

And I've tried to review as many of the pleadings as possible.

As you know, they're extremely voluminous.

And I

haven't been through all of them.

But we do believe that there

has been a breach in the filing that Mr. Josefsberg referred to, and contrary to Mr. Critton, we do understand that we have an obligation to provide notice, and we are providing notice to Mr. Epstein today.

The pleading that we found to be in breach -- the non-prosecution agreement, sought to do one thing, which was to place the victims in the same position they would have been if Mr. Epstein had been convicted of the federal offenses for which he was investigated.

And that if he had been federally prosecuted and convicted, the victims would have been entitled to restitution, regardless of how long ago the crimes were committed, regardless of how old they were at the time, and how old they are today, or at the time of the conviction.

And it also would have made them eligible for damages under 2255.

And so our idea was, our hope was that we could set up a system that would allow these victims to get that restitution without having to go through what civil litigation will expose them to.

that, of course, he would be entitled to depositions; of You have a number of girls who were very hesitant about even speaking to authorities about this because of the trauma that they have suffered and about the embarrassment that they were afraid would be brought upon themselves and upon their families.

So we did through the non-prosecution agreement tried to protect their rights while also protecting their privacy.

So, pursuant to the non-prosecution agreement -- on the other hand, we weren't trying to hand them a jackpot or a key to a

It was solely to sort of put them in that same position.

So we developed this language that said if -- that provided for an attorney to represent them.

Most of the

victims, as you know from the pleadings, come from not wealthy circumstances, may not have known any attorneys who would be in a position to help them.

So we went through the Special Master procedure that resulted in the appointment of Mr. Josefsberg, and the goal was that they would be able to try to negotiate with Mr. Epstein

for a fair amount of restitution/damages.

And if Mr. Epstein

took the position, which apparently he has, which is that the \$50,000 or \$150,000 floor under 2255 also would be a cap. if they were to proceed to file suit in Federal Court to get fair damages under 2255, Mr. Epstein would admit liability, but he, of course, could fight the damages portion, which means that, of course, he would be entitled to depositions; of course, he would be entitled to take discovery, and we don't believe that any of that violates the non-prosecution agreement.

The issue with the pleading that he filed, the motion to dismiss the case, I believe it's Jane Doe 101, represented by Mr. Josefsberg, is that that is a case that was filed exclusively under 18 U.S.C., Section 2255.

She met that requirement.

Mr. Epstein is moving to dismiss it, not on the basis of damages, he is saying that he cannot be held liable under 2255 because he was not convicted of an offense.

The reason why he was not convicted of an offense is because he entered into the non-prosecution agreement.

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The issue really that was raised in the motion to stay and that I addressed in our response to the motion to stay is that Mr. Epstein's -- Mr. Epstein wants to stay the litigation in order to leave, in order to sort of attack the cases of the victims whether they are fully within the non-prosecution or not, non-prosecution agreement or not, and leave the Government without a remedy if he does, in fact, breach those terms. that is why we opposed the stay.

THE COURT:

■ not sure what you mean by that last statement.

MS. VILLAFANA:

Well, because this issue related to the motion to dismiss on Mr. Josefsberg's client came up after we had filed that response.

And what we said in the response to the motion to stay is that the reason why he wants to stay the litigation is so that the non-prosecution agreement terminates based on a period of time, as he puts it.

And then

afterwards he would be able to come in here and make all of these arguments that clearly violate the non-prosecution agreement but we would be without remedy.

THE COURT:

But you're not taking the position that other than possibly doing something in litigation which is a violation of an express provision of the non-prosecution agreement, any other discovery, motion practice, investigations that someone would ordinarily do in the course of defending a civil case would constitute a violation of the agreement?

MS. VILLAFANA:

No, Your Honor.

I mean, civil

litigation is civil litigation, and being able to take discovery is part of what civil litigation is about.

And while

there may be, for example, if someone were to try to subpoena the Government, we would obviously resist under statutory reasons, all that sort of stuff.

But, no, Mr. Epstein is

entitled to take the deposition of a plaintiff and to subpoena records, etc.

THE COURT:

And even if he seeks discovery from a

Government agency, you have the right to resist it under the rules of procedure but that would not constitute a violation, again unless there's a provision in the prosecution agreement