

To: jeevacation@gmail.com[jeevacation@gmail.com]
From: Farkas, Andrew L.
Sent: Tue 3/19/2013 1:37:05 PM
Subject: FYI

This received from my staff after I made further inquiry due to your email to me of this morning:

Andrew -

There have been lots of earthquakes in March between USVI/PR and BVI's. 8 on the US Geological Survey Website reported between 3/13 and 3/17 (with two near Puerto Rico on the 17th). The link below is the US Geologic Survey. Also, from an insurance standpoint - this could actually benefit if it was the cause. Is it "the cause" who knows but we have reason to believe - see below - that it could be the cause.

<http://earthquake.usgs.gov/earthquakes/map/>

Regarding the balance of Mr. Epstein's email.

· Joe Walling arrived on the facility at 15:15hrs on Sunday (on his day off) and has told Kenny Jones (EVP Operations) that he came to AYH from his home and on his word had not taken any alcohol whatsoever. Joe is a long time dedicated employee to IGY. He gave his notice a few weeks ago that he is moving on professionally. He isn't getting a transition bonus so he really hasn't any incentive to lie here.

· Joe had been at the bar (Island Time) for approximately 30mins when the 2 columns dropped (approx 15:30hrs).

· After our incident, Joe was told by people who had been drinking at the Red Hook Plaza across the road, that both the XO Bar and Duffy's Love Shack had felt tremors to the point where they had to exit the bars. This statement from AYH guests', generated the email below from Joe. The activity on the USGS website plus what Joe observed let us to believe that there is a connection. Please see Joe's email below:

o From: Walling, Joseph
Sent: 17 March 2013 17:40
To: Jones, Kenny
Subject: RE: Kenny - AYH

Kenny,
Upon further investigation, the buildings across the street from AYH were briefly evacuated at the same time as our event, as a result of an earthquake. According to the USGS website, there have been 8 earthquakes in the last week, and at least 2 today in our region.
Best-

· On the day of the incident, Joe answered Kenny's question regarding how many people were on the deck, his answer was "he confirmed with Glen (the owner of Island Time) that there was less than 50 people on the deck. The norm is to have in excess of 100 people at Island Time, especially on a Friday. Due to the rain on Sunday, I am told that there were fewer people on the facility. This was an obvious question that Kenny asked at the time, along with, were they dancing (no dancing).

Regarding Joe being drunk:- I am told by Kenny that Joe was very coherent and clear when he called to report the incident on Sunday, Kenny sensed no slurred voice or lack of clarity. Kenny again asked Joe today, when he arrived on the facility and had he been drinking before, and his answer was "he had not been anywhere to have had a drink prior to arriving at the bar at around 15:15hrs, he was dealing with the situation beyond 18:00hrs where he then had a couple of beers at Molly Malones and left the facility at 19:30hrs".

I hope this helps - we are really trying to be all over this. I am flying down Eric Simonton (IGY - who is also an engineer) at IGY's cost to meet with the structural engineer. Jan Cole (IGY) is already working with Kornreich's office and London - we have \$50,000 deductible and she is making sure that the process of documenting and accounting for damage including business interruption is monitored in the event we can file a claim. If there are things we aren't doing or haven't thought of - we will do them if he makes a suggestion. Our agenda has been (i) ensure safety (ii) assess scope of damage (iii) come up with a plan to fix the damage (iv) see how the remediation costs affect the overall plan we have developed to try to turn around American Yacht Harbor.

If Mr. Epstein wants, I am happy to go to STT with Kenny and meet with him and his advisors etc.

Tom

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