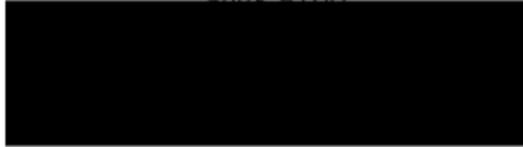


SUSMAN GODFREY [REDACTED]

A REGISTERED LIMITED LIABILITY PARTNERSHIP  
SUITE 5100



SUITE 5100  
901 MAIN STREET  
DALLAS, TEXAS 75202-3775  
(214) 754-1900

SUITE 950  
1901 AVENUE OF THE STARS  
LOS ANGELES, CALIFORNIA 90067-6029  
(310) 789-3100

SUITE 3800  
1201 THIRD AVENUE  
SEATTLE, WASHINGTON 98101-3000  
(206) 516-3880

5TH FLOOR  
654 MADISON AVENUE  
NEW YORK, NEW YORK 10065-8404  
(212) 336-8330

HARRY P. SUSMAN  
DIRECT DIAL (713) 653-7875

DIRECT DIAL FAX (713) 654-6666  
[REDACTED]

January 21, 2010

Jeffrey Epstein  
c/o Darren Indyke  
301 East 66<sup>th</sup> Street, 10B  
New York, NY 10065

Re: *Financial Trust Co., Inc. v. The Bear Stearns Companies, Inc., D. Virgin Islands, C.A. No. 3:09-106*

Dear Jeffrey:

This Agreement describes the terms and conditions of the relationship between you as client and us as lawyers. Susman Godfrey [REDACTED] ("SG," "we," or "us") (which includes any successor to the partnership of SG) will represent Financial Trust Company, Inc. ("Client" or "you") in *Financial Trust Co., Inc. v. The Bear Stearns Companies, Inc., D. Virgin Islands, C.A. No. 3:09-106*. If this Agreement is acceptable to you, please sign and return an executed copy to me. We must receive an executed copy of this Agreement and any applicable cost deposit before we can begin this representation.

**SCOPE OF ENGAGEMENT**

Subject to the terms and conditions of this Agreement, we will represent Client on the Claims described above. Unless specifically requested by you and agreed to in writing by us, you agree that we do not represent you in any other legal matter. You also agree that we do not represent persons or entities related to Client such as corporate officers, parents, subsidiaries or affiliates unless a separate written engagement agreement exists setting forth the scope, terms and conditions of that separate representation.

### **RATES**

Our fees for legal services are based on the published hourly rates in effect for each lawyer, paralegal and case assistant in our firm at the time the services are rendered. Our current hourly rates are attached as Exhibit A. We review these hourly rates annually and adjust them on January 1 if appropriate. You agree to pay our hourly rates (as adjusted) for all legal services provided.

### **BILLING FOR OUR FEES AND EXPENSES**

We will bill you monthly for fees and expenses. Charges for certain types of in-house expenses are contained in Exhibit B. Our bills itemize the services performed by date, time required, and lawyer, paralegal or case assistant performing those services. A sample bill is attached as Exhibit C. Payment is due within thirty (30) days of your receipt of each bill from us. Developments in the course of our representation, particularly commencement of trial preparation and trial itself, can lead to a significant increase in the level of our activity on your behalf. In such circumstances, we may bill you more frequently than monthly. More frequent billing allows you to monitor more carefully the fees and expenses you are incurring and to contact us if you have any concerns.

### **BILLING FOR INDEPENDENT VENDORS' SERVICES**

When your case requires the services of experts or other outside vendors, those vendors typically send us the bill. See Exhibit D. We will forward these bills to you for payment directly to the vendor. We are not responsible for paying bills for you. Please be sure to pay vendors' bills promptly, because slow payment can interfere with our ability to arrange for these necessary services on your behalf and may subject you to additional charges for late payment.

### **COST DEPOSIT**

It is our usual practice to require a cost deposit before we commence work for a client. In your case and in reliance on your commitment to pay all bills received from us promptly upon receipt, our Executive Committee has agreed to a waiver of the usual initial cost deposit, although you understand that we have the right to request one at any time during our handling of this matter. As you know, we have asked you to post a cost deposit in connection with the FINRA Arbitration against Bear Stearns, and you agree that we can use that cost deposit to secure payment of our fees and expenses in this matter as all. Because costs usually escalate approaching trial, we sometimes require a cost deposit or increased cost

deposit as trial or arbitration approaches. You are to pay such a required trial cost deposit within thirty (30) days of our request.

#### **ESTIMATES OF ANTICIPATED FEES AND EXPENSES**

At your request, we will prepare a budget or other estimate of fees, expenses, and services anticipated for this representation. Obviously, estimates of litigation costs can only be estimates, and the fees and expenses required are ultimately a function of many conditions over which we have little or no control, particularly the extent to which the opposition files pretrial motions and engages in its own discovery. We submit bills on a monthly basis shortly after the services are rendered so you will have a ready means of monitoring and controlling the fees and expenses you are incurring. If you believe the fees or expenses are mounting too rapidly, please contact us immediately so we can assist you in evaluating how they might be curtailed in the future. When we do not hear from you, we assume that you approve of the overall level of activity on our part in this case on your behalf.

#### **FAILURE TO PAY FOR SERVICES OR COST DEPOSIT**

By your execution of this Agreement, you agree that we are relieved from the responsibility of performing any further work should you fail to pay any monthly bill for fees and expenses (including bills for expenses received from third parties) or request for a supplemental cost deposit within thirty (30) days of receipt of any such statements or request. If such nonpayment occurs, you agree that we may move to withdraw as your counsel in any case where we have made an appearance on your behalf and that you will promptly execute any withdrawal motions or other documents required to accomplish this.

#### **CONSENT TO ADVERSE REPRESENTATION**

You acknowledge that we are engaged in a nationwide practice involving clients in many industries and with extensive legal needs. In the event we should determine in the future that the needs of another of our clients (whether a continuing client or a new one) require our services in a matter other than one in which we represent you, you agree that we may undertake the representation, even if adverse to you (including any of your parents, subsidiaries or affiliates), so long as it involves a factually unrelated matter. You agree that such a representation may involve both adverse litigation as well as a non-litigation adverse representation, such as negotiating a transaction with you.

### **DISPUTE RESOLUTION**

Any dispute arising out of, in connection with, or in relation to the interpretation, performance or breach of this Agreement—including any claim of legal malpractice, breach of fiduciary or similar claim and any claim involving fees or expenses—shall be resolved by final and binding arbitration conducted in New York, New York, administered by and in accordance with the then-existing JAMS Streamlined Arbitration Rules and Procedures, and any judgment upon any award rendered by the arbitrator may be entered by any state or federal court having jurisdiction to do so.

By so agreeing, you and we are waiving the right to a jury trial. You understand that arbitration provides only limited discovery and that courts will enforce an award in arbitration without reviewing it for errors of fact or law.

### **NO GUARANTEES**

You acknowledge that we have made no guarantees and given no assurances regarding the outcome of this matter. You understand that all expressions about the outcome are only opinions.

### **CHOICE OF LAW**

In any proceeding (whether in arbitration, in court or in any other tribunal) concerning the rights and obligations of you or us under this Agreement, all questions that are determined to be governed by the law of a state shall be resolved in accordance with the then-prevailing law of the State of New York, including the New York Rules of Professional Conduct. You acknowledge that selecting the law of New York is reasonable in view of the location of our offices there, our status as a limited liability partnership under the laws of New York, and application of the New York Rules to many of the lawyers who may work on your matter.

### **WORK PRODUCT**

We typically maintain a file of documents (hardcopy and electronic) during the representation. You agree that work product prepared for the internal use of our lawyers, such as drafts, notes, internal memos, emails, spreadsheets and all legal and factual investigations remain our property. You also agree that any right you have to obtain copies of the contents of our file shall not extend to such internal working papers. At the conclusion of our representation, you agree that all materials (electronic and hard copy) we have in the file received from any source

may be handled and ultimately destroyed in accordance with our record retention policy then in effect. Any privilege that applies to such materials belongs to us.

### **COURT AWARDED FEES OR EXPENSES**

You agree that any award of fees, expenses, or sanctions awarded against you as a result of court or arbitration order that are not the result of our conduct shall be payable solely by you and that you shall not look to SG to reimburse you for the amount awarded.

### **INTEGRATION**

This Agreement represents the final and mutual understanding of the parties. It replaces and supersedes any prior agreements or understandings, whether written or oral. This Agreement may not be modified, amended, or replaced except by another signed written agreement.

### **SEVERABILITY**

If any part of this Agreement shall for any reason be found unenforceable, the parties agree that all other portions shall nevertheless remain valid and enforceable.

### **CLIENT'S ACKNOWLEDGMENT**

You acknowledge that we have encouraged you to consult independent counsel concerning the negotiation of this Agreement and its terms (including the section on Dispute Resolution), that you have made sufficient investigation and inquiry to determine that this Agreement is fair and reasonable to you, and that this Agreement was the product of arm's-length negotiation with us. You warrant to us that you have either consulted such independent counsel or, having had an adequate opportunity to seek such advice, have declined to follow our advice that you do so.

We discuss the terms and conditions of our engagement so candidly because we believe that you are entitled to know our policies and that this type of frank discussion will avoid any misunderstandings later. Please sign a copy of this Agreement in the space provided below indicating your agreement to the terms and conditions set forth above. When we receive this Agreement signed by you and any required cost deposit, we will commence our representation in the above-described matter.

Sincerely yours,

SUSMAN GODFREY [REDACTED].

---

Harry P. Susman, Partner

**Attachments:**

- Exhibit A — Current Hourly Rates
- Exhibit B — Current In-House Charges
- Exhibit C — Sample Monthly Statement
- Exhibit D — Policy on Outside Vendors

**AGREED TO AND ACCEPTED:**

FINANCIAL TRUST COMPANY, INC.

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

EIN Number: \_\_\_\_\_

(Please provide this number for bank use in establishing trust account)

cc: Accounting