTION ALLEGATIONS

67. This action is brought and may properly be maintained as a class action pursuant to Rules 23(a) and 23(b)(3) of the Federal Rules of Civil Procedure. This action is brought pursuant

⁷ Hoffenberg's 2016 Complaint contained no statements sworn under penalties of perjury and was ultimately withdrawn with prejudice by then-Plaintiff Hoffenberg. *See Steven J. Hoffenberg v. Jeffrey E. Epstein, et. al.*, Case No. 16-03989 (RJS) (S.D.N.Y May 27, 2016).