

PETER F. EDELMAN
ATTORNEY AT LAW
110 EAST 59TH STREET
NEW YORK, NEW YORK 10022



DATE:
PLEASE DELIVER TO:
RECIPIENT'S FAX NUMBER:
CC:

September 02, 2010
Darren K. Indyke, Esq.


Mr. Christian Barthod

CLIENT MATTER NUMBER:

Epstein w. Fancelli

TOTAL NUMBER OF PAGES:

Cover plus 2

COMMENT:

Please see attached

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PETER F. EDELMAN
ATTORNEY AT LAW
110 EAST 59TH STREET
NEW YORK, NEW YORK 10022

September 02, 2010

By Facsimile Transmission: [REDACTED]
And First Class Mail
Darren K. Indyke, Esq.
301 East 42nd Street, 10B
New York, New York 10065

Re: **Epstein w. Fancelli Paneling, Inc.**
WITHOUT PREJUDICE

Dear Mr. Indyke:

I am trial counsel for Fancelli Paneling, Inc. This letter is written in response to our telephone conversation of this week and to your Indyke "Complaint" Punch List transmitted by facsimile transmission dated August 23, 2010.

Please note that this letter is transmitted "without prejudice" and neither this letter, nor its terms are admissible in a court proceeding, should such a proceeding be commenced by Jeffrey Epstein against Fancelli Paneling Inc. The terms of this letter do not preclude in proposing counterclaims or affirmative defenses in such an action which may be contradictory to the terms hereof.

First, Punch List Items designated 1, 2, 3, and 4 should be photographed and transmitted to me for reference to the fabricator for explanation and response to you.

Second, Punch List Items designated 5, 6, 7, and 8 refer to items repaired in March, 2010. Please photograph the conditions and transmit same to me for response by my Client.

Third, Punch List Item designated 9 should be photographed and transmitted to me for referral to my Client for response. I did note that I am advised that the CAD Plans submitted to Molyneux did not provide for symmetrical decorative holes patterns.

Fourth, Punch List Item designated 10, is outside the scope of the Purchase Order with Molyneux, as both sides of the sliding panels were to receive leather upholstery.

Fifth, Punch List Items designated 12 and 13 are outside the scope of the Purchase Order with Molyneux.

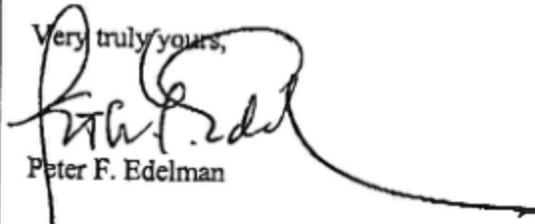
Darren K. Dyke, Esq.
September 12, 2010

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Sixth, Punch List Item designated 11 is vague and a response requires a far more detailed, technical explanation to understand what is sought, so that my Client can respond whether the work requested is within the scope of our Purchase Order and can be accomplished technically. Information is required, as well, as to what and by whom the remediation work that was done was performed. I recommended that we agree upon an acceptable neutral expert to review the final description of this Item and if performed by my Client, the neutral's determination whether the work was performed substantially in accordance with the agreed upon description would be binding.

In this latter regard, there remains the matter of an outstanding balance due my Client under the conditions of the original Purchase Order and if my client were to perform the requested work, the matter of reimbursements and fee for same must be resolved, as well.

Very truly yours,



Peter F. Edelman

PFE:0000000000

cc: Mr. Christian Barthod
Donald Glasgow, Esq.