

DRAFT

April 13, 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, which, once identified, will be paid without delay, those charges which are clearly not covered under the NPA and should accordingly be excluded from the bills, and in charges on which we will may have a difference of opinion as to whether or not they are an obligation under the NPA and should, once identified as a category, lead to immediate further discussions and resolution.

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/cost issues on all clients, past and present through the current date to rest. Those charges which we both agree are an obligation under the NPA will be promptly paid.

April 13, 2010
Page 2

(the one million total offer is inclusive of the \$526,466.15 previously paid, so Mr. Epstein would pay the difference to equal one million)
~~(One million less the \$526,466.15)~~

In the alternative to the above, if you do not want to continue the settlement process as detailed above, I have been authorized (pursuant to F.R.E. 408) to offer a total of \$1,000,000 ~~less the \$526,466.15 previously paid~~ to resolve all attorneys fee and cost issues under the NPA involving each and every client of yours, past and present, through the date of your acceptance. This offer is open for a period of two weeks from the date of this letter. Therefore, we would in effect waive our right to contest the monies previously paid and both parties would waive their respective rights to in anyway adjudicate whether the total of fees owed under the NPA exceeds or is less than the offer of \$1,000,000. Again, we prefer to review the bills and pay every allocation that is attributable to legal work for which Mr Epstein is obligated under the NPA, but are also agreeable to the alternative of reaching a monetary agreed settlement.

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 in the event we can neither agree to continue the settlement discussions without a third party, or agree to a monetary settlement as outlined above.

I shall look forward to hearing from you.

Cordially yours,

Robert D. Critton, Jr.

RDC/clz

cc: Michael Burman, Esq.