

Charles Michael
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August __, 2016

By E-Mail

Eric Rayman
Miller Korzenik Sommers Rayman LLP
488 Madison Avenue
New York, New York 10022
[REDACTED]

Re: Jeffrey Epstein

Dear Eric:

As you know, our firm represents Jeffrey Epstein. I write further to our correspondence concerning the book that your client, Hachette Book Group, intends to publish about him.

We recently received an email (a copy of which is attached as Exhibit A) from Steven Hoffenberg claiming to be on the "book writing team" for your client's book. If true, this would be a disturbing development. There are a number of aspects regarding Mr. Hoffenberg's history and reported behavior that cause us to question the veracity of any information he may provide. Under the circumstances, we believe it would be recklessness for your client to publish any information he provides without first vetting that information as we have offered to do in our previous correspondence.

In case the name Steven Hoffenberg may not be familiar to you, he was convicted in the 1990s for perpetrating the Towers Financial Ponzi scheme. Mr. Hoffenberg was sentenced to 20 years in prison, and ordered to pay almost \$500 million in restitution. At his sentencing, Judge Sweet described Mr. Hoffenberg as an "unstable individual with manic tendencies and a sense of grandiosity." (Ex. B at *14.) Judge Sweet found that Mr. Hoffenberg's acts caused "devastating economic, psychological, and even physical effects" on "over 3,000 individuals, companies, trust funds and pension plans," including "working people, the elderly, the disabled, single parents and their children, and police officers and firefighters whose lives were forever altered when their life savings, retirement and college funds were destroyed as a consequence of Hoffenberg's acts." (*Id.* at *13.)

Mr. Hoffenberg was released from prison in 2013, but his reported conduct since his release is noteworthy. According to allegations by NYP Holdings, Inc., the publisher of the *New York Post*, in a Complaint for Injunctive Relief and Damages filed in United States District Court for the Southern District In New York, Mr. Hoffenberg and his company, New York Post Publishing, Inc., had been engaging in trademark infringement, trademark dilution, false designation of origin, unfair competition and cyberpiracy arising from the publication of news content intentionally and unlawfully appropriating New York Post trademarks and use of a confusingly similar domain name called newyorkpostpublishinginc.com. The Complaint alleges that Mr. Hoffenberg attempted to exploit his long-ago, short-lived connection as publisher of the New York Post from January 1993 to March 1993, among other ways, with a false and misleading August 25, 2014 press release stating that Hoffenberg will “once again publish the New York Post Publishing Inc.” and that “Although he has spent a number of years away from the newspaper, his return is a welcomed one by many vital persons involved with NewsCorp”.

In October 2014, U.S. District Court Judge Victor Marrero granted a preliminary injunction to NYP Holdings, Inc. enjoining Mr. Hoffenberg, his company and any affiliates of theirs from using the “New York Post Publishing Inc.” name, or any trademark, service mark, or trade dress that is confusingly similar to any of the NEW YORK POST Marks, on or in connection with goods or service in commerce in a manner that is likely to cause confusion in the minds of the public, including but not limited to operating the website at www.newyorkpostpublishing.com.” That preliminary injunction was made permanent and on December 15, 2014, Mr. Hoffenberg agreed to the entry of a consent decree, so ordered by Judge Marrero, that Mr. Hoffenberg, his company and their affiliates be permanently enjoined from such infringing conduct that is likely to or calculated to cause confusion about any affiliation with the *Post* (Ex. C). Nevertheless, that did not prevent Mr. Hoffenberg from claiming, in the email concerning your client’s book, that he was “TAKING BACK THE NEW YORK POST NEWSPAPER OPERATIONS !!!!!” and that he was the “CEO” of “New York Post Publishing Inc.” (Ex. A.)

While he was incarcerated, Mr. Hoffenberg filed numerous lawsuits related to Towers Financial, and his prosecution, legal representation and sentence in connection with the same. He even unsuccessfully sought to recuse Judge Sweet, himself. The actions he filed were dismissed repeatedly to the extent that in 2003, Judge Sweet after listing Mr. Hoffenberg’s “many lawsuits relating to the underlying facts of this case” and setting forth the legal precedent for enjoining vexatious and frivolous litigation, enjoined Mr. Hoffenberg from further litigation pertaining to the Towers Financial case without leave of the court. *Hoffenberg v. Hoffman & Pollok*, 288 F. Supp. 2d 527, 539-540 (S.D.N.Y. 2003) (collecting instances of frivolous litigation and enjoining further suits). Despite Judge Sweet’s order, Mr. Hoffenberg continued filing unsuccessful Towers Financial related litigation. See, e.g. *200,000 Towers Inv’s Restitution Victims v. U.S. ex rel. U.S. Prob. Office New York City Staff Breach of Crime Victims Act*, No. 13 CIV. 8563 PKC, 2013 WL 6673612, at *2 (S.D.N.Y. Dec. 18, 2013) (Hoffenberg’s counsel ordered to show cause why case should not be dismissed as frivolous).

Among the cases he filed after being released was one against Mr. Epstein. Mr. Hoffenberg claimed to be suing on behalf of his own fraud victims to recover from Mr. Epstein for allegedly having conspired with Mr. Hoffenberg in the scheme. In July, Mr. Hoffenberg voluntarily dismissed the case with prejudice when Mr. Epstein's counsel alerted the Court to Mr. Hoffenberg's history of frivolous litigation, and asserted that Mr. Hoffenberg's action against Mr. Epstein was completely unfounded and lacked any merit whatsoever. (Ex. D.).

In sum, although we know you will draw your own legal conclusions, we believe that Mr. Hoffenberg's criminal history, how he has been characterized by a highly respected federal court Judge and the substance and outcomes of the numerous cases filed by and against him over the past 20 or so years bear directly on any decision that might be made to include information provided by Mr. Hoffenberg in your client's book about Mr. Epstein. Once again, so that you might avoid a determination of recklessness in connection with the publication of any such information obtained from Mr. Hoffenberg, we are prepared to review the manuscript for factual error. In any event, we reserve all rights against Hachette Book Group and the others of the book for any and all inaccuracies in the book for which we will vigorously pursue all available legal remedies.

Sincerely,

Charles Michael

cc: Martin G. Weinberg
(by email, [REDACTED])

James Patterson
(by overnight mail)

John Connolly
(by overnight mail)