

**From:** Jeffrey Epstein <jeevacation@gmail.com>  
**To:** ferg <[REDACTED]>  
**Cc:** David Stern <[REDACTED]>  
**Subject:** Fwd: ABC News: Duchess of Debt  
**Date:** Fri, 02 Oct 2009 11:12:57 +0000

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you have a rat... it could be one of the disgruntled investors.. or others that are owed money . I think you should be careful how you spin you answers to these things. You do not want to be seen as not telling the truth,, anything is better than that. yes the times are difficult.or no answer at all, i don't know about the tax return . where is that foundation .

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**From:** David Stern <[REDACTED]>  
**Date:** Fri, Oct 2, 2009 at 7:04 AM  
**Subject:** ABC News: Duchess of Debt  
**To:** Jeffrey Epstein <jeevacation@gmail.com>

ABC News (online)

Oct. 2, 2009

Duchess of Debt? Closure of Sarah Ferguson's Business,  
Press Reports Raise Question About Her Financial Health By Ann-Marie Dorning

It was just two years ago that Sarah Ferguson, the Duchess of York, held a fancy fundraiser on Wall Street for her eponymous foundation. But since then, just as Wall Street has seen its fortunes plummet, questions are being raised about whether Ferguson's fortunes are also in jeopardy.

Ferguson's Hartmoor, a U.S.-based business billed as a health, wellness and lifestyle company, has been closed. Meanwhile, as first reported by the New York Post, tax documents filed for 2007 show that The Sarah Ferguson Foundation gave away just \$22,600 that year despite having raised more than \$508,000.

The news comes on the heels of press reports that the Duchess was recently sued in England by an accountant, an attorney, and a photography studio for unpaid bills ranging from \$2,500 to about \$25,000.

Kate Waddington, a publicist for the Duchess, denies that Ferguson is in financial trouble and said she "has a number of exciting projects" in the works.

"The Duchess is in a very good place in terms of business and her philanthropy and good works," she told ABCNews.com.

While the Post reported that Hartmoor is behind on its taxes, Waddington said Hartmoor's closure is due to a "parting of the ways with investors."

The Sarah Ferguson Foundation, she said, "is absolutely still running."

But Ferguson has had a history of financial trouble.

In 1996, as she was divorcing Prince Andrew, British tabloids were abuzz with the news that she owed more than \$4 million dollars to British bankers Coutts and Co and that the Royal Family, specifically Queen Elizabeth II,

was fed up with Ferguson's free-spending ways and refused to pay her bills.

After the divorce, Ferguson moved to New York and is said to have slowly regained her financial footing. She wrote a successful series of children's books and signed a lucrative and high profile deal to be the spokesperson for Weight Watchers International.

In addition, to The Sarah Ferguson Foundation, Ferguson also started the charity Children in Crisis. In an interview on "Larry King Live" in 2001, the Duchess admitted that there had been a time when she was financially "out of control" and that it took years to earn the money pay off her debt.

Celebrity Financial Troubles: Ferguson, Leibovitz and Jackson

Ferguson isn't the only well-known celebrity with a healthy income who's had trouble paying the bills. Celebrity photographer Annie Leibovitz took out a \$24 million loan to cover some outstanding debts using her house and the copyrights of her work as collateral. When the loan came due and she was unable to pay, Leibovitz came close to losing her home and her life's work. Leibovitz's annual salary is estimated to be in the millions.

And then there's Michael Jackson who, despite being one of the most successful pop musicians of all-time, died deeply in debt.

"A lot of time they have no idea what things cost relative to what they have or what they make," said Barbara Culver, a financial and legacy planner based in Cincinnati, Ohio.

Culver explained that wealthy clients often don't pay close attention to money matters because they've never really had to. "As long as the money is available to them, and they can withdraw what they need, they don't have to think much beyond that," she said.

And yet, a prominent figure like Ferguson is a little like a CEO. She has a number of people -- agents, publicists etc. -- on the payroll and is marketing a product -- herself.

Just like a corporation, celebrities like Ferguson have monthly obligations to meet but may not have the training or skills needed to keep the business thriving, financial advisors say.

"Celebrities have many talents but running a business is likely not one of them. You have to know how to hire people, how to monitor their performance how to set benchmarks," said Douglas Freeman, the managing director of strategic planning for California-based First Foundation Advisors.

And then there's the business of keeping up appearances. The cost of flying first-class, paying for multiple homes and swanky vacations adds up quickly. And just like the rest of us, when the market goes sour or we lose a source of income, it can be hard to cut back.

"When you have a high income, many people think it will never end & they almost think the law of gravity was repealed and they don't do any planning," Freeman said. "That's when they get into trouble."

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