

HCC. My understanding is that Epstein subsequently decided to invest assets in the Zwirn Fund through an entity called Financial Trust Company, Inc.

4. In the fall of 2006, Zwirn called me and told me that he was firing the Zwirn Fund's Chief Financial Officer. Zwirn told me that there had been various irregularities at the Zwirn Fund, including that investors' money was used to pay for an airplane that would be owned by Zwirn's company.

5. During October 2006, Zwirn told me that he was making attempts to contact each investor in the Zwirn Fund, including Epstein, to explain the irregularities to them.

6. After speaking with Zwirn, Epstein called me very upset. Epstein said that Zwirn had initially described the irregularities as "nonmaterial", but on a subsequent call, Zwirn's description of the issues made it clear to Epstein that the problems were in fact very material. Epstein told me that when he confronted Zwirn about the earlier description of the irregularities, Zwirn said that his counsel had told Zwirn to use the word "non-material". Epstein felt that Zwirn had lied to him. Epstein told me that he wanted to redeem Financial Trust Company, Inc.'s entire investment in the Zwirn Fund immediately and that Epstein had made that demand to Zwirn.

7. I subsequently spoke to Zwirn about Epstein's demand. Zwirn was concerned that a complete redemption could cause a "run-on-the-bank." Zwirn asked me to discuss with Epstein reducing his demand to one-half of Financial Trust Company, Inc.'s total capital account -in the Zwirn Fund at the time, and I agreed I would discuss it with Epstein.

8. Subsequently, I participated in a three-way call with both Zwirn and Epstein. During this call, Epstein demanded from Zwirn the withdrawal of all of Financial Trust Company, Inc.'s capital account in the Zwirn Fund. Epstein said he wanted all of ~~Financial Trust Company, Inc.'s~~ ~~his~~ 140 plus million dollars ~~immediately~~. Zwirn responded that such a redemption could cause a "run-on-the-bank" and asked Epstein to reduce his redemption demand to half of that amount. Zwirn said that if Epstein made only a partial redemption request, Zwirn would honor the request quickly. During this discussion with Epstein, Epstein agreed ~~to redeem at~~ slightly more than ~~half~~, and said ~~he would redeem~~ 80 million ~~dollars~~. Zwirn did not dispute that Epstein had the right to the total redemption of the Financial Trust Company, Inc.'s capital account in the Zwirn Fund. It is my understanding, based on subsequent conversations with Epstein, that after this conversation, Epstein made a written request for the partial redemption of the Financial Trust Company, Inc.'s investment in the Zwirn Fund and that Zwirn refused to honor this request.

Glenn Dubin

Sworn to before me this ____ day of ~~January~~~~February~~, 2010.

(Seal) _____
Notary Public

~~PAGE~~

PAGE 4