

Confidential Due Diligence Report

Epstein, 57, finished serving his one-year probation in July on state charges of soliciting prostitution and soliciting a minor for prostitution. More than two dozen underage girls were identified in federal documents as having been sexually abused by Epstein.

A secret deal with federal prosecutors revealed Epstein could have been charged with multiple federal counts of sexual exploitation of minors, resulting in much harsher penalties. But the feds deferred to two state charges that got him an 18-month sentence. He served only 13 months in a vacant wing at the Palm Beach County Stockade.

In more than 62 pages of court documents, Scarola asserts the court should rule in Edwards' favor for at least two reasons: that Epstein has elected to invoke his Fifth Amendment privilege in depositions, and Epstein's claims are unsupported and contradicted by the evidence.

"Under the well-established 'sword and shield' doctrine, Epstein cannot seek damages from Edwards while at the same time asserting a Fifth Amendment privilege to block relevant discovery," Scarola wrote in court papers.

"Epstein's deposition was taken at least five times," court papers say. "During all of these depositions, Epstein refused to answer any substantive questions about his sexual abuse of minor girls."

Ackerman said the Rothstein lawsuit is a different situation than Epstein taking the Fifth in depositions regarding the victims, because the allegations against Rothstein and Edwards "took place outside of Epstein's personal knowledge.

"This is not a case where Mr. Epstein has personal knowledge of what happened at the Rothstein firm in regard to these claims," Ackerman said. "These investors went to the Rothstein firm and were shown case files for the L.M. litigation against our client for the purpose of putting investments in. The complaint is not based on whether our client is guilty or not guilty for the crimes for which he settled or pled guilty to. What he has said in the complaint is they took the cases against me ... to attempt to inflate the value for the purpose of the investment."

Scarola told Crow that Epstein has refused to answer any questions regarding his basis for claims against Edwards.

"We have undertaken not only to demonstrate absence of any evidence to support any claims that have been made against Mr. Edwards, but to affirmatively and conclusively demonstrate his complete and total innocence with respect to these matters," Scarola said.

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