

A legal team comprised of some of the most respected names in the profession, including Ken Starr, former Solicitor General. Alan Dershowitz, Harvard Law Professor, Roy Black, Defense Attorney, and Lily Sanchez, former sex prosecutor, all concur that the Epstein case is one of the most unorthodox prosecutions that they have ever witnessed. After an intensive two-year State investigation and a grand jury proceeding with respect to conduct alleged to have occurred with local Florida women exclusively within a Florida private residence, a Florida State Grand Jury returned a single count of solicitation of prostitution. An attorney from the Florida State Attorney's Office (the "SAO"), who personally interviewed some of the females, stated to the Chief Detective on the case that she believed there were no "real victims" in this case. However, the local police chief, unsatisfied with the result, took it upon himself to approach a prosecutor in the U.S. Attorney's Office (the "USAO"). Following another year-long Federal investigation, and threatened with Draconian punishment, along with the unchecked exercise of investigative and prosecutorial discretion by the USAO with respect to a wholly state matter, Mr. Epstein's Defense counsel had no choice but to negotiate and ultimately enter into a highly unorthodox agreement with the USAO, the Non-Prosecution Agreement (the "NPA").

This agreement with the Federal government required Mr. Epstein's counsel to go to the sitting State Attorney and ask that the State of Florida "up the charge" and allow Mr. Epstein to plead guilty to an additional State charge that the Federal government demanded, though any facts and allegations to support such a charge would not be shared with either Mr. Epstein or, even more unusually, the State Attorney, himself. As one of the extraordinary provisions of the NPA, the USAO compiled a secret list of women to which Mr. Epstein would have to admit civil liability, though the Federal prosecutor refused to provide Mr. Epstein or his counsel with the names of the women on that secret list until Mr. Epstein agreed and signed the NPA and until after Mr. Epstein actually began serving his jail time. Moreover, the NPA also required Mr. Epstein to agree in advance to pay an attorney representative's fees on behalf of these unidentified women. Furthermore, despite the USAO's express representations that it would not do so, the USAO has confirmed that it added at least one name to this secret list a full eight months after Mr. Epstein signed the agreement.

Podhurst Orseck, P.A. ("PO") is improperly attempting to use the Federal government as its own personal collection agent to force Jeffrey Epstein to pay interim billings of in excess of \$2 million of patently unreasonable, excessive and duplicative fees and expenses, including more than \$700,000 for a current sitting Florida Assistant State Attorney retained by PO as outside counsel to assist with private civil claims against Mr. Epstein. PO claims that it is entitled to this outrageous sum based upon its own misguided and tortured reading of the highly unusual NPA. PO was not a party to the NPA and did not negotiate its provisions; nor does PO have any knowledge of the extensive communications, before and after signing the NPA, between the USAO and Mr. Epstein's counsel regarding the numerous problems and issues in connection with the implementation of the NPA's

ambiguous provisions. Despite warnings from Mr. Epstein's counsel, when PO was just beginning its representation, that PO's billings, the scope of work it was performing, and its use of outside attorneys and consultants far exceeded Mr. Epstein's payment obligations as expressly provided in and contemplated by the NPA, PO continued to run up its bills with reckless abandon.

Mr. Epstein has never denied his obligation to pay PO's reasonable fees to the extent required under the NPA. In fact, Mr. Epstein has already paid \$526,000 of PO's interim bills, while reserving his right to contest the fees and costs charged both in those interim bills and in any bills issued thereafter. He has made repeated written requests to sit with PO and review its interim bills on a line-by-line basis to determine what is reasonable and required. He has proposed to resolve the dispute over PO's outrageous fees by referring the dispute to a Special Master whose decision would be binding on Mr. Epstein. PO has refused all Mr. Epstein's attempts to properly resolve this dispute, demanding simply that Mr. Epstein pay all PO's fees or face a claim that Mr. Epstein breached the NPA, which was nothing more than a thinly veiled threat for Mr. Epstein to pay up or face possible criminal prosecution by the USAO. Now that PO has filed its claim of breach, Mr. Epstein continues to honor, not only the letter, but the spirit, of the NPA by seeking to deposit a full \$2 million with the court to hold in trust, pending the proper resolution of PO's outrageous claims.

PO attempts to support its claims with an obvious misinterpretation of the unprecedented civil litigation provisions included in the NPA, a document entered into to resolve a criminal matter. Mr. Epstein was compelled to accept these and other highly unusual provisions of the NPA to end a wildly overbroad and highly invasive Federal criminal investigation

Without substantial investigatory justification, the USAO sought irrelevant information concerning Mr. Epstein's political contacts and organizations, professional colleagues, business clients and associates, lawyers and friends. It subpoenaed Defense counsel's investigators without complying with Department of Justice Guidelines relating to subpoenas to attorneys and their agents. The USAO threatened an unprecedented and unjustified expansion of Federal law to apply to Mr. Epstein's purely state conduct (which involved allegations of masturbation in exchange for money). Based on nothing more than bare recollections of unrecorded telephone calls, not with Mr. Epstein, but with third parties, during which no sexual language was ever alleged, the USAO threatened to indict Mr. Epstein on Federal charges of using a means of interstate commerce to coerce minors (though in many instances there were no minors at all and in others the minors were admitted prostitutes and their ages were unknown to Mr. Epstein) into sexual activity, for which the mandatory minimum sentence was 10 years. To apply additional pressure to Mr. Epstein, the USAO threatened to add money laundering and unlicensed wire transmittal to the list of violations it was investigating, though it was unable to identify any facts necessary to support any charges for the same.

Specifically, Mr. Epstein's fee payment obligations under the NPA were to pay the attorney representative's fees to assist those unidentified women on the USAO's list who chose to use the attorney representative to evaluate any civil claims they may wish to assert against Mr. Epstein and to enter into uncontested settlements if the women chose to do so. Mr. Epstein had no obligation under the NPA to pay for anything more, including paying for the attorney representative to hire outside attorneys, or to pursue contested damage claims or contested litigation on behalf of any of these unidentified women, even if Mr. Epstein subsequently settled such claims or litigation. Nor does the NPA make any provision for the payment of the interim bills issued by PO.

Robert Josefsberg of PO was appointed as attorney representative. Mr. Josefsberg far exceeded the scope of Mr. Epstein's payment obligations under the NPA, among other ways, by recruiting several other attorneys from his firm, as well as two additional outside lawyers, to perform substantially more than the evaluation and settlement services contemplated by the NPA, including pursuing contested claims and contested litigation against Mr. Epstein. Thusfar, Mr. Josefsberg and PO have billed Mr. Epstein more than \$2.5 million, a sum that exceeds the total monetary amount paid by Mr. Epstein to settle the claims of all sixteen of PO's clients, including three who initiated contested litigation against Mr. Epstein.

Of the more than \$2.5 million of interim billings issued by PO, more than \$700,000 reflects PO's costs attributable to excessive billings by one of the outside lawyers needlessly retained by PO. This outside lawyer was and is a current sitting Florida Assistant State Attorney, who is not a civil litigator and has no specialized experience in areas directly related to the consideration of civil settlements. The more than \$700,000 she has already billed to Mr. Epstein is the equivalent of over ten years of her full-time salary as an Assistant State Attorney.

Astonishingly, this sitting Florida Assistant State Attorney assisted Mr. Josefsberg with civil litigation in which, among other things, she represented the very same woman who was designated as the "victim" of the procurement charge in Mr. Epstein's State criminal case. Under the NPA, Mr. Epstein was required to and did enter into a plea agreement with this Assistant State Attorney's employer, the SAO, in which Mr. Epstein pleaded to having procured this same woman for prostitution. Mr. Epstein has never had an opportunity to interview or depose this woman in connection with either his criminal case or her civil claims against him. On the other hand, by virtue of this Assistant State Attorney's employment with the SAO, presumably this Assistant State Attorney has had access to privileged information regarding both Mr. Epstein and this woman to which Mr. Epstein's counsel did not have access. Under the circumstances, the Assistant State Attorney's moonlighting to represent in private civil litigation the very same woman who was the designated "victim" of a crime prosecuted by her primary employer, the State of Florida, is an obvious violation of the Assistant State Attorney's ethical duties and obligations.

Even after Mr. Epstein signed the NPA and continued to comply with its incredible conditions, the USAO has consistently distorted the provisions of the NPA to place unprecedented burdens on Mr. Epstein that far exceeded the bounds of the NPA. The USAO has effectively tied Defense counsel's hands in defending Mr. Epstein against civil claims that well exceeded the scope contemplated by the civil waiver provisions of the NPA. For example, the USAO improperly declared a breach of the NPA with respect to a motion to dismiss or stay certain civil litigation that was prepared by Defense counsel largely in reliance on interpretive guidance previously provided by the U.S. Attorney, himself, and that was not in breach of the NPA. Out of justifiable concern that the USAO might unilaterally invalidate the NPA and proceed to indict Mr. Epstein after he had nearly completed his 18-month sentence, Defense counsel was forced to immediately withdraw the portion of the motion as to which the USAO erroneously declared breach.

The USAO has regularly intervened in purely state matters involving the implementation of Mr. Epstein's sentence and related issues, when the U.S. Attorney, himself, repeatedly assured Mr. Epstein's counsel that the USAO would have no involvement. From the very beginning of Mr. Epstein's incarceration, the USAO diligently inserted itself into each State decision relating to Mr. Epstein's sentence, including, without limitation, the determination by the Palm Beach Sheriff's Office (the "PBSO") of whether or not to grant Mr. Epstein work release, a matter which the Florida state court has ordered is within the PBSO's exclusive discretion. Despite (1) assurances from U.S. Attorney given to Mr. Epstein's Defense counsel that the USAO would neither object to nor interfere with work release, (2) provisions contained in the NPA that Mr. Epstein should be treated on the same basis as any other similarly situated inmate and (3) statements made by the USAO to the PBSO that the USAO had no objection if the PBSO exercised its discretion to grant Mr. Epstein work release on that same basis, an Assistant U.S. Attorney met (only one day after Mr. Epstein began serving his jail sentence) and repeatedly corresponded with high-ranking officials of the PBSO to counsel against granting Mr. Epstein work release. That particular Assistant U.S. Attorney went so far as to inform the PBSO about "victims" identified in the federal investigation (even though the investigation was suspended pursuant to the NPA and, with one exception, the "victims" were in no way part of Mr. Epstein's State plea or incarceration) and sought to provide their contact information to the PBSO.

This was not the first time that this particular Assistant U.S. Attorney provided information about witnesses in the Federal investigation to local law enforcement. Deposition testimony of both Palm Beach Police Chief Reiter and Detective Joseph Recarey confirm that the Assistant U.S. Attorney previously provided Chief Reiter with the USAO's secret list of "victims", requesting that Chief Reiter destroy the list after he reviewed it, an obvious violation of public record keeping requirements.

The USAO hungrily scrutinized Mr. Epstein's probation file with the intent to hold him in breach of the NPA for even the slightest violation. In one instance, the USAO improperly claimed that Mr. Epstein was in violation of his community control sentence when he was stopped by Palm Beach Police while walking to his office. Although this was determined by Mr. Epstein's probation officer to be entirely appropriate, the USAO nevertheless cited it as improper conduct by Mr. Epstein to be considered in determining how to proceed against him for any breaches of the NPA.

Despite representations to the court and Defense counsel that the USAO would not intercede in the civil litigations against Mr. Epstein, the USAO has met regularly with plaintiffs' counsel to provide assistance. This included meeting with Brad Edwards, whose law firm and senior partner, Scott Rothstein, were then under Federal investigation (Mr. Rothstein ultimately plead guilty) for perpetrating a \$1.5 billion ponzi scheme involving, among other things, selling bogus settlements of sex-related lawsuits against Mr. Epstein, exactly like those Mr. Edwards was litigating. At the same time, the USAO refused repeated requests from Defense counsel to meet with them to help clarify the civil litigation provisions in the NPA, including those at issue in the instant dispute, that the U.S. Attorney himself has characterized as far from clear. The USAO also made it plain to Defense counsel that it cannot rely on any interpretive guidance previously provided by the U.S. Attorney or other members of his office regarding the meaning of the NPA's civil litigation provisions or any other aspects of the NPA. The USAO went even further to warn that Mr. Epstein may not even rely on his own counsel in interpreting his duties under the NPA for which he will be held solely responsible.

Moreover, the USAO has made alarming statements both in declarations before the civil court and in letters to Defense counsel that the protections Mr. Epstein bargained for under the NPA are "illusory." It further wrote to Defense counsel that although the USAO has an obligation to give notice of breach, the USAO has no obligation to allow Mr. Epstein to cure any perceived breaches of the highly ambiguous provisions of the NPA. Thus, if Defense counsel takes a principled position in a particular civil case based on its interpretation of the NPA, and the USAO disagrees, then the USAO can unilaterally declare a breach and invalidate the NPA without providing Defense counsel with any opportunity to rectify the disagreement. In such circumstances, the USAO cavalierly wrote to Defense counsel that Mr. Epstein should "elect to err on the side of caution in making decisions that relate to the performance of his duties." Additionally, the USAO has warned Defense counsel that it intends to consider any and all of the matters which the USAO previously (and incorrectly) characterized as breaches in deciding what action the USAO will ultimately take against Mr. Epstein after he completes the probationary portion of his State sentence; a sentence that the State did not require and would never have been imposed in the absence of the NPA. Thus, even after Mr. Epstein fully completes his sentence which the USAO required of him under the NPA, Mr. Epstein has no guarantee that he will be entitled to any of the protections to which the USAO agreed under the NPA. As a result of these pronouncements by the USAO,

Mr. Epstein has been forced to forego legitimate rights to defend himself and pay substantial settlements of civil claims, even those made by women whom Mr. Epstein never actually met.

The USAO engaged in an unbridled and duplicative criminal investigation spanning several states, threatened an unprecedented and unjustified expansion of Federal law, and imposed a series of highly unorthodox and unusually onerous conditions before it would agree to stand down, all with respect to a purely state matter involving allegations of exclusively local conduct with local women by a single individual found by the State of Florida to be nothing more than a patron of prostitution. In essence, the USAO brought to bear the full weight and considerable resources of the Federal government on a single john. Even after achieving the conviction and sentence that the USAO demanded under the NPA without ever providing any factual allegations to support it, the USAO continued to devote its time and resources to intercede in the civil claims against Mr. Epstein and micromanage the implementation of Mr. Epstein's State sentence.

It is against this background that Mr. Epstein now finds himself fending off PO's outrageous claims and blatantly false and misleading allegations, though Mr. Epstein has fully complied with his obligations under the NPA in every respect, has served his sentence, and has paid substantial sums to settle civil claims by a majority of the women on the USAO's list (even by women whom he never actually met). Neither the letter nor the spirit of the NPA requires that Mr. Epstein issue a "blank check" for the full amount of every one of PO's interim bills, particularly when the charges in those bills are either unreasonable or duplicative or outside the limiting provisions of the Agreement; nor does the NPA prohibit the presentation of fee disputes to a court, so long as Mr. Epstein pays what a court determines is owed, which Mr. Epstein has already confirmed to the court that he has every intention of doing.