

From: "Farkas, Andrew L." <[REDACTED]>

To: "jeevacation@gmail.com" <jeevacation@gmail.com>

Subject: Re:

Date: Fri, 26 Apr 2013 18:16:38 +0000

Thank you for passing it along. I really don't know where to take this. I love you too and cherish our relationship. To the best of my knowledge a transaction was undertaken 5-6 years ago with full disclosure of all of the facts on either side. Definitive documents were negotiated and executed, in good faith, that reflected whatever the negotiated agreement was. Audits were conducted annually and delivered to everyone. IGY is the partner, not me personally. As far as document access is concerned, I will ensure that you get absolutely anything and everything you wish to have. But while this might provide clarity as to what went where and why, I don't know that it will address your feelings of inequity between you and the company, though I suspect that they will support the technicalities of however things had been handled. But Jeffery, I had no hand in the negotiation or documentation of the real estate deal and nor have I been at all involved in the day-to-day operations of this asset since inception. My instructions to the people who executed way back then was that you wanted to own 50% of AYH and they should negotiate a deal that worked for you. To the best of my knowledge that's what was done, it's precisely what the documents reflect, and it was all done in the bright light of day by IGY's representatives and your representatives. I believe that is the truth.

IGY is owned by lots of different investors. The above notwithstanding it has been very rough sledding since 2008 when Dubai defaulted on its various obligations and the economy deteriorated. The company itself is barely solvent and we have been struggling to keep it together. A company called IGY Directives, owned by Island Capital, is the managing member of IGY and it is a fiduciary to the IGY investors. It too is in tough shape.

I have made some suggestions on how to go forward and I will make sure that you get whatever other information you request. But I don't know what to do about what has happened in the past here, especially given that (a) the deal between you and IGY was a real estate deal that appears to have been honored and based on a fixed, negotiated price as between the parties, (b) IGY has very little to give under any circumstance, and (c) there is so much history; this deal was done a long time ago and has reported regularly.

As I have said in the past, what I hate most about this is that you somehow feel that you got duped. It's just not the case. Perhaps mistakes were made by whomever you had negotiating for you and they told you things that ended up being inaccurate. Again, I was not there, personally, on your end or IGY's end.

If you have some ideas you know I want to make this right to the extent I can, and I will certainly listen and try to do whatever I can. I would hate to see you resort to litigation as that would hurt everyone both personally and otherwise. But at the end of the day, what I care about most is what has been and continues to be a cherished friendship that appears to be getting tarred by actions taken by third parties long past. I do not know what to do and I am saddened to think, given our history and the love that has been demonstrated over the years, that you could think in the most remote of ways that I have had any hand in anything that could be intentionally hurtful to you in any conceivable way. I have not.

From this point it's up to you. You're going to have to tell me what you want me to do. If I can do it and stay within the boundaries of what's required of me under the various documents governing the transaction and the roles and responsibilities that IGY Directives has to its investors, I will do so. But I know you know that I am between a rock and a hard place.

I have a lot of problems in the world with which I am presently struggling. This one makes me saddest right now. But that doesn't help you. Perhaps I should just absent myself from the process as you have and allow management of the company to deal with your representatives and see what they can all decide to do. Or you and I can sit one last time, you can tell me what you'd like me to do, I can try to do it and if you're still not satisfied you can sue us. But the next move is yours.

Xoxo
ALF

From: Jeffrey Epstein [mailto:jeevacation@gmail.com]
Sent: Friday, April 26, 2013 12:24 PM
To: Farkas, Andrew L.
Subject:

You and i enjoy a special relationship that i cherish, and we both appreciate full disclosure, for good or bad, I recieivd this today from my in house guy and thought i should pass it along.

Jeffrey,

I have been reviewing the AYH investment as you asked. I have spoken on numerous occasions to both Tom and Frank. Tom has been very open and attempts to be helpful. Frank, less so , and he keeps asking why do you want to know? Unfortunately I am still missing documents to give you firm and clear answers. Frank, tells me they don't have the answers as the auditors prepared the audited financial statements. This seems odd to say the least as AYH had to give the auditors work-papers to prepare financials.

On January 23, 2007 a finders fee in the amount of 253,125 was paid to Island Capital. (frank said that was Andrew entity?) Did you have any other agreement with him that I am unaware of? There is another 247,000 on IGY Ltd and Subsidiaries audited financial statements as a gain on sale of your 50% interest? In 2007, 743,071 was paid as interest expense to an affiliate. I believe that this

was a pass thru of interest expense with no markup per a line of credit IGY Ltd had with Banco Popular. My understanding is that this was line of credit costs for the period January 18, 2007 thru May 31 2007 when you were not a partner. Yet the May 31, 2007 income statement shows that only 412,125 was paid thru May 31, 2007. Not sure why you were responsible for 330,945 (743,071 less 412,125) of interest expense from January - May 2007 when you did not receive any of the income during that same period. Unfortunately I have no further info on it.

To summarize, though all our records indicate that you and Andrew agreed on a 50 / 50 deal, it is possible that he never told that to his people. If it were a true 50 / 50 deal then IGY would not have taken out all their equity of approximately 5,000,000 and you only 250,000. There also would have been no finders fee, gain on sale of your interest and questionable leasing commissions on tenants whose credit worthiness was only approved by the same people making the lease. We have never been in this position and I know that Andrew is your trustee. In answer to your question what is there to be done going forward I would suggest that they return your equity and lets

call it a day. The more I inquire about the fact patterns surrounding your investment the more unhappy it makes me. Alternatively, maybe negotiating with Banco Popular to write down its loan by approximately 5-8 million may allow IGY to recover and recapitalize.



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