

Dear Ms. Villefana,

I am in possession of your letter of June 12, 2009 giving notice of breach. I respectfully submit that the Motion to Dismiss that is referenced therein did not constitute a willful breach of Mr. Epstein's obligations under the non-prosecution agreement. Mr. Epstein's counsel unanimously determined that the filing of this motion to dismiss was not a breach of the non-prosecution agreement, and the motion was filed by counsel without Mr. Epstein's final approval.

I want to inform you that immediately upon receipt of your letter today, Mr. Epstein directed his counsel to file the attached Notice withdrawing all but issue number VIII of the previously filed Motion to Dismiss. The Notice has already been filed. If your continued review of the civil dockets causes you to have additional concerns about any other filing, consistent with the notice provisions of the non-prosecution agreement and consistent with our prior practice regarding such matters, please provide me with notice and the opportunity to address the same with you.

I believe that with today's filing withdrawing these issues Mr. Epstein, through counsel, has fully remedied any perceived breach. Please advise if you for any reason disagree.

Sincerely,