

FEDERAL BUREAU OF INVESTIGATION

Precedence: ROUTINE

Date: 04/07/2002

To: Miami

Attn: SA [REDACTED]
Fort Pierce RA

✓ From: Baltimore
Squad 17/Wilmington RA
Contact: SA [REDACTED] [REDACTED]

Approved By: [REDACTED]

Drafted By: [REDACTED] M:dms *[Handwritten initials]*

Case ID #: 196A-MM-93577-¹³⁰ (Pending)
✓ 196-BA-0-WILM

Title: JOHN RAYMOND MACARI, d/b/a
JAMAR ENTERPRISES, INC,
SUMMIT ENTERPRISES, INC,
CENTURY CAPITAL SA,
FOX MOOR HOLDING LIMITED;
FBW; FBM; MONEY LAUNDERING

[Handwritten circle with 'PAT' and '12' and a signature]

Synopsis: Criminal referral from U.S. District Judge Joseph J. Farnan, Jr., District of Delaware, being forwarded to Miami/FPRA for appropriate investigative action.

Administrative: Reference telcalls of SA [REDACTED] Baltimore Division/Wilmington RA and SA [REDACTED] Miami Division/Fort Pierce RA, on 04/04/2002 and 04/05/2002.

Enclosure(s): Copy of letter, with attached correspondence, from U.S. District Judge Joseph J. Farnan, Jr., District of Delaware, addressed to U.S. Attorney Colm F. Connolly, District of Delaware, dated 12/28/2001, in reference to Winstar Communications, Inc, et al., Chapter 11 Bankruptcy case.

Details: As discussed between SA [REDACTED] Baltimore Division/Wilmington RA and SA [REDACTED] Miami Division/Fort Pierce RA during referenced telcalls, it appears that the enclosed criminal referral from U.S. District Judge Joseph J. Farnan, District of Delaware, relates to captioned case involving subject John Raymond Macari, d/b/a Century Capital, S.A.

The Chapter 11 Bankruptcy case involving debtor Winstar Communications Inc. (Winstar) is currently before Judge Farnan's court. In December 2001, there was a proposed acquisition of

17 | [REDACTED] 097 DMS O.L.E.C. 196-BA-0-WILM-223 *[Handwritten signature]* 4/2/02
PAT

To: Miami From: Baltimore
Re: 196A-MM-93577, 04/07/2002

Winstar by another company, Wintel Telecom Holdings Inc. (Wintel), 600 Madison Avenue, 25th Floor, New York, NY, telephone [REDACTED]. In order to finance Wintel's proposed acquisition, Wintel's principal, Laurence S. Zimmerman, attempted to obtain a \$15 million dollar bridge loan from a private funding source, Jeffrey E. Epstein, 457 Madison Avenue, 4th Floor, New York, NY, telephone (212)750-9895, until permanent financing could be arranged with The Bank of New York.

Zimmerman offered Epstein \$15 million worth of U. S. Treasury Bonds as collateral for the \$15 million dollar bridge loan. As proof of Wintel's rights in the U.S. Treasury Bonds, Zimmerman provided Epstein with a copy of a Bloomberg screen printout relating to \$15,514,000 of U.S. Treasury Bonds, bearing CUSIP Number [REDACTED]. Zimmerman also provided Epstein with an Institutional Custodial Safekeeping Receipt, an Institutional Receipt and a Special Addendum to the Institutional Custodial Safekeeping Receipt, relating to \$20 million of U.S. Treasury Bonds (hereinafter "collateral instruments"). These collateral instruments were purportedly issued by fiduciary Williams Management and Capital Group, Ltd, 5721 178th Place, Suite 105, Lynnwood, Washington, telephone [REDACTED] and were purportedly signed by Mark S. Williams and Charles C. King, as the company's President and Counsel, respectively. Further, the collateral instruments indicated that Century Capital, S.A. was the beneficiary of the \$20 million of U.S. Treasury Bonds, with Wintel designated as the assignee.

The aforementioned collateral instruments also contain the purported signature and official bank stamp of Bank Officer Kevin "Keon" of Wells Fargo Bank, Lynnwood, Washington. When Epstein contacted Wells Fargo Bank in his effort to verify the authenticity of the collateral instruments, he learned that the signature of Kevin "Keon" was a forgery, as there was no Kevin "Keon" employed at the Lynnwood Branch of Wells Fargo Bank. There was a Kevin "Keo" employed at the Monroe Branch of the bank, but he had no knowledge of the collateral instruments in question.

Epstein did not fund the \$15 million dollar bridge loan to Wintel after his discovery of the fraudulent collateral instruments. It does not appear that Epstein suffered any financial loss in connection with the proposed loan transaction.

As discussed during referenced telcalls between SA [REDACTED] and SA [REDACTED], U.S. Treasury Bond CUSIP Number [REDACTED] (above) is one of the many CUSIP Numbers that John Macari has, in the past, claimed ownership of in furtherance of the various fraud schemes identified in captioned case. Miami Division made contact with the U.S. Treasury Department, Bureau of Public Debt

To: Miami From: Baltimore
Re: 196A-MM-93577, 04/07/2002

and established the Macari's ownership of these bonds is fictitious.

As further evidence of John Macari's involvement in the attempted \$15 million bridge loan fraud, Macari's name appears as a copy recipient on a letter which was sent by Mark S. Williams of Williams Management and Capital Group, Ltd, addressed to Laurence Zimmerman, dated 12/18/2001, wherein Williams withdrew his company's participation in the proposed transaction between Zimmerman's group and Century Capital, S.A.

Copies of all documents referred to in this communication are included as attachments to the enclosed letter from U.S. District Judge Farnan to U.S. Attorney Colm F. Connolly, District of Delaware, dated 12/28/2001.

This information is being provided to Miami for investigative action deemed appropriate inasmuch as it relates to captioned case.

There does not appear to be any investigative leads within the Baltimore Division, and therefore, Baltimore will take no further action unless advised to do so by Miami Division.

To: Miami From: Baltimore
Re: 196A-MM-93577, 04/07/2002

LEAD(s):

Set Lead 1:

MIAMI

AT FORT PIERCE, FL

Review enclosed letter with attached correspondence containing criminal referral from U.S. District Judge Joseph J. Farnan, Jr., District of Delaware, and take appropriate investigative action.

◆◆

UNITED STATES DISTRICT COURT
DISTRICT OF DELAWARE

CHAMBERS OF
JOSEPH J. FARNAN, JR.
JUDGE

LOCKBOX 27
844 KING STREET
U.S. COURTHOUSE
WILMINGTON, DELAWARE 19801
(302) 573-6155

December 28, 2001

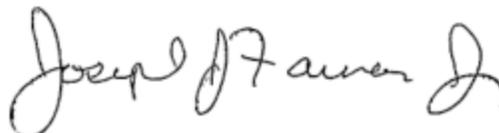
Colm F. Connolly
United States Attorney
U.S. Attorney's Office
P.O. Box 2046
Wilmington, DE 19899-2046

RE: In Re Winstar Communications, Inc., et al.
Chapter 11 Case No. 01-1430 JJF

Dear Mr. Connolly:

I refer the attached correspondence to you for whatever
action you deem appropriate.

Sincerely,



JOSEPH J. FARNAN, JR.

JJFjr:sb

Enclosure

cc: Jeffrey E. Epstein (w/o encl.)
Mark J. Shapiro, Esquire (w/o encl.)
David Bird, Clerk, U.S. Bankruptcy Court (w/encl.)

EFTA00128645

DEC 26 2001

JEFFREY E. EPSTEIN

The Villard House
457 Madison Avenue
Fourth Floor
New York, New York 10022
Telephone: [REDACTED]
Telecopier: [REDACTED]

December 19, 2001

VIA TELECOPIER ([REDACTED])
AND FIRST CLASS MAIL

Hon. Joseph J. Farnan, Jr.
United States District Court
District of Delaware
J. Caleb Boggs Federal Building
844 N. King Street
Room 6325, Lockbox 27
Wilmington, DE 19801

Re: Winstar Communications Inc.

Dear Judge Farnan:

I am writing in regard to the proposed acquisition (the "Acquisition") of Winstar Communications Inc. by Wintel Telecom Holdings Inc. ("Wintel"). I feel it necessary to advise the Court and Debtor's counsel of questionable conduct which I have observed in connection with an attempt by Wintel's principals to obtain \$15,000,000 of bridge financing from me for the Acquisition.

Approximately ten days ago, I was approached by Mr. Laurence Zimmerman who requested that I provide Wintel with immediate bridge financing in the amount of \$15,000,000 for the Acquisition. Mr. Zimmerman claimed that because of the requirement by the Court of an immediate \$15,000,000 earnest money deposit by the winning bidder, there was insufficient time for him to close a loan for the money he required for the Acquisition. He claimed to be negotiating this loan with The Bank of New York.

EFTA00128646

In order to induce me to make the \$15,000,000 bridge loan to him, he offered to post as collateral, among other things, \$15,000,000 worth of 10 year US Treasury Bonds (the "Bonds"). A copy of the proposed term sheet for the \$15,000,000 bridge loan, which he faxed to me on December 12, 2001, is attached. As indicated in that term sheet, Mr. Zimmerman initially advised me that the bridge loan had to be funded by no later than 12:00 pm on December 14, 2001.

As documentary evidence of Wintel's rights in and to the Bonds, on December 13, 2001, Mr. Zimmerman faxed to me a copy of a Bloomberg screen printout relating to \$15,514,000 of US. Treasury Bonds. On December 17, 2001, he also faxed to me copies of an Institutional Custodial Safekeeping Receipt, an Institutional Receipt and a Special Addendum to the Institutional Custodial Safekeeping Receipt, relating to \$20,000,000 of US Treasury Bonds, each of which instrument purported to be issued by Williams Management and Capital Group, Ltd. on December 13, 2001 and was purportedly signed by Mark S. Williams and Charles C. King, as the President and Counsel, respectively, of Williams Management and Capital Group, Ltd. (the "Collateral Instruments"). The Collateral Instruments indicated that Wintel was the assignee of Century Capital, S.A., which was purportedly the beneficiary of the Collateral Instruments. On each of the Collateral Instruments there appeared a space for a "Bank Officer Verification and Bank Stamp". Each such space was purportedly signed on behalf of Wells Fargo Bank NA by Kevin "Keon" of the Lynwood, Washington branch of the bank, and was stamped with what appeared to be Mr. Keon's official bank stamp. Copies of the screen printout and the three Collateral Instruments are attached.

On December 17, 2001, Mr. Zimmerman's associate, James P. Whittier faxed to me wire transfer instructions for the loan, and another associate Jay Phillip Parker faxed to me a form letter to the Court, pursuant to which I was to confirm the commitment to immediately fund \$15,000,000 to an account designated by Wintel. Mr. Parker instructed me to sign and return the letter to Mr. Whittier. Copies of these faxes are attached.

In an effort to independently verify the authenticity of the Collateral Instruments, I personally called the Lynwood, Washington branch of Wells Fargo Bank N.A. At that time, I was advised that there is no person by the name of Kevin "Keon" who works in the Lynwood, Washington branch of the bank, but there is a person named Kevin "Keo" who works in the Monroe branch of the bank. I spoke with Mr. Keo, personally, who advised me that he never signed any of the Collateral Instruments purporting to be signed by Mr. "Keon", that the bank never received or reviewed any of the foregoing instruments and that his supervisor advised him that the bank was investigating other questionable conduct of Williams Management and Capital Group, Ltd.

On December 18, 2001, I received the attached correspondence from Mr. Zimmerman.

Needless to say, I will not be funding the \$15,000,000 bridge loan, and, consequently, there seems to be little reason for me to further investigate this matter.

Nevertheless, in light of Winstar Communication Inc.'s current status, I thought that the Court and Debtor's counsel might find these events particularly relevant.

Sincerely,



Jeffrey E. Epstein

cc: Mark J. Shapiro, Esq.
Shearman & Sterling
599 Lexington Avenue
New York, NY 10022
Fax: [REDACTED]

LandTel
600 Madison Avenue
25th Floor
New York, NY 10022

T 212.750.4370
F 212.750.6322



To: Jeffrey Epstein

From: James P. Whittier

E-mail: [REDACTED]

Fax: (212) [REDACTED]

Pages: 2

Phone: [REDACTED]

Date: December 12, 2001

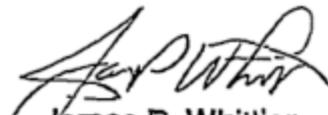
Re: Winstar Bridge Loan

Dear Jeffrey:

To formalize conversations you had with Laurence this morning concerning a bridge loan for Winstar, please find attached a term sheet for your review and acceptance.

Upon receipt of this term sheet, please call Laurence for any clarification that may be needed.

Sincerely,

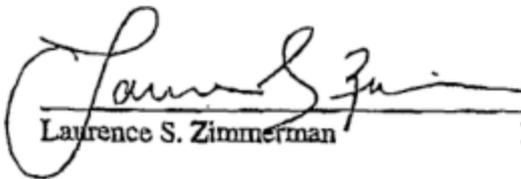

James P. Whittier

TERM SHEET

WINSTAR BRIDGE LOAN

- **Loan** - \$15 million
- **Term** - Date of closing of Winstar acquisition on or prior to January 10, 2002
- **Consideration** -
 - Interest rate - 15%
 - Equity - 3% of outstanding equity at closing (Founder's Stock)
 - \$500,000 Fee
- **Security** -
 - \$130 million in U.S. Treasuries is presently being held at Williams Management & Capital Group Ltd. for the benefit of Wintel Telecom Holdings, Inc. evidenced by a custodial safekeeping receipt. A segregated portion of these securities, in the amount of \$15 million, will be held for the benefit of Jeffrey Epstein or his designate.
 - Personal guarantee by Laurence S. Zimmerman secured by the following:
 - 515 Park Avenue, 27th & 28th Floors, New York, New York - Appraised value \$23,500,000 by Cushman & Wakefield (as of Nov. 2001)
 - 0124 Coldstream Lane, Aspen, Colorado - Purchase price \$10,900,000 (acquired Dec. 1998)
 - Current mortgage against 515 Park Avenue is \$8.6 million
 - Current mortgage against Aspen property is \$5.5 million
 - **Repayment** - Proceeds of loan from the Primary lender (i.e., BONY) secured by the safekeeping receipt representing \$130 million in U.S. Treasuries
 - **Funding Requirement** - \$15 million must be funded no later than December 14, 2001, no later than 12:00 P.M.

Agreed to and accepted by:


 Laurence S. Zimmerman _____ Date

 Jeffrey Epstein _____ Date

LandTel
600 Madison Avenue
25th Floor
New York, NY 10022

T: [REDACTED]
F: [REDACTED]



To: Jeffrey Epstein

From: Laurence S. Zimmerman
E-mail: [REDACTED]

Fax: [REDACTED]

Pages: 2

Phone: [REDACTED]

Date: December 13, 2001

Re:

Jeff:

As per the executed term sheet, attached please find the collateral that will be used for the bridge loan.

If you have any questions, please feel free to call me.

Laurence

CONFIDENTIAL

Page

P066 Govt DES

SECURITY DISPLAY

US TREASURY N/B T 5 % 02/15/06 105-3+ /105-4+ (4.35 /34) BGN @14:59

SECURITY INFORMATION	
CPN FREQ	2
CPN TYPE	FIXED
MTY/REFUND TYP	NORMAL
CALC TYP (1)	STREET CONVENTION
DAY COUNT (1)	ACT/ACT
MARKET ISS	US GOVT
COUNTRY/CURR	USA/ DOL
SECURITY TYPE	USN
AMT ISSUED	15514(MM)
AMT OUTSTAND	15514(MM)
MIN PIECE	1000

ISSUER INFO	
NAME	US TREASURY N/B
TYPE	US GOVT NATIONAL

IDENTIFICATION #'s	
CUSIP	042002104
MLNUM	
SEDOL 1	
WERTPAP	
ISIN	

REDEMPTION INFO	
MATURITY DT	2/15/06
NEXT CALL DT	
WORKOUT DT	2/15/06
RISK FACTOR	4.14

ISSUANCE INFO	
ISSUE DATE	2/15/96
INT ACCRUES	2/15/96
1ST CPN DT	8/15/96
PRC @ ISSUE	99.819

PRICE FORMAT	
32nds	105 11
Decimal	105.11000000
Repurch Pgm	

TENDERS ACCEPTED: \$14009MM.
LISTED: NYSE/AMEX.

Australia 61 2 9777 8655 Europe 44 20 7300 7076 Germany 49 69 92041210
Hong Kong 852 2977 6200 Japan 81 3 3201 8840 Singapore 65 212 1224 U.S. 1 212 310 3000 Copyright 2001 Bloomberg L.P.
1702-150-1 20-Aug-01 15:01:10



LandTel
600 Madison Avenue
25th Floor
New York, NY 10022

T 212.750.4370
F 212.750.6322



To:	Jeffrey Epstein	From:	Laurence S. Zimmerman [Redacted]
Fax:	[Redacted]	Pages:	7
Phone:	[Redacted]	Date:	December 17, 2001
Re:	[Redacted]		

Dear Jeff:

Confirming our telephone conversation this morning, attached please find executed copies of the safekeeping receipt.

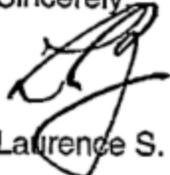
Please find below the name and phone number of the contact to verify that the Treasuries have been segregated against the attached safekeeping receipt.

Mark S. Williams
Phone: [Redacted]

Please be sure to tell him you are calling at the request of Jim Whittier and Mario Turrisi. Mr. Williams will not take the call if he does not hear Jim and Mario's names.

If you have any questions, please contact my office.

Sincerely,


Laurence S. Zimmerman

Williams Management and Capital Group, Ltd.
5721 178th Pl., SW, Suite 106, Lynnwood, Washington 98037
Telephone: [REDACTED]

INSTITUTIONAL CUSTODIAL SAFEKEEPING RECEIPT

Reference Number: [REDACTED]
Amount: Twenty Million United States Dollars (\$20,000,000.00 USD)
Date of Issue: December 13, 2001.
Beneficiary: CENTURY CAPITAL, S.A.
In Favour of Assignee: WINTEL - TELECOM HOLDINGS, INC.
Account Code Number: [REDACTED]
CUSIP Number: [REDACTED]
ISIN Number: [REDACTED]
Fiduciary: Williams Management & Capital Group, Ltd.

We, Williams Management & Capital Group, Ltd., located at the address set forth herein on our official letterhead, with authorized signatures appearing below, under stamp and seal, hereby acknowledge with full institutional responsibility and bound hereto as fiduciary (with all obligations lawfully associated therewith), are in receipt of debt securities ("Treasury Bonds") issued by the Department of the Treasury of the Government of the United States of America having a face value, in total, Twenty Million United States Dollars (\$20,000,000.00 USD), which shall be held by this Institution in accordance with the terms of the Letter of Fiduciary undertaking attached hereto and hereby made a part hereof, with Transaction Code [REDACTED] and dated December 13, 2001.

We confirm that this Safekeeping Receipt has been issued lawfully under full institutional faith and trust and that this instrument is freely available to the named beneficiary hereof to obtain letters or lines of credit, and may be acquired.

We further confirm that this Safekeeping Receipt may be verified by responsible Institutional inquiry and will be confirmed by us by dedicated facsimile, courier, and/or KTT/Telex transfer to such Institution as designated in writing by the Beneficiary/Assignee, and that a certified original copy of this same Safekeeping Receipt shall be delivered via courier to the same Institution.

This Institution also declares that this Safekeeping Receipt shall not be changed, altered, appended to or amended without the Beneficiary's/Assignee's expressed consent or request in duly executed writing.

Institutional Custodial
Safekeeping Receipt
December 13, 2001

This Institutional Custodial Safekeeping Receipt is an operative, fully conforming and confirmed instrument and is subject to the Uniform and Customs Practices of Documentary Credit (1993 plus ultimate revision) of the International Chamber of Commerce (I.C.C), Paris, France, Publication Number 500, and engages us in accordance with the terms hereof.

Dated this 13th day of December, 2001

For and on behalf of Williams Management & Capital Group, Ltd.

Mark S. Williams (Signature)
Authorized Officer (1)

Charles King (Signature)
Authorized Officer (2)

Mark S. Williams Printed Name)

Charles King (Printed Name)

President (Official Title)

Counsel (Official Title)

Kevin Keen
Bank Officer Verification and Bank Stamp

SEAL:

WILLIAMS
CAPITAL GROUP
LIMITED

KEVIN KEEN 03958
P6421011
WELLS FARGO BANK NA
LYNNWOOD WA AUM 6882



Williams Management and Capital Group, Ltd.
5721 178th Pl., SW, Suite 105, Lynnwood, Washington 98037
Telephone: [REDACTED]

INSTITUTIONAL RECEIPT

Reference Number: [REDACTED]
Amount: Twenty Million United States Dollars (\$20,000,000.00 USD)
Date of Issue: December 13, 2001
Beneficiary: CENTURY CAPITAL, S.A.
In Favor Of/Assignee: WINTEL - TELECOM HOLDINGS, INC.
Account Code Number: [REDACTED]
CUSIP Number: [REDACTED]
ISIN Number: [REDACTED]
Fiduciary: Williams Management & Capital Group, Ltd.

We, Williams Management & Capital Group, Ltd., located at the address set forth hereinabove on our official letterhead, with authorized signatures appearing below, under stamp and seal, hereby acknowledge with full institutional responsibility and bound hereto as Fiduciary (with all obligations lawfully associated therewith), our receipt of debt securities ("Treasury Bonds") issued by the Department of the Treasury of The Government of the United States of America having a stated face value, in total, Twenty Million United States Dollars (\$20,000,000.00 USD), Transaction Code Number [REDACTED] Reference Number [REDACTED] and received on December 13, 2001, which specified CENTURY CAPITAL, S.A., as Beneficiary, CUSIP Number: [REDACTED] (ISIN Number: [REDACTED])

DATED this 13th day of December, 2001

**WILLIAMS
CAPITAL GROUP
LTD.**

For and on behalf of Williams Management & Capital Group, Ltd.

[Signature] (Signature)
Authorized Officer (1)

[Signature] (Signature)
Authorized Officer (2)

President (Printed Name)

Charles C. King (Printed Name)

Mark S. Williams (Official Title)

Counsel (Official Title)

Kevin Ross
Bank Officer Verification and Bank Stamp

SEAL:



KEVIN ROSS 03958
425 775 4538 P6421011
WELLS FARGO BANK NA
LYNNWOOD WA AUM 6682

FROM : WILLIAMS CAPITAL GROUPL

PHONE NO. : 425 774 3253

Dec. 13 2001 02:56PM PB

Williams Management and Capital Group, Ltd.
5721 178th Pl., SW Suite 105, Lynnwood, Washington 98037
Telephone: [REDACTED]

SPECIAL ADDENDUM

INSTITUTIONAL CUSTODIAL SAFEKEEPING RECEIPT

Reference Number: [REDACTED]
Amount: Twenty Million United States Dollars (\$20,000,000.00 USD)
Date of Issue: December 13, 2001
Beneficiary: CENTURY CAPITAL, S.A.
In Favor Of/Assignee: WINTEL - TELECOM HOLDINGS, INC.
Account Code Number: [REDACTED]
CUSIP Number: [REDACTED]
ISIN Number: [REDACTED]
Fiduciary: Williams Management & Capital Group, Ltd.

While all of the authentication and verification files are held by the Institution, the actual Treasury Instrument is physically held, pursuant to all applicable law and for security purposes, at the United States Department of the Treasury.

This Special Addendum, dated December 13, 2001 is hereby attached to the above captioned Institutional Custodial Receipt and is hereby made a part hereof.

For and on behalf of Williams Management & Capital Group, Ltd.

WILLIAMS
CAPITAL GROUP
LTD

[Signature] (Signature)
Authorized Officer (1)

[Signature] (Signature)
Authorized Officer (2)

Mark S. Williams Printed Name)

Charles King (Printed Name)

President (Official Title)

Counsel (Official Title)

[Signature]
Bank Officer Verification and Bank Stamp

SEAL:



KEVIN KEON 03958
425 775 4538 P64210.11
WELLS FARGO BANK WA

LandTel
600 Madison Avenue
25th Floor
New York, NY 10022

T
F



To: Jeffrey Epstein	From: Jay Phillip Parker
Fax: [REDACTED]	Pages: 2
Phone: [REDACTED]	Date: December 17, 2001
Re: Bridge Financing	cc:

Jeff,

In connection with the contemplated Bridge Financing, please execute the attached letter confirming your ability to immediately fund this transaction, and then fax same back to Jim Whittier's attention at the above number. If you have any questions, please feel free to contact me at the above number or Jim on his mobile [REDACTED]

Thanks for your time and attention to this matter.

Jay Phillip Parker

[Funding Party Letterhead Here]

Monday December 17, 2001

Hon. Joseph J. Farnan, Jr.
United States District Court
District of Delaware
J. Caleb Boggs Federal Building
844 N. King Street
Room 6325
Wilmington, DE 19801

Dear Judge Farnan;

In connection with WinTel Telecom Holdings, Inc., ("WinTel"), offer to purchase Winstar Communications, Inc., from Chapter 11 Bankruptcy, this letter shall confirm our commitment to immediately fund Fifteen Million U.S. Dollars (\$15,000,000.00 US) (the "Commitment") to an account provided to us by WinTel.

The only condition to our funding the Commitment is the authorization from WinTel to proceed with this transaction. The Commitment funds are available on deposit for immediate wire transfer from account # _____ at _____, Should you require confirmation of the terms of this letter, please feel free to contact _____ at 212-____-_____.

Sincerely,

[CORPORATE ENTITY]

By: _____
Its: _____

cc. James P. Whittier

LandTel
600 Madison Avenue
25th Floor
New York, NY 10022

T
F



To: Jeff Epstein From: James P. Whittier

Fax: [Redacted] Pages: 1
Phone: [Redacted] Date: December 17, 2001
Re: WinTel Corporation

Dear Jeff:

Below please find wire instructions for WinTel Corporation:

HSBC Bank USA
555 Madison Avenue
New York, NY 10022
ABA No. 021001088

For the account of:

WinTel Corporation
[Redacted]

If you require anything further, please contact my office. Thank you.

Sincerely,


James P. Whittier

8

WinTel Corporation
600 Madison Avenue
25th Floor
New York, NY 10022

T
F

December 18, 2001

VIA FACSIMILE

Mr. Jeffrey Epstein
457 Madison Avenue
4th Floor
New York, NY 10022

Dear Jeffrey:

Attached please find a copy of the term sheet sent to you on December 12 (see Exhibit A). Please note the first and second source of repayment. The first being the Treasuries with the loan only made if the Treasuries were in an acceptable form to WinTel and our bridge provider. This would only be executed if the Treasuries were held in an account that we were able to assign and lien the Treasuries. In my quest to acquire the company and in lieu of verifying the Treasuries' position, I offered to put up a personal guarantee secured by my real estate, as a second source of collateral if the Treasuries were encumbered or the ultimate value of the collateral was deficient.

I shared with your in-house counsel, Jeffrey Schantz, that I would only make a personal guarantee if I verify that the Treasuries provided were in fact what was represented to us last week as available and unencumbered. Please review again the term sheet provided to you on December 12 to refresh your memory that we were dependent on a third party providing us securities in a good form that would allow us to borrow up to 95% of the availability of the face value. I understand from your comments last night and today you are highly disappointed. Please imagine how we feel, as we were trying to acquire a company in our industry using documentation from a third party, which as of now appears to be clearly fictitious. I apologize for the inconvenience and embarrassment caused to you and your firm. However, please remember my statement that I am not a fixed income expert; I was looking to you for guidance and clarity of the collateral. We were only last week provided the portfolio and yesterday provided documentation to verify the validity of the Treasuries represented by Century Capital S.A.

Attached please find a letter just received from Williams Management and Capital Group, Ltd. for your files (see Exhibit B).

Sincerely,


Laurence S. Zimmerman
Chairman

LSZ:bm

Attachments

EXHIBIT A**TERM SHEET****WINSTAR BRIDGE LOAN**

- **Loan** - \$15 million
- **Term** - Date of closing of Winstar acquisition on or prior to January 10, 2002
- **Consideration** -
 - Interest rate - 15%
 - Equity - 3% of outstanding equity at closing (Founder's Stock)
 - \$500,000 Fee
- **Security** -
 - \$130 million in U.S. Treasuries is presently being held at Williams Management & Capital Group Ltd. for the benefit of Wintel Telecom Holdings, Inc. evidenced by a custodial safekeeping receipt. A segregated portion of these securities, in the amount of \$15 million, will be held for the benefit of Jeffrey Epstein or his designate.
 - Personal guarantee by Laurence S. Zimmerman secured by the following:
 - 515 Park Avenue, 27th & 28th Floors, New York, New York - Appraised value \$23,500,000 by Cushman & Wakefield (as of Nov. 2001)
 - 0124 Coldstream Lane, Aspen, Colorado - Purchase price \$10,900,000 (acquired Dec. 1998)
 - Current mortgage against 515 Park Avenue is \$8.6 million
 - Current mortgage against Aspen property is \$5.5 million
- **Repayment** - Proceeds of loan from the Primary lender (i.e., BONY) secured by the safekeeping receipt representing \$130 million in U.S. Treasuries
- **Funding Requirement** - \$15 million must be funded no later than December 14, 2001, no later than 12:00 P.M.

Agreed to and accepted by:

Laurence S. Zimmerman_____
Date_____
Jeffrey Epstein_____
Date

FROM : WILLIAMS CAPITAL GROUP

PHONE NO. : 425 774 3253

Dec. 18 2001 11:50AM P2

EXHIBIT B

Williams Management and Capital Group, Ltd.
5721 178th Pl, SW, Suite 105, Lynnwood, Washington 98037
Telephone: [REDACTED]

December 18, 2001

Lawrence Zimmerman, James Whittier, et. al.
600 Madison Avenue
25th Floor
New York, N.Y. 10022

Fax No.: [REDACTED]

To Whom It May Concern;

This is to advise you that this firm is hereby withdrawing its participation in the proposed transaction between your group and Century Capital, S.A. All documentation issued by this firm is declared null and void and shall have no legal authority to commit this firm to any portion of the transaction.

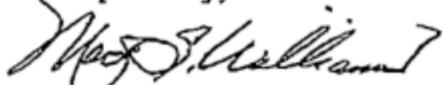
A number of items in confluence have resulted in this decision, not the least of which is the difficulty we have had in obtaining the actual Serial Numbers for the block pro-ration of Beneficiary ownership. The CUSIP represents the entire issue, not the specific ownership amount. The CUSIP Number to be referenced is [REDACTED]

Your demands for currently confidential information have not helped.

Additionally, we have encountered a major problem with an individual who had represented themselves to this firm as an authorized officer of Wells Fargo Bank. As it turns out, he was not, in fact, an authorized officer. We have filed a report with the appropriate authorities and have severed all banking relationships with Wells Fargo.

We wish you well in your transaction but can no longer be a party to it in any fashion.

Respectfully,


Mark S. Williams, President

MSW/lgo

cc: Legal
John Macari
file