

October 8, 2010

Via E-mail only

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**Re: Jeffrey Epstein v. Scott Rothstein, etc., et al.
Case No.: 50 2009 CA 040800XXXXMB-AG**

Dear Mr. Scarola and Mr. Nurik:

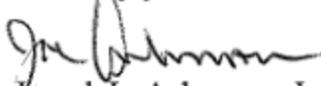
Enclosed please find a proposed draft for our Initial Case Management Report and Conference. I regret the delay, however we have had extreme difficulties with our computer system.

Would you kindly review it at your earliest convenience and contact me with any changes. Would you also execute the signature pages, send a copy to me by email and original by mail.

I will hold the signature pages in trust until I have written/email confirmation from you as to the final form of this report. At that time, I will deliver it to Judge Crow.

If you have any questions, please contact me. Otherwise thank you.

Sincerely yours,


Joseph L. Ackerman, Jr.

Enclosures

W:\80743\letter Scarola and Nurik - Joint Statement

IN THE CIRCUIT COURT OF THE FIFTEENTH
JUDICIAL CIRCUIT, IN AND FOR PALM
BEACH COUNTY, FLORIDA

JEFFREY EPSTEIN,

Plaintiff,

v.

SCOTT ROTHSTEIN, individually,
BRADLEY J. EDWARDS,
individually, and [REDACTED], individually,

Defendants.

Complex Litigation, Fla. R. Civ. Pro.1201

Case No. 50 2009CA040800XXXXMB AG

**JOINT STATEMENT PURSUANT TO
RULE 1.201(b), FLA.R.CIV.PRO. AND CASE MANAGEMENT REPORT**

The parties to this action, Jeffrey Epstein, Scott Rothstein and Bradley J. Edwards, by and through their undersigned counsel and pursuant to this Court's Order dated September 2, 2010, file this their Joint Statement and Initial Case Management Report and would state as follows:

A. BRIEF FACTUAL STATEMENT

The Plaintiff seeks damages against the Defendants, Scott Rothstein and Bradley J. Edwards, based on an illegal Ponzi scheme by the Defendants, and the Plaintiff believes others as well, to market investments to outside investors in the lawsuits brought against the Plaintiff by a number of Plaintiffs, represented by the now defunct Law Firm of Rothstein, Rosenfeldt & Adlerr, P.A. ("RRA"). Some of these lawsuits were transferred to a newly formed firm of Farmer, Jaffee, Weissing, Edwards, Fistos & Lehrman, LP ("Farmer Jaffee"), of which Defendant Edwards is a member.

The Plaintiff has alleged and believes that the Defendants and perhaps other former employees of RRA conspired to use the Epstein litigation and perhaps other litigation, to lure investors into making approximately \$13 million dollars worth of investments into phoney settlements by using pending real cases. The Plaintiff contends that he has been damaged as a result of these actions.

Edwards denies being a participant in any Ponzi scheme, civil theft or criminal enterprise. Moreover Edwards claims that the real purpose of this lawsuit was to pressure Edwards and one of his clients LM in pending ligation. Edwards has claimed damage to his reputation, professional relationship and damages from this action. Rothstein has not filed an answer.

B. LEGAL THEORIES

Epstein has plead claims for damages based on Florida's Civil Remedies for Criminal Practices Act against all Defendants, claims for damages based on Florida Rico's Act against all Defendants, claims for damages for abuse of process against all Defendants and claims for damages for fraud against all Defendants and claims for damages based on conspiracy to commit fraud against all Defendants.

Edwards has denied the allegations of Epstein's claim for damages and has further asserted a counterclaim for damages for injury to his reputation, interference with his professional relationships, loss of value of his time and the cost of defending this action.

The claims against [REDACTED] have been dismissed with prejudice pursuant to a settlement agreement by and between Epstein and [REDACTED] in another lawsuit.

Rothstein has not filed any specific pleadings in defense of Epstein's claims.

C. LIKELIHOOD OF SETTLEMENT

It is unlikely that this case can settle at this time.

D. LIKELIHOOD OF APPEARANCE IN ACTION OF ADDITIONAL PARTIES

Epstein has a good faith belief that other members of the former RRA may have participated in the Ponzi Scheme authored by Defendant, Rothstein to detriment of Epstein. However, until further discovery can occur by the production RRA records, it is difficult to identify possible additional parties.

E. PROPOSED TIME LIMIT

- (i) To join other parties and amend pleadings: 30 days after the production of the records from RRA by the bankruptcy trustee/special master;
- (ii) To file and hear motions: 60 days after the production of records from RRA by the bankruptcy trustee/special master;
- (iii) To identify any non-parties: 30 days after the production of the records from RRA by the bankruptcy trustee/special master;
- (iv) To disclose expert witnesses: 60 days before calendar call, deadline is November 29, 2010;

F. NAMES OF ATTORNEYS RESPONSIBLE FOR HANDLING THE ACTION

- 1) Plaintiff, Jeffrey Epstein
Joseph L. Ackerman, Jr., Esq.
Christopher F. Knight, Esquire
- 2) Defendant, Bradley J. Edward
Jack Scarola, Esq.
- 3) Defendant, Scott Rothstein
Marc Nurik, Esq.

G. NECESSITY FOR A PROTECTIVE ORDER TO FACILITATE DISCOVERY

Unknown at this time.

H. PROPOSAL FOR THE FORMULATION AND SIMPLIFICATION OF ISSUES/
TIMING OF MOTIONS FOR SUMMARY JUDGMENT AND PARTIAL
SUMMARY JUDGMENT

Sixty (60) days before discovery cut-off: December 20, 2010.

I. POSSIBILITY OF OBTAINING ADMISSIONS OF FACT/EXCHANGE OF
DOCUMENTS AND STIPULATIONS REGARDING AUTHENTICITY

At this point, it is difficult to say what the possibility would be for obtaining admissions of fact and voluntarily exchange of documents and other evidence.

Many objections have already been asserted on the grounds of attorney-client work product privilege. A special master has been appointed in the bankruptcy proceedings to process those documents that have been requested from the former RRA that the Plaintiff believes are relevant to his claims. In addition, document requests to Defendant, Edwards and other discovery requests have been met with attorney-client work product and other objections.

It is also anticipated that requests for discovery from the Defendant to the Plaintiff will also require the court to rule on objections relating to privilege and matters that are irrelevant to this action.

J. SUGGESTIONS ON ADVISABILITY AND TIMING OF MAGISTRATE,
SPECIAL MASTER, MEDIATION

Epstein recommends that the issue of a special master and mediation be addressed after the productions from documents from RRA. Once those documents are produced then it may resolve some of the pending objections that presently exist. Further, the special master in the bankruptcy proceeding may resolve some of the issues in this case which would eliminate the need for a special master or magistrate to spend some or all of his/her time on the issues present in this case.

K. PRELIMINARY ESTIMATE OF TIME REQUIRED FOR TRIAL

5-7 days.

L. DESCRIPTION OF DOCUMENTS AND LIST OF FACT WITNESSES

The parties have already pursuant to an earlier court order submitted a list of documents and fact witnesses. Those exhibits and witness lists are incorporated herein by reference.

M. NUMBER OF EXPERTS AND FIELD OF EXPERTISE

Unknown at this time

N. OTHER HELPFUL INFORMATION

None at this time.

DATED this ___ day of October, 2010.

Respectfully submitted,

FOWLER WHITE BURNETT, PA
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