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June 8, 2009

Via Fax and U.S. Mail

Robert Critton, Esq.
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515 North Flagler Drive, Suite 400
West Palm Beach, FL 33401

Re: Epstein Case
Our File No.: 30608

Dear Bob:

I was shocked when I heard from Bob Josefsberg that Jeffrey Epstein and counsel do not recall, or have decided to ignore, his contractual obligation to pay this firm's fees and costs relating to any of his victims/our clients who elect to settle their claims without filing suit. You asked Bob to put his position in writing, and this letter is our rough attempt to do so.

The Agreement

Paragraph 7 of the Non-Prosecution Agreement ("NPA") provides for the selection of an attorney representative ("Atty Rep") for the individuals who are on a list of individuals whom the United States has identified as victims, as defined in 18 U.S.C. § 2255 ("Victims"), which list was to be provided *and was* provided to Epstein's attorneys, Jack Goldberger and Michael Tien, after Epstein signed the NPA and was sentenced.

Subsequently, there was an Addendum to the Non-Prosecution Agreement ("Addendum"), the stated intent of which was to clarify certain provisions of page 4, paragraph 7 of the NPA. In paragraph 7A of the Addendum, it was agreed that the United States had the right to assign to an independent third-party, the responsibility of selecting the Atty Rep, subject to the good faith approval of Epstein's counsel. As you know, former Chief Judge Edward Davis was the independent third-party chosen by the United States in consultation with and with the good faith approval of

Robert Critton, Esq.
June 8, 2009
Page 2

Epstein's counsel. Judge Davis, in turn and in accordance with paragraph 7, selected our partner Robert C. Josefsberg as Atty Rep for the victims. Both parties had the right to object to his selection prior to his final designation. Mr. Josefsberg was formally designated as Atty Rep on or about September 2, 2008, without objection from either side.

Pursuant to paragraph 7 of the NPA, Mr. Josefsberg is to be paid for [his services as Atty Rep] by Epstein. Paragraph 7B of the Addendum directed the Parties to jointly prepare a short written submission to Judge Davis regarding the role of the Atty Rep and Epstein's Agreement to pay such Atty Rep his customary hourly rate for representing the victims. The United States prepared a proposal and submitted it to Judge Davis, to which Epstein apparently objected. Not only did neither Epstein nor his counsel deign to join with the United States in preparing such a proposal, but they failed and refused to submit their own proposed protocol. In that circumstance, Epstein clearly waived his right to submit a joint proposal or any proposal at all. Accordingly, he has no right to object to the proposal submitted by the United States. A clear reading of the Addendum at 7B demonstrates that there was no disagreement, nor could there have been any misunderstanding regarding what is referred to as "Epstein's Agreement to pay . . . [Mr. Josefsberg's] regular customary hourly rate."

This obligation is reiterated in the first sentence of paragraph 7C. Epstein's choosing not to submit a proposal as to the role of the Atty Rep in no way relieved him of his obligation to pay the Atty Rep his regular hourly rate for his representation of the designated victims, so long as they are engaged in the settlement process. This is particularly apt when Epstein chose to avail himself of this settlement opportunity so as to preclude the Atty Rep's filing of a lawsuit on behalf of the victim. Epstein's obligation to pay the Atty Rep's fees and costs pursuant tot he NPA and its Addendum ceases only in the event that the Atty Rep files contested litigation against Epstein on behalf of a victim.

The Recent Settlement

During the last six months there have been meetings, emails and phone conversations between Roy Black, Jay Lefkowitz and Bob Josefsberg that corroborate our position. Please check with Jay and Roy as to their recollection of these matters.

Despite his putting up one road block after another, Mr. Epstein, through you as his counsel, and the Atty Rep recently settled the claim of one of Epstein's listed and identified victims, our client [REDACTED]. This firm is in the process of putting together our final bill relating to our representation of Ms [REDACTED] and will be submitting it to you or Mr. Goldberger as soon as the entitlement issue is resolved. We fully expect Jeffrey Epstein to honor his agreement by paying the fees and costs related to this representation according to the terms of the NPA and the Addendum. We are also prepared to make a second settlement proposal (for another client) and expect similar

Robert Critton, Esq.
June 8, 2009
Page 3

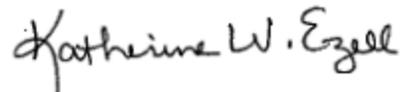
treatment of attorney fees in that matter.

Remedies

There are several alternatives available to us, should Jeffrey Epstein refuse to honor his agreement to pay according to those terms. Both our victim clients and the Atty Rep and his firm are and were intended to be third party beneficiaries of the NPA and the Addendum. As such, we have the right to bring suit for specific performance of and/or declaratory judgment regarding the terms of the agreement between Epstein and the United States. In the alternative, other Epstein counsel have stated that all fee disagreements should be resolved by a special master. We are not averse to that. I am sure that I need not remind you that with regard to the Atty Rep's work thus far, there has been complete performance on our side and partial performance by the Defendant. Epstein did make partial payment of our initially invoiced fees earlier in these proceedings. When he stopped paying, his counsel communicated that he would start paying again when there were settlements. This in itself constitutes an acknowledgment of his obligation to do so. Having initially paid and thus inducing continued performance by the Atty Rep, Epstein is now equitably estopped to deny his contractual obligation. The Atty Rep, on the other hand, has fully completed his part of the bargain by providing the necessary services to make it possible for [REDACTED] to settle her claim without filing a contested lawsuit, and the Atty Rep is entitled to be paid in full for those services by Epstein. Finally, there is the implied obligation of good faith and fair dealing inherent in every contract, including those intended to benefit third parties.

Please advise us of your position prior to Friday's hearing, because your position may influence our involvement at that hearing.

Very truly yours,



Katherine W. Ezell

KWE/mce