

**IN THE DISTRICT COURT OF THE VIRGIN ISLANDS  
DIVISION OF ST. THOMAS AND ST. JOHN**

J. P. MOLYNEUX STUDIO, LTD. and	)	
JUAN PABLO MOLYNEUX,	)	
	)	
Plaintiffs,	)	Civil No. 2010/34
v.	)	
	)	
JEFFREY EPSTEIN and L.S.J., LLC,	)	
	)	
Defendants.	)	

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**DEFENDANTS' LRCi 16.1 DISCOVERY MEMORANDUM**

The Defendants Jeffrey Epstein and L.S.J., LLC (the "Defendants") submit the following Discovery Memorandum pursuant to LRCi 16.1 and in accordance with this Court's order dated September 16, 2010:

1. **Brief statement of facts underlying the claims or defenses in the action and of the legal issues in the case:** In 2005, Epstein engaged the architectural and design services of Juan Pablo Molyneux and J.P. Molyneux Studio, Ltd. ("Molyneux") to design a large-scale, multi-structure, multi-million dollar residential project to be constructed on Little St. James Island in St. Thomas, U. S. Virgin Islands. As part of this project, Epstein contracted with Molyneux for the architecture and design of the interior and exterior of a separate building on Little Saint James Island known as the Office Pavilion.

Molyneux's services included, among other things, the design, as well as the delivery and installation of cabinetry, bookshelves, columns, and wood paneling (the "Library Cabinetry") for the library in the Office Pavilion. Molyneux's design for the library of the Office Pavilion, as agreed to by Epstein, required that the Library Cabinetry was to be a reproduction of the design, color, finish and proportions of the antique cabinetry, bookshelves, columns and wood paneling of the library at El Escorial in Spain. Molyneux also presented Epstein with Molyneux's own

rendering of the proposed Library Cabinetry. Molyneux's \$780,000 proposal for the Library Cabinetry, accepted by Epstein, specifically calls for the fabrication and installation of "stained walnut with waxed finish cabinetry per JPM design." Epstein approved the general design, color and finish of the proposed Library Cabinetry. In addition, Molyneux and Epstein agreed to certain refinements to that design which required that the columns and valances included in the general design be intricately carved with representations of marine flora and fauna consistent with a tropical locale. Additional intricate wood carvings of the same tropical theme were to be applied at various places on the Library Cabinetry as well.

After Epstein paid Molyneux over Four Million Dollars over the course of five years, Molyneux failed to deliver the architectural and design services as promised. On or about May 15, 2009 the parties entered into a Settlement Agreement to resolve their pending disputes. That same day, the parties also entered into an Agreement for Design Services to further resolve the many issues Epstein had with Molyneux and Molyneux's services. The Agreement for Design Services required Molyneux to credit defendant Epstein for \$250,000 "to be applied against future services provided by, and out of pocket disbursements and expenses incurred by, Studio, to and for the benefit of Epstein and/or LSJ, as determined by Epstein in his reasonable discretion". (Agreement for Design Services, ¶1). The Agreement for Design Services also required Molyneux to: (1) "...complete the design, construction, exterior and interior design and decoration, including furniture and furnishings, of the office pavilion currently under construction on Little St. James Island..." **and** to (2) furnish and cause to be properly installed and completed at the Office Pavilion by January 1, 2010 all of the items listed on Exhibit B..." attached to the Agreement for Design Services.

Between May 2009 and March 2010, the Library Cabinetry was shipped to Little St. James Island. As of today's date, however, Molyneux has failed to complete the Office Pavilion or to fully complete the proper installation, staining and finishing of the Library Cabinetry in accordance with the requirements of the Molyneux's design, the Design Services Agreement of May 15, 2009 and Exhibit A attached to the Design Services Agreement. As installed, the Library Cabinetry is incomplete and defective in numerous respects, and the overall workmanship and finish of the Library Cabinetry is of inadequate quality and inconsistent with the agreed upon design and the \$780,000 price of the Library Cabinetry.

While Epstein was attempting to have Molyneux to complete the Office Pavilion and Library Cabinetry as promised, Molyneux filed the instant lawsuit on April 1, 2010. On April 15, 2010, Defendants' attorney wrote to Plaintiffs giving notice of numerous breaches of the Design Services Agreement and demanded that the Plaintiffs cure the breaches. See Plaintiffs' Exhibit C (Doc #17-1).

2. **Description of all discovery conducted by defendants to date:** As of this date, and given the defendants' pending motion to dismiss, the defendants have not conducted any discovery. The parties have been working to attempt to settle this matter.

3 **Description of all discovery problems encountered to date:** As of this date, no discovery problems have been encountered.

4. **Description of the defendants' further discovery needs:** If the parties do not settle, then the defendants will need to depose the plaintiffs and all fact and expert witnesses identified by plaintiffs. Defendants may also need to depose witnesses with knowledge relating to the defendants' defenses and/or claims in order to preserve their testimony for trial if those witnesses cannot travel to St. Thomas for the trial.

5. **Defendants' estimate of the time needed to complete discovery:** The parties have filed a Joint Proposed Scheduling Plan which provides for written discovery and depositions, in stages, all to be completed by July 15, 2011.

6. **Statement regarding whether expert testimony will be necessary:** The defendants may require expert testimony and the parties have submitted Joint Proposed Scheduling Plan which provides deadlines for the submission of expert witness reports and depositions of expert witnesses.

7. **Statement whether there should be any limitation placed upon any use of any discovery device, and if so, the reason the limitation is sought:** At this time, the defendants do not require that there be any limitation placed on the use of any discovery device. Defendants intend to exercise their rights to conduct the depositions of the plaintiffs in person (and not by video conference or by telephone as suggested by plaintiffs in their Discovery Memorandum) and in the St. Thomas and St. John District of the United States Virgin Islands. The plaintiffs are required to make themselves available for deposition in the jurisdiction where they filed their lawsuit.

Dated: October 19, 2010

Respectfully submitted,  
HODGE & FRANCOIS  
Attorneys for Jeffrey Epstein and  
L.S.J., LLC

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[REDACTED]

**CERTIFICATE OF SERVICE**

**IT IS HEREBY CERTIFIED THAT**, pursuant to LRCi 5.4.9, a true and exact copy of the foregoing was served on this 19th day of October, 2010 through Notice of Electronic Filing for parties and counsel who are Filing Users and through the alternate method indicated below for any party or counsel who is not a Filing User.

Rosh D. Alger, Esquire  
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via: CM/ECF  | Mail  | Fax  | Hand Delivery  | Email

s/ Denise Francois  
Denise Francois, Esquire