

AFFIDAVIT OF GLENN DUBIN

STATE OF NEW YORK)
) ss.:
COUNTY OF NEW YORK)

Glenn Dubin, being duly sworn, deposes and says:

1. I am over twenty-one years of age and am competent to testify to the matters stated herein because I have personal knowledge of the facts and statements in this affidavit. Each of the facts and statements is true and correct.
2. From 2002 and at least through 2007, an entity that I controlled owned an interest in the general partner of DB Zwirn Special Opportunities Fund, L.P. ("Fund"). The Fund was named after Daniel Zwirn ("Zwirn"). While Zwirn was responsible for day-to-day management of the Fund, after Dan Zwirn spun off his business from Highbridge/ Zwirn, Highbridge and I helped raise capital for the Fund , we as highbridge allocated money to a managed account and Zwirn would consult with me about various issues.
3. One of the first investors that I directed to invest in the Fund was Jeffrey Epstein ("Epstein"). Epstein was both a personal friend of mine and a major client of my firm, Highbridge Capital Corporation. Between 2002 and 2005, Epstein (through an entity called Financial Trust Company, Inc.) invested \$80 million in the Zwirn Fund.
4. In early September 2006, Zwirn informed me that he was firing the Fund's then-Chief Financial Officer, Perry Gruss. Zwirn said that he discovered various irregularities at the 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 made various attempts to contact each investor and explain the situation to them. One of those investors was Epstein.

6. After receiving one of Zwirn's calls, 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 material. When Epstein confronted Zwirn about his earlier description, Zwirn explained that his counsel had told him to use that language. Epstein felt that Zwirn had lied to him. Given the situation, Epstein told me that he wanted to redeem his entire investment in the Fund immediately and that he had made that demand to Zwirn. [RELIANCE FROM THIS POINT FORWARD), BUT IT IS THERE FOR COMPLETENESS.]

7. In response, I talked to Zwirn about Epstein's demand. Zwirn was concerned that such a withdrawal could cause a "run-on-the-bank." Zwirn asked me to help convince Epstein to reduce his demand, to half of his total capital account at the time, which I agreed to do.

8. Subsequently, I participated in a three-way call among Zwirn, Epstein, and myself. During this call, Epstein again demanded all of his money back from the Fund. Zwirn responded that such a withdrawal could cause a "run-on-the-bank." Zwirn pleaded with Epstein to reduce his withdrawal demand to request return of his initial invested capital only. Zwirn promised that if Epstein reduced his request, the Fund would honor it quickly, . Given my prior discussion with Zwirn, I urged Epstein to accept Zwirn's proposal as a way of resolving the dispute. During these discussions with Epstein, Zwirn did not dispute that Epstein had the right to withdrawal all of his money. I assumed that Epsteins withdrawal would be accomplished quickly. I myself have never encountered a provision that only allowed total withdrawals as opposed to partial withdrawals. It is my understanding that after this conversation, Epstein made a written demand

to withdrawal \$80 million of FTC's investment in the Fund. It is also my understanding that the Fund—at Zwirn's direction—refused to honor this request, claiming that a partial withdrawal would need to be dealt with differently, and they would not now honor the partial withdrawal request made at the specific request of Zwirn.

Glenn Dubin

Sworn to before me this ____ day of December, 2009.

(Seal) _____
Notary Public in and for
THE STATE OF NEW YORK