

Jeff Sloman

Robert Senior

A Marie Villafana

Dear Counsel

We received notice this morning that the Podhurst firm has filed a civil Complaint seeking over \$2,000,000 in addition to the \$526,000 they have already been paid by Jeffrey Epstein for their work as attorney representatives. As we communicated to you in prior correspondence dated ____ and ____ (and during our February __ 2010 meeting with you) there exists significant differences between Mr. Epstein and the attorney-representative over what portions of the latter's bills were within Mr. Epstein's obligations under the NPA. Mr. Epstein has been attempting to resolve the outstanding invoices through efforts to review with the attorney representative the particulars of his charges, through settlement discussions with the attorney representative and through his signing a Special Masters Agreement which would allow a neutral third party to make a binding resolution as to what portions of the invoices at issue are reasonable, non-duplicative, and within Mr. Epstein's NPA-obligations. It was only several days ago that Mr. Epstein even received an up to date invoice seeking payment for legal work dating back to ____.

We regret these efforts did not resolve the matter and that the Podhurst firm elected instead to litigate. Mr. Epstein has today placed the entire disputed amount of \$2,000,000 in a trust account (detail) pending the results of the litigation. Mr. Epstein has always agreed that he is entirely responsible for any settlement-related fees that are not excessive and will take no litigation position inconsistent with that understanding.

YT

RB

MGW