



CONFIDENTIAL SETTLEMENT COMMUNICATION

November 15, 2017

VIA E-MAIL

Jack Scarola
Searcy, Denney, Scarola, Barnhart
& Shipley, [REDACTED]
2139 Palm Beach Lakes Blvd.
West Palm Beach, FL 33409
[REDACTED]

VIA E-MAIL

Bradley J. Edwards
Edwards Pottinger LLC
425 N. Andrews Avenue, Suite 2
Fort Lauderdale, FL 33401
[REDACTED]

**RE: *Jeffrey Epstein v. Scott Rothstein and Bradley J. Edwards*
15th Judicial Circuit Case No. 50-2009CA040800XXXXMBAG**

Dear Jack and Brad:

Our client has watched the video of Brad's deposition and asked us to extend a final settlement offer, which will remain open until **5:00 p.m. on Friday, November 17, 2017.**

A. Brad's Potential Liability

As you know, our client sent Brad a very generous Proposal for Settlement. Brad rejected that proposal and we were informed that at mediation his opening demand would be \$100 million, with no consideration for confidentiality restrictions. Under Florida law, if the jury finds in our client's favor, or Brad is awarded an amount that is at least 25% less than our client's offer, Brad will be personally liable for Mr. Epstein's legal fees from the date his initial Proposal for Settlement was served. This potential liability will be well in excess of \$2 million. Based on the information we have gathered, we suspect a judgment of that magnitude will result in Brad having to file personal bankruptcy.

In light of the testimony given by Brad at his recent deposition, the speculative nature of Dr. Jansen's expert report, and the exorbitant amount Brad is seeking, our client has reevaluated his position and has now authorized us to offer Brad a "walk away." That is, he suggests that the parties enter into a Mutual General Release and Brad dismiss his Counterclaim with prejudice, with each side to bear his own attorneys' fees and costs. If Brad would like to protect his reputation and would like the settlement to be confidential, we are willing to agree to a confidentiality agreement.

B. Probable Cause

Our client had probable cause to file his lawsuit, which he outlined in his June 2017 Affidavit. During his deposition, Brad did not convince us otherwise. Obviously, you are looking to try every victim's case that has already settled rather than focus on the sole legal issue of probable cause and whether it existed as of December 7, 2009. You both know the standard for evaluating probable cause is very low. Brad, my client understands you did not like being sued. The fact that the jury may not have found in Mr. Epstein's favor if the suit against you was tried has nothing to do with if probable cause existed at the time of the filing of the Complaint.

Brad confirmed that in November 2009 there were news reports about Mr. Rothstein's Ponzi scheme, the Ponzi scheme was tied to real and alleged cases against Mr. Epstein and that Mr. Rothstein had access to and used Brad's files in furtherance of his Ponzi scheme. Brad also confirmed that, while he was the lead attorney on the cases, he turned his files over to the Rothstein firm and it "owned" the files. Brad admitted that Mr. Rothstein was in fact planning to try the Epstein cases. Documents produced also show that Brad held himself out as a "partner" of the firm and that he collaborated with others in the firm about the cases, including Mr. Rothstein himself. We believe it will not be difficult to convince the jury that Mr. Epstein had a reasonable basis to conclude that Brad may have been connected to the Ponzi scheme and had probable cause to file a Complaint. Brad has no witness or evidence to contradict this. Brad, as you testified, "where there is smoke there is usually fire."

C. Brad's Claims and Alleged Damages

On the other hand, we believe the jury will find Brad's alleged "damages" unreasonable, if not outlandish. While Brad clearly testified the settlements he obtained on behalf of his three clients were very good for them (totaling \$5.5 million), he is seeking \$100 million for his "anxiety." At his deposition, Brad could not explain how his "anxiety" was valued \$95 million more than the anxiety the three girls who were allegedly molested have.

Brad's "anxiety" claim is not believable and will be very difficult to prove to the jury. First, Brad has not sought medical counseling or taken any medication for his anxiety. Secondly, it is going to be difficult for him to convince a jury that the potential recourse from hardened criminals sent to prison, two foreclosure actions, the failure to pay his debts, the *Baker* tampering of evidence lawsuit, and the other items discussed during his deposition never caused him anxiety.

Brad also claims that Mr. Epstein's allegations damaged his reputation. The evidence we found, and Brad's own testimony, however, contradict this. For instance, Brad testified that his reputation among his peers has not been damaged as people who "knew him well" knew he was *not* involved in the Ponzi scheme. What Brad is claiming is that nine million strangers saw reference to the Complaint on the internet and that damaged his reputation, including that those people now would "not call him." Brad testified, however, that in the last eight years, he has been ("substantially more") financially successful than before the lawsuit was filed. He has also received many accolades and

recognitions since the filing of the Complaint and he, himself, continues to use publicity about Mr. Epstein to promote himself.

There were other things in Brad's testimony that we believe the jury will take issue with. For example, Brad never read the *Baker* Complaint, but spent a substantial number of hours reviewing Mr. Epstein's Complaint. The fact that Brad also filed a Counterclaim for abuse of process so soon after the Complaint had been filed and no "abuse" had taken place and that Mr. Epstein dismissed his claims against Brad.

There are other things that we do not believe will bode well for Brad in front of a jury, and could have other repercussions. For instance, the issues with his character and fitness background check by the Bar, his violation (and lack of knowledge) of the Bar rules when he practiced under the name "Brad Edwards & Associates, LLC," but never had any associates, and not understanding his Rule 11 obligations in the signing of the L.M. federal Complaint.

D. Conclusion

This litigation has been pending too long and Mr. Epstein would like to put the matter to rest. We believe it is in both parties' best interest to enter into the settlement outlined above. However, if Brad is not willing to a Mutual General Release and dismissal with prejudice of his claims, Mr. Epstein will continue with his active defense of this matter and will seek all legal fees and costs to which he is entitled.

We look forward to receiving your response.

Sincerely,

Scott J. Link

SJL/tlc