

DRAFT

April 7, 2010

CONFIDENTIAL – SETTLEMENT DISCUSSIONS – F.R.E. 408

Sent by E-Mail Only

Aaron Podhurst, Esq.
Robert Josefsberg, Esq.
Podhurst Orseck, P.A.
25 West Flagler Street, Suite 800
Miami, FL 33130

Re: **Epstein Matter**

Dear Aaron and Bob:

Mr. Epstein has requested that I contact you so as to make a concerted and additional effort to resolve all outstanding fee issues with your firm. At our last meeting in Miami, we had ongoing discussions regarding resolution and discussed fees in a broader general sense. Mr. Epstein and his representatives are willing to review the bills which previously were sent to me on a line by line basis to identify those charges which Mr. Epstein is obligated to pay under the NPA, those charges which are clearly not covered under the NPA and in charges on which we will have a difference of opinion as to whether or not they are an obligation under the NPA.

One of the significant problems which we have is assigning specific charges to a specific client versus a "general" category. Please advise whether you will sit with Mr. Epstein and his representatives to review the bills on a line by line basis and be prepared to assign the charges to specific clients in an attempt to put all attorneys fee issues through the current date to rest. Those charges which we both agree are an obligation under the NPA will be promptly paid.

In the alternative to the above, I have been authorized (pursuant to F.R.E. 408) to offer a total of \$1,000,000 (inclusive of monies previously paid) to resolve all attorneys fee and cost issues under the NPA involving each and every client of yours

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through the date of your acceptance. This offer is open for a period of two weeks from the date of this letter.

I know you have previously rejected our offer to resolve the fee issue pursuant to the executed Special Master Agreement which we sent to you many weeks ago. We renew our offer, as memorialized in the executed Special Master Agreement, to have a neutral special master to decide the outstanding fee/cost dispute through the Special Master Agreement.

I shall look forward to hearing from you.

Cordially yours,

Robert D. Critton, Jr.

RDC/clz

cc: Michael Burman, Esq.