

### LEGAL REPRESENTATION AGREEMENT

THIS AGREEMENT is entered into as of this 10<sup>th</sup> day of October, 2005, in Miami, Florida, by and between Jeffrey Epstein (the "Client"), and the law firm of Black, Srebnick, Kornspan & Stumpf, P.A. ("Counsel" or the "Firm"), 201 S. Biscayne Boulevard, Suite 1300, Miami, Florida 33131.

#### I. SCOPE OF THE ENGAGEMENT

A. Matter Involved. The Client has engaged Counsel to undertake the legal representation of the Client in the following matter (the "Matter"):

Palm Beach County investigation. The Client acknowledges that this Agreement does not include representation should the investigation result in indictment or criminal charges, and any such representation would be considered another matter. It is the intention of the parties to this Agreement that, should the investigation result in indictment or criminal charges, representation would most likely be provided on a flat fee basis, which will need to be agreed upon prior to Counsel's entrance of a permanent notice of appearance.

B. General Functions. By the terms of this Agreement, Counsel will perform the following legal services relative to the Matter and on behalf of the Client:

1. Counsel will represent the Client in the foregoing Matter to the extent required and as directed as set forth in the following paragraphs.

2. At any time Counsel is required to take any action in the Matter and Counsel is unable to obtain instructions from the Client, Counsel will take such actions as are necessary to protect the interests of the Client.

C. Client's Functions. The Client agrees to perform the following functions:

1. To pay Counsel for the performance of all legal services, and to pay for all costs incurred in connection herewith, as specified in Section II.

2. To cooperate with Counsel and to provide all information known

by or available to the Client that may aid Counsel in representing the Client in this matter.

## II. LEGAL FEES AND COSTS

A. Method of Determining Fees. The Client and Counsel agree that the following method will be used for determining the proper amount of legal fees:

1. The Client agrees to deposit \$100,000 into the Firm's trust account to cover the ~~non-refundable~~ minimum fee of \$25,000 ("Minimum Fee"), any hourly billings over and above the Minimum Fee, and expenses as set out below. The Minimum Fee will be immediately transferred into Counsel's operating account, and is non-refundable and earned when paid, despite Counsel's keeping hourly time records for use as described below. Counsel will be maintaining hourly billing records in the event that Counsel's time spent on this Matter exceeds the Minimum Fee amount. Payment for fees exceeding the Minimum Fee will be transferred from funds being held the trust account. Hours will be billed at the following hourly rates:

<u>Attorney</u>	<u>Rate</u>	
Roy Black	\$ 1,025.00	(1.5 times rate where out of town travel is required)
Howard M. Srebnick	515.00	
Scott A. Kornspan	450.00	
Larry Stumpf	550.00	
Other Attorneys	275.00-415.00	
 <u>Para-Professionals</u>		
Law Clerks	125.00	
Paralegals	125.00	

These rates are subject to change from time to time. When rates are changed, the new rates will be applicable to the first statement to the Client for the time period in which the new rates are applicable.

The Client agrees that when, and if, hourly billings have met or exceeded the initial Minimum Fee, and the trust account falls below \$50,000, he will be requested to make additional deposits into the Firm's

trust account within five (5) days to be billed against on a monthly basis.

**B. Other Fees, Charges, and Expenses.**

1. The Client agrees to pay the fees or charges of every person or entity hired by Counsel to perform necessary services related to this Matter. Such other persons and entities may include, but are not limited to court reporters, investigators, accountants, psychologists, local counsel, and expert witnesses. The Client authorizes Counsel to direct such persons to render statements for services and expenses directly to either Counsel or to the Client.

2. The Client acknowledges that Counsel will incur various costs in providing services to the Client. Expenses are separate and apart from any legal fees. For example, expenses for the employment of investigators, experts, court reporters, transcripts, process servers, local counsel, first class travel, lodging and food, or any other out-of-pocket expenses necessary to prepare the case will be charged separately. Examples of out-of-pocket charges for which the Client is responsible are the items listed in Attachment A to this Agreement. The Client understands that these costs are subject to change from time to time. When cost amounts are changed, the new rates will be applicable to the first statement to the Client for the time period in which the new rates are applicable. The Client must make an initial deposit of \$100,000 into the Firm's trust account to cover the Minimum Fee, and fees in excess of the Minimum Fee, as well as such expenses.

The Client authorizes the Firm to transfer any monies held in the Client's trust account for the payment of legal fees and/or costs. The Firm will request additional funds for expenses as they are required. Any money deposited in trust which is unused will be returned at the conclusion of the case.

C. Statements and Information Provided In Statements. Hourly billing records are being maintained specifically for Counsel's internal accounting for hours spent on the case. No billing statements will be sent to Client until, and unless, we surpass the Minimum Fee. At that point, Counsel will begin sending monthly billing statements to Client. Counsel agrees to include in the statements for professional services sent to the Client a general but very limited identification of the service of Counsel for which the Client is being charged, the professional providing the service, and the time devoted to the service. In addition, Counsel will

provide a general but very limited identification for all other fees, charges and expenses for which Counsel seeks reimbursement and will, to the extent practicable, otherwise comply with the billing requirements of the Client.

### III. GENERAL MATTERS

A. Information to be Made Available to the Client. Counsel agrees to inform the Client of the status of the Matter and the courses of action that are being followed, or are being recommended by Counsel. Counsel agrees to make available to the Client all written materials sent or received by Counsel pertaining to the Matter. All of Counsel's work product will be owned by Counsel. Copies of correspondence, invoices, and any other material will be scanned and sent to Client's private e-mail address.

B. Termination of Representation. The relationship of this Agreement is subject to termination only as follows:

1. Counsel reserves the right to withdraw from the Matter if the Client fails to honor this Agreement or for any just reason as permitted or required under the Florida Code of Professional Conduct or as permitted by the rules of courts of the State of Florida. Notification of withdrawal shall be made in writing to the Client. In the event of such withdrawal, the Client agrees to pay Counsel promptly for all services rendered by Counsel and all other costs incurred before the date of any such withdrawal.

2. The Client reserves the right to terminate the representation without cause and shall notify Counsel in writing of any termination. In the event of termination, the Client agrees to pay promptly Counsel for all services rendered by Counsel and all other fees, charges and expenses incurred prior to the date of such termination.

3. Upon termination of this representation for any reason, by either the Client or Counsel, Counsel agrees to cooperate with any successor counsel to accommodate a smooth transition of the representation.

4. Whether terminated by Client or Counsel, the Minimum Fee is earned when paid and non-refundable. This is due in part to the fact that (1) the Firm is committing human resources to the case; and, (2) the Firm only handles a limited number of cases at any given time and may, in its discretion, decline to participate in other prospective cases in order to accommodate the Client's case.

C. Effort and Outcome. Counsel agrees to use its best efforts in representing the Client in this Matter; however, the Client acknowledges that Counsel has given no assurances regarding the outcome of this Matter.

D. Commencement of Representation. The Client acknowledges that Counsel commenced representation under this Agreement from the initial contact on October 4, 2005.

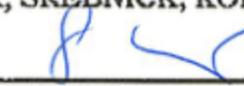
E. Retention of Files. Counsel agrees to assert a diligent effort, subject to Section III.B.3. hereof and casualties beyond the control of Counsel, to retain and maintain all major and significant components of the files of Counsel relative to this Matter for a period of one year following the conclusion of this Matter, and during such time to afford the Client reasonable access to such files.

F. Complete Integration Binding Upon Both Parties. This Agreement contains the entire agreement between the Client and Counsel regarding this Matter and the Fees and Costs to be paid relative hereto. This Agreement shall not be modified except by written agreement signed by the Client and Counsel. This Agreement shall be binding upon the Client and Counsel and their respective legal representatives and successors. Any disputes arising out of this Agreement are to be construed in accordance with Florida law and any litigation resulting from this Agreement must be filed in Miami-Dade County, Florida.

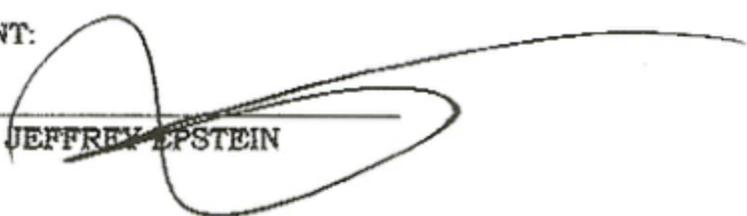
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date and year first above written.

COUNSEL:

BLACK, SREBNICK, KORNSPAN & STUMPF, P.A.

By   
SCOTT A. KORNSPAN

CLIENT:

By:   
JEFFREY EPSTEIN

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**ATTACHMENT A**

**BLACK, SREBNICK, KORNSPAN & STUMPF, P.A.**  
**Itemized Listing of Expenses/Costs**  
*Effective July 1, 2005*

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Copies Produced In-House	\$ .30 per copy
Incoming and Outgoing Facsimilies	\$1.00 per page
Westlaw Computer Research Time	\$200 per hour of usage, calculated pro-rata, not including non-flat-rate databases which are billed at cost (currently \$380-395 per hour)
Binder Cost	\$10 per binder
Exhibit Boards Produced In-House	\$25 per board
Paralegals	\$125 per hour
Law Clerks	\$125 per hour
Secretarial Overtime	\$45 per hour
In-House Courier	\$15-150 (depending upon destination)

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ROY BLACK  
HOWARD M. SREBNICK  
SCOTT A. KORNSPAN  
LARRY A. STUMPF  
MARIA NEYRA  
JACKIE PERCZEK  
MARK A.J. SHAPIRO

**BLACK  
SREBNICK  
KORNSPAN  
& STUMPF**  
—P.A.—

CHRISTINE M. NG  
JARED LOPEZ  
KATHLEEN P. PHILLIPS  
AARON ANTHON  
MARCOS BEATON, JR.  
MATTHEW P. O'BRIEN

E-Mail: [WGomez@RoyBlack.com](mailto:WGomez@RoyBlack.com)

**FACSIMILE TRANSMITTAL SHEET**

FAX: (305) 358-0092 TELEPHONE: (305) 371-6421

**TO:** JEFFREY EPSTEIN  
**RE:** RETAINER AGREEMENT  
**DATE:** 10/10/05  
**FAX NO.:** 340-777-4414  
**SENDER:** WANDA

**NO. OF PAGES (INCLUDING TRANSMITTAL SHEET):** 7

**MESSAGE:** WE NOTICED A COUPLE OF SMALL CORRECTIONS THAT NEEDED TO BE MADE TO THE AGREEMENT. PLEASE REVIEW AND FAX ALL PAGES BACK TO 305-358-0092. THANKS.

**\*\*IF YOU DO NOT RECEIVE ALL PAGES, PLEASE CALL (305) 371-6421\*\***

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