

IN THE SUPERIOR COURT OF THE VIRGIN ISLANDS
DIVISION OF ST. THOMAS AND ST. JOHN

JEFFREY EPSTEIN and L.S.J., LLC,)	
)	
Plaintiffs,)	CASE NO. ST-10-CV-_____
)	
-vs-)	ACTION FOR DAMAGES
)	
FANCELLI PANELING, INC.,)	<u>JURY TRIAL DEMANDED</u>
<u>and ATELIER FANCELLI,</u>)	
)	
_____)	
Defendants.)	

COMPLAINT

COME NOW, the Plaintiffs, Jeffrey Epstein and L.S.J., LLC (collectively referred to herein as “Epstein”), by and through their undersigned counsel, Hodge & François, and as and for their complaint against the Defendant, Fancelli Paneling, Inc., state the following:

1. The Plaintiff, Jeffrey Epstein (“Epstein”), is a resident of the United States Virgin Islands and is the sole member of L.S.J., LLC.

2. The Plaintiff, L.S.J., LLC (“LSJ”), is a limited liability company organized under the laws of Delaware, is the owner of Little St. James Island located off the coast of St. Thomas, United States Virgin Islands and maintains its principal address in the United States Virgin Islands.

3. Upon information and belief, Fancelli Paneling Inc. (“Fancelli”) is a corporation, incorporated in the State of New York, which is engaged in the business of restoration and reproduction of antique wood panels and cabinetry in the United States, Canada and Europe. Fancelli’s website at <http://www.fancelli-paneling.com> advertises Jean-Pierre Fancelli as a master of his craft, trained as an architect who “works directly with his

clients and approaches his craft with the commitment to create spaces that reflect the perfect balance of harmony and timeless aesthetic.”

3.4. Upon information and belief, Atelier Fancelli is Fancelli Paneling, Inc.’s affiliated company located in St. Ouen, France, and Atelier Fancelli acts through its new York corporation for projects in the United States, and upon information and belief, Fancelli Paneling, Inc. acts through Atelier Fancelli for projects in Europe. Atelier Fancelli and Fancelli Paneling, Inc. are both collectively referred to herein as “Fancelli” as they both share the same principal, i.e. Jean-Pierre Fancelli, and the actions of Fancelli Paneling, Inc. and Atelier Fancelli are indistinguishable.

4.5. In 2005, Epstein engaged the services of Juan Pablo Molyneux and J.P. Molyneux Studio, Ltd. (“Molyneux”) to design a large-scale, multi-structure, multi-million dollar residential project to be constructed on Little St. James Island in St. Thomas, U. S. Virgin Islands. As part of this project, Epstein contracted with Molyneux to design the interior and exterior of a separate building on Little Saint James Island known as the Office Pavilion.

5.6. Molyneux’s services included the design, as well as the delivery and installation, of cabinetry, bookshelves, columns, and wood paneling (the “Library Cabinetry”) for the library in the Office Pavilion. Molyneux’s design for the library of the Office Pavilion, as agreed to by Epstein, required that the Library Cabinetry was to be a reproduction of the design, color, finish and proportions of the antique cabinetry, bookshelves, columns and wood paneling of the library at El Escorial in Spain. A photograph of the library at El Escorial is attached as **Exhibit “1”** hereto. Molyneux also presented Epstein with Molyneux’s own rendering of the proposed Library Cabinetry. A copy of Molyneux’s

rendering is attached as **Exhibit “2”** hereto. On the basis of both the photographs of the library at El Escorial, including, without limitation, the photograph in **Exhibit “1”**, and the rendering in **Exhibit “2”** presented by Molyneux, Epstein approved the general design, color and finish of the proposed Library Cabinetry. In addition, Molyneux and Epstein agreed to certain refinements to that design which required that the columns and valences included in the general design be intricately carved with representations of marine flora and fauna consistent with a tropical locale. Additional intricate wood carvings of the same tropical theme were to be applied at various places on the Library Cabinetry as well.

6.7. Upon Molyneux’s recommendation and at Molyneux’s insistence, Epstein agreed with Molyneux that Fancelli would be contracted to fabricate and install the Library Cabinetry for the benefit of Epstein. As evidenced by representations made in Fancelli’s website, Fancelli held itself out as skilled in intricate wood sculpting and specializing in the reproduction of fine antique cabinetry and woodwork. In fact, Fancelli’s website advertises that Fancelli’s “[t]eam of artisans, sculptors and cabinet makers uphold the tradition and carry on the sophisticated art of fine wood paneling that graces the walls of some of the world’s most beautiful interiors.” Fancelli’s website also advertises that its craftsmen are “able to carve intricate motifs as well as restore and replicate any antique design.”

7.8. Molyneux entered into an agreement with Fancelli for the benefit of Epstein providing for the fabrication in accordance with Molyneux’s design and installation on Little St. James Island of the cabinetry, bookshelves, columns, and wood paneling that constituted the Library Cabinetry (“Fancelli’s Agreement”). The charge to Epstein for the fabrication and installation of the Library Cabinetry was \$780,000. Molyneux’s \$780,000 proposal, accepted by Epstein, on which Fancelli’s Agreement was based (the “Proposal”) is attached as **Exhibit**

“3” hereto. The Proposal specifically calls for the fabrication and installation of “stained walnut with waxed finish cabinetry per JMP design”.

8.9. Fancelli fabricated the Library Cabinetry in Europe and then shipped the disassembled pieces of the same in sealed crates to Little Saint James Island in or about May 2009.

9.10. Between May 2009 and March 2010, Fancelli installed the Library Cabinetry on Little St. James Island. As of the date of this Complaint, however, Fancelli has failed to fully complete the proper installation, staining and finishing of the Library Cabinetry on Little St. James Island in accordance with the requirements of the Proposal, Molyneux’s design and Fancelli’s Agreement, and, as installed, the Library Cabinetry is incomplete and defective in numerous respects, including but not limited to, the following:

- A. Under the Proposal in **Exhibit “3”** and Fancelli’s Agreement and in accordance with Molyneux’s design, the Library Cabinetry was to be made of “walnut,” but was actually fabricated of oak instead of walnut;
- B. As evidenced by the photographs attached in **Exhibit “4”**, the Library Cabinetry is discolored, its finish is sloppy and uneven, and carpenter’s guide marks are apparent on the surface of various panels of the Library Cabinetry;
- C. As evidenced by the photograph in **Exhibit “1”** and Molyneux’s rendering in **Exhibit “2”**, the Library Cabinetry was to be stained with darker colors and a rich antique finish. Under the Proposal in **“Exhibit 3”** and Fancelli’s Agreement, the stained walnut cabinetry was to have a “wax finish”. However, as evidenced by the photographs attached as **Exhibit “4”**, the Library Cabinetry has a light or transparent color and a badly simulated, inconsistent distressed

finish, contrary to the color and finish of the cabinetry in the library of El Escorial, contrary to Molyneux's rendering and design and contrary to the Proposal and Fancelli's Agreement.

D. The method used to simulate the distressed finish, which was never agreed to by Epstein and is itself a violation of Fancelli's Agreement, incorporated a treatment which makes the wood of the Library Cabinetry resistant to being re-stained and re-finished without first being stripped and sanded. The required stripping and sanding creates a substantial risk of further damage to the Library Cabinetry without any assurance that it could be re-stained and re-finished to achieve the originally agreed color and finish;

E. Upon information and belief, various components of the Library Cabinetry were made of different types of wood thereby contributing to the lack of uniformity in color and finish evident throughout the Library Cabinetry;

E.F. Upon information and belief, the Library Cabinetry was treated with a finish which continues to cause the wood to oxidize and change color so that some portions of the Library Cabinetry are grey in color and due to the finish will continue to oxidize for some indeterminate time in the future;

F.G. The surfaces and edges of the panels of the Library Cabinetry are rough and splinteryjagged;

G.H. Contrary to Fancelli's Agreement and Molyneux's original design, the proportions of Library Cabinetry are inconsistent with those of the library cabinetry in El Escorial;

~~H.I.~~ The sliding panels covering the windows of the library in the Office Pavilion are improperly constructed and are incomplete as installed; and

~~H.J.~~ The overall workmanship and finish of the Library Cabinetry is of inadequate quality and inconsistent with the agreed upon design and the \$780,000 price of the Library Cabinetry.

~~10.11.~~ Despite Epstein's demand therefor, Fancelli has failed to fully complete the proper installation of the Library Cabinetry or to correct the numerous defects in the fabrication, workmanship, color and finish of the Library Cabinetry.

Count I - Breach of Contract

~~11.12.~~ Plaintiffs repeat and reallege paragraphs 1 through 16 as though fully set forth herein.

~~12.13.~~ Plaintiffs were the intended third party beneficiaries of the agreement between Molyneux and Fancelli.

~~13.14.~~ Fancelli has failed to fabricate, and properly complete the installation, staining and finishing of, the Library Cabinetry in accordance with the Proposal, Molyneux's design and Fancelli's Agreement.

~~14.15.~~ To date, all material obligations owed to Fancelli have been performed under Fancelli's Agreement.

~~15.16.~~ Fancelli has breached Fancelli's Agreement by failing to fabricate, and properly complete the installation, staining and finishing of, the Library Cabinetry in accordance with the Proposal, Molyneux's design and Fancelli's Agreement.

~~16.17.~~ As a direct and proximate result of every contractual breach by Fancelli, Plaintiffs have suffered damages that include but are not limited to \$780,000, plus additional

expenses incurred to correct the defects in the Library Cabinetry, the loss of use of the funds paid to Fancelli through Molyneux; and the loss of time and effort of Epstein's staff and resources in the attempt to obtain Fancelli's performance of its contractual duties.

Count II - Negligence

~~17-18.~~ Plaintiffs repeat and reallege paragraphs 1 through 16 as though fully set forth herein.

~~18-19.~~ Fancelli at all times relevant hereto owed Epstein a duty of care and a duty to perform the professional services contracted for in a reasonable, competent, diligent, careful and good workman-like manner.

~~19-20.~~ By virtue of the foregoing acts and omissions, Fancelli breached its professional duties owed to Epstein and was, at a minimum, negligent and careless in failing to exercise the requisite care, skill, knowledge and judgment required of Fancelli, and in doing so acted in a manner below the applicable standard of care.

~~20-21.~~ As a direct and proximate result of the negligent acts and omissions of Fancelli, Plaintiffs have suffered damages that include but are not limited to \$780,000, plus additional expenses incurred to correct the defects in the Library Cabinetry, the loss of use of the funds paid to Fancelli through Molyneux; and the loss of time and effort of Epstein's staff and resources in the attempt to obtain Fancelli's performance of its contractual duties.

WHEREFORE, Plaintiffs respectfully request that this Court enter judgment in Plaintiffs' favor and against Defendant, awarding the following relief:

- A. Award the Plaintiffs compensatory damages, general and special damages in an amount proven at trial;
- B. An award of costs and attorneys' fees incurred by Plaintiffs in bringing this action;

C. An award of such further relief as this Court deems appropriate.

PLAINTFFS DEMAND A TRIAL BY JURY ON ISSUES TRIABLE BY JURY

Respectfully submitted,

HODGE AND FRANCOIS

Dated: July _____, 2010

By:

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