

PRIVILEGED AND CONFIDENTIAL

MEMORANDUM

TO: Martin Weinberg, Esq.
FROM: Darren Indyke
RE: D.B. Zwirn Special Opportunities Fund
DATE: January 28, 2010

Jeffrey's wholly owned Virgin Islands corporation, Financial Trust Company, Inc., and its subsidiary, Jeepers, Inc. (collectively, "Jeepers"), are attempting to recover approximately \$150 MM of investments in D.B. Zwirn Special Opportunities Fund, L.P., a New York based investment fund now in liquidation. Jeffrey attempted to withdraw the full amount of these investments from this fund beginning in September 2006, but was prevented from doing so through a combination of, among other things, misrepresentations, breaches of fiduciary duty and breaches of contract by the fund, its general partner, its investment manager and certain principals thereof. The fund subsequently froze withdrawals and went into liquidation, during which time, the net asset value of the fund's assets are claimed to have decreased substantially and recovery of Jeepers' investments has been placed at substantial risk.

In an initial effort to resolve Jeepers' claims for, among other things, fraud, breach of fiduciary duty, breach of contract, and promissory estoppel against the fund, its general partner, its investment manager and certain principals thereof, on April 8, 2009, Jeffrey and Jeepers entered into a contingent settlement agreement, which, among other things, provided for a tolling and stand-still of Jeepers' claims until December 31, 2009. In the event that Jeepers did not receive full payment of the appreciated value of two tranches (subsequently valued by the fund at approximately \$45 MM) of its investments by that deadline, Jeepers would be entitled to cancel the settlement agreement and pursue any and all claims against the fund, its general partner, its investment manager and such principals.

As the December 31, 2009 deadline approached, it became more and more apparent that no payment would be made to Jeepers and it became necessary to formulate a strategy to pursue Jeepers' claims, once the deadline passed. To that end, Jeffrey's counsel, Susman Godfrey, arranged for a meeting on December 3, 2009 at the offices of Davis Polk, counsel for a fund principal, at which Davis Polk would permit Jeffrey and his counsel to review certain material documents related to the fund and Jeepers' claims. As indicated in Susman Godfrey's letter to Jeffrey dated November 24, 2009, Jeffrey's presence at the meeting was necessary because Davis Polk would only allow Jeffrey and his counsel to view those documents at Davis Polk's offices and would not permit those documents to be copied or removed from the office.

The meeting was helpful but due to obvious time constraints, Jeffrey's time at the meeting was cut short, and by letter dated December 7, 2009, Susman Godfrey informed Jack Goldberger that considerable time would be required for this case and that Jeffrey's presence would be needed in New York again to review considerable additional documents and to interview potential witnesses, who reside in New York, in order to move the case forward.

As anticipated, Jeepers received no payment by the December 31, 2009 deadline, and on January 5, 2010, Jeepers canceled the settlement agreement. Jeffrey and Jeepers are now moving forward to pursue Jeepers' claims.

A copy of the settlement agreement is attached for your review. Copies of the letters from Susman Godfrey were previously emailed to you.