

From: Jeffrey Epstein <jeevacation@gmail.com>

To: David Stern <[REDACTED]>

Subject:

Date: Tue, 21 Jan 2014 21:27:04 +0000

Erez,

I am shocked beyond words after my phone call with you this morning. you informed me that the closing of the transaction as previously agreed between Dr Merkin, his team and me on July 19 would not now proceed. You have been misinformed as you had stated emphatically that the government contract that was signed in December with a value RMB 1 million, and you postulated that Heritage was only informed about this contract amount (that you called "insignificant" sometime in December).

This is obviously a serious misunderstanding.

1. The key terms of this contract were discussed and agreed during the meeting with Dr Merkin and Adam Goldston on July 19.

I stressed that a RMB 1 million is the cut off for tendering requirements under Chinese law and explained that this contract signed with a central Ministry body is without a doubt a highly significant milestone for the business.

2. Due to the significance of these terms Adam Goldston on behalf of Heritage asked for exact wording for the term sheet. This was provided on July 23 in writing (email attached).

"A signed agreement between Asia Gateway Healthcare Information Technology and any governmental party under the jurisdiction of the Ministry of Human Resources and Social Security of the P. R. China, having a value of no less than **RMB 1 million**, for use of the Asia Gateway Healthcare Insurance Information Processing And Analytics System."

3. From the first Term Sheet draft sent by Adam Goldston/Heritage to me dated on July 26, the term sheet always referred to the above quoted the exact same clause which clearly states the amount of RMB 1 million.

4. Since the first draft of the Stock Purchase Agreement until the final Heritage agreed Stock Purchase Agreement clause 6.02 c) states: "the Company or Asia Gateway shall have entered into a contract with a division of the Ministry on terms and conditions substantially identical to those set forth on Exhibit B, which contract shall bear an official chop and be valid and binding upon the parties;"

5. The first actual word for word draft of the Chinese government contract, was sent to Adam Goldston/Heritage on August 2, followed by the formal and official sending on November 14 by my attorneys to Heritage attorneys in Chinese and English for the contract to be added as Exhibit B to the Stock Purchase Agreement (email attached).

6. Due to the significance and the commitment to deliver to the government (which requires the agreed financial resources) I double checked just in a case and confirmed once again a) the government contract was in its agreed form and b) the closing date of the transaction was to be December 26. Both was agreed in writing by Adam Goldston/Heritage on December 18, and followed by "Congratulations" on December 19 upon the successful signing of exactly that contract.

Dr Merkin and I agreed a deal. I followed through with exactly what was represented and with both full clarity and transparency.

I find it inconceivable that Dr , Merkin would withdraw his commitment made to me at the 25th hour. . please respond as soon as possible

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