

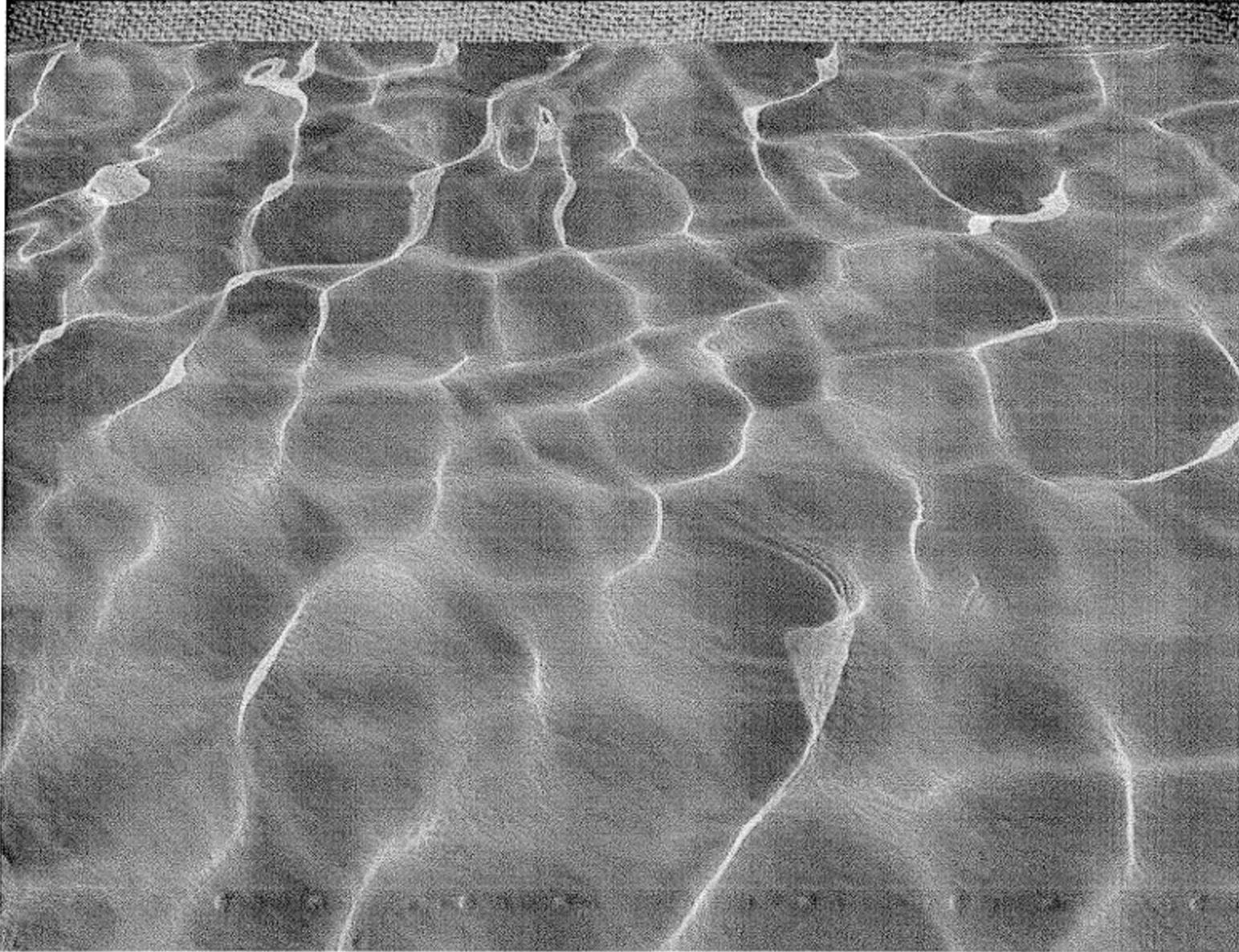
NAME OF APPLICANT: Southern Trust Company, Inc.

TYPE OF APPLICATION: OFFICIAL USE ONLY

NEW(X) Dates Received: _____
EXTENSION() _____
SMALL _____
MANUFACTURER() _____
MODIFICATION() Accepted as Complete: _____
TRANSFER() _____



APPLICATION FOR ECONOMIC DEVELOPMENT BENEFITS



1. CONTACT INFORMATION

EIN #: 66-0779861

NAICS Code _____

A. Name of Applicant: Southern Trust Company, Inc.

B. Mailing Address: 9100 Port of Sale Ste. 15 St. Thomas, USVI 00802

C. Phone: [REDACTED] Fax: [REDACTED] Email _____

D. Plant/Facility Location: Island: St. Thomas Estate & Parcel No: TBP

E. Name of Local Attorney or Representative: Erika Kellerhals, Esq. , Kellerhals Ferguson Fletcher Kroblin LLP Address: 9100 Port of Sale, Suite 15 St. Thomas, VI 00802

Phone: [REDACTED] Email [REDACTED]

F. Please tell us how you learned of the EDC Program: 1. business contact()

2. attorney/tax advisor() 3. advertisement() 4. conference/expo()

5. website() 6. other--please explain(X) Beneficial owner is a current beneficiary.

2. BUSINESS INFORMATION

A. Brief description of the type of Business to be undertaken by applicant in the USVI.

(e.g. Assembly, Hotel, Boutique Hotel, Utility) Applicant will establish a Category IIA designated service business. The business objective of the Applicant is to build an extensive DNA database and develop a data-mining platform for the database to be available through the Internet.

1. Category I() II() IIA(X) III()

2. Detailed description of the activities for which benefits are sought and narrative in support of application. (Include a business plan) *Check if Attached, Appendix 1 (X)*

3. If applicant is a small business, attach a small business certification. *Check if Attached, Appendix 2 ()*

4. Please give information including full name, EIN#, place of business, resident agent and description of affiliate, subsidiary and/or parent business entities. (include an organizational chart, if applicable) *Check if Attached, Appendix 3 (X)* .

B. Form of Business Organization:

1. Individual() 2. Corporation(X) 3. Partnership()

4. Limited Liability Corporation() 5. Limited Liability Partnership()

6. Limited Liability Limited Partnership() 7. Other(X)

8: If Subsidiary of U.S. Corporation, Name of Parent Corporation and EIN()

1. Individual

- a. Country of citizenship: _____
- b. Date applicant became bona fide resident of the USVI: _____
- c. Applicant intends to remain a bona fide resident of the USVI? Yes() No()

2. Corporation

a. If stockholders are individuals, stockholders full names (including first, middle, last and alias/nickname), Address, Date of Birth (including month, day and year), Place of Birth and Social Security Number or Country ID, for stockholders owning 5% or more of the corporation. *Check if Attached, Appendix 4 (X)*

Name: Jeffrey E. Epstein	Address: 6100 Red Hook Quarter, B3, St. Thomas, VI 00802	Date of Birth: 01/20/1953
Place of Birth: NY, NY	SSN: Submitted under separate cover	% Owned: 100

b. If stockholder is a corporation or other entity, provide entity information and specify full names (including first, middle, last and alias/nickname) of directors, principals and officers, for stockholders owning 5% or more of the corporation.

Check if Attached, Appendix 5 (n/a)

c. Date of incorporation: 11/18/2011 Place of incorporation U. S. Virgin Islands

d. Copy of Articles of Incorporation certified by the Lt. Governor's Office.

Check if Attached, Appendix 6 (X)

e. "Certificate of Good Standing" from Lt. Governor's Office certifying that all required annual reports have been filed and franchise taxes paid.

Check if Attached, Appendix 7 (X)

f. In case of a foreign (non V.I.) corporation, attach evidence that the Corporation is authorized to do business in the USVI. *Check if Attached, Appendix 8 (n/a)*

3. Partnership

a. Full names (including first, middle, last and alias/nickname), residence, social security number, date of birth, place of birth, occupation and citizenship of each partner owning 5% or more of the partnership and those who are or will be bonafide resident seeking to claim dividends and interest withholding exemptions. VI residents must give date when his or her residency commenced.

1. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

2. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

3. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

4. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

5. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

b. Attach a copy of partnership agreement filed at the Lt. Governor's Office and the internal agreement between partners. *Check if Attached, Appendix 9 ()*

c. If a partner is a corporation, submit all of the information required of a corporation (Section "B") for each applicant. *Check if Attached, Appendix 10 ()*

d. If a partner is a LLC, submit all of the information required of a Limited Liability Corporation. *Check if Attached, Appendix 11 ()*

e. If a partner is a LLP, submit all of the information required of a Limited Liability Partnership. *Check if Attached, Appendix 12 ()*

f. If a partner is a LLLP, submit all of the information required of a Limited Liability Partnership. *Check if Attached, Appendix 13 ()*

4. Limited Liability Entries

a. Full names (including first, middle, last and alias/nickname), residence, social security number, date of birth, place of birth, occupation and citizenship of each member/partner owning 5% or more of the equitable interest in the business and those who are or will be a bonafide resident seeking to claim dividends and interest withholding exemptions. VI residents must give date when his or her residency commenced.

1. NAME		OWNERSHIP
		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

2. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

3. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

4. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

5. NAME	CITIZENSHIP	OWNERSHIP%
ADDRESS		DATE OF V.I. RESIDENCY
OCCUPATION	SSN/COUNTRY ID NO.	DATE OF BIRTH

b. Agreement of LLLP: General Partner: _____

Check if Attached, Appendix 14 ()

c. Statement of Qualification *Check if Attached, Appendix 15 ()*

d. Certificate of Limited Partnership *Check if Attached, Appendix 16 ()*

e. Article of Organization *Check if Attached, Appendix 17 ()*

f. Certificate of Existence: General Partner: _____

Check if Attached, Appendix 18 ()

g. Agreement between General & Limited Partners *Check if Attached, Appendix 19 ()*

h. If a member/partner is an entity, submit all of the information required of such entity *Check if Attached, Appendix 20 ()*

3. EMPLOYMENT

A. Employment and payroll information

1. Summary

FULLTIME EMPLOYMENT		PRESENT		AFTER FIRST TIME 12 MONTHS		COMMENCEMENT OF BENEFITS
POSITION	CLASSIFICATION	NO	ANNUAL WAGES	NO	ANNUAL WAGES	
HOURLY WORKERS	Resident		\$		\$	
			\$		\$	
CLERICAL	Resident			1	\$40,000	
			\$		\$	
PROFESSIONAL/TECHNICAL	Resident			4	\$370,000	
			\$		\$	
MANAGEMENT / SUPERVISORY	Resident		\$	1	\$200,000	
Total	Resident		\$	6	\$ 610,000	

1. Please attach a list of job titles and salaries *Check if Attached, Appendix 21 (X)*
2. How many employees will be Non-Virgin Islands residents at the commencement of benefits? None *Check if Attached, Appendix 21 (n/a)*
3. How many employees will be Non-Virgin Islands residents at the time of hire? *Check if Attached, Appendix 22 (X)*
4. If applicant is or will be employing nonresidents, attach a copy of Comprehensive training plan approved by the Commissioner of Labor. *Check if Attached, Appendix 23 (n/a)*
5. How many employee positions will be filled by owners, partners or members? Please list job titles and functions. *Check if Attached, Appendix 24 (X)*
6. Attach copies of most recent payrolls to include name, title, ss#, job, and salary. *Check if Attached, Appendix 25 (n/a)*
7. Has the applicant, parent, affiliate or subsidiary entities had any unresolved labor problems during the past two (2) years? Yes () No () If "yes", attach a statement as to the nature of the problem. *Check if Attached, Appendix 26 (X)*
8. Attach copy of Organizational Chart. *Check if Attached, Appendix 27 (X)*
9. Employee benefit Plan. *Check if Attached, Appendix 28 (X)*

4. INVESTMENT & PROCUREMENT

A. Proposed Initial Capital Investment

New Applicant \$ 400,000 _____

Extension/Modification \$ _____

Small Business \$ _____

Date of Commencement of Investment: upon a grant of benefits

Date of Completion of Investment _____

B. If Business Operations Include Manufacturing, Principal Raw Materials And Components To Be Utilized In Process:

DESCPTION	SOURCE	ANNUAL DOLLAR VOLUME	VALUE AS OF FINISH PRODUCT
INDICATE WHETHER V.I.,U.S., OR NAME OF FORGEIN COUNTRY			

C. In the event the applicant is engaged in manufacturing requiring duty free entry to the U.S., Attach U.S. customs ruling for favorable treatment under headnote 3(a) (19 USC 1202). Check if Attached, Appendix 29 ()

D. Principal revenue source; indicate percent to:

V.I. _____% U.S. _____%; Foreign 100 (name of country/countries)

Check if Attached, Appendix 30 (X)

E. Machinery and Equipment:

DESCPTION	DATE OF ACQUISTION	PURCHASED PRICE	LEASED COST
PLEASE SUBMIT COPY OF LEASE AND DOCUMENTATION ATTESTING TO THE FAIR MARKET VALUE OF EQUIPMENT TO BE LEASED			

Check if Attached, Appendix 31 ()

5. FINANCIAL

A. FINANCIAL INFORMATION

Please submit the following if applicable:

1. Applicant must obtain a Bank reference (s) letter, provide a list of all bank accounts and the names of all authorize signatures on the accounts.

Check if Attached, Appendix 34 (X)

1a. If capitalization is through individual or entities, please provide a financial institution letter indicating verification of source of investment/capitalization.

Check if Attached, Appendix 35 (X)

2. Certified copies of Profit and Loss statements and balance sheets for the past three (3) years; if entity (or similar prior entity) has been in operation prior to application. *Check if Attached, Appendix 36 (n/a)*

3. Projected income and expense statements for five (5) years which have been signed by principals. *(Use attached example format or equivalent. See page 14.) Check if Attached, Appendix 37 (X)*

4. Beginning balance sheet must be signed by principals. *Check if Attached, Appendix 38 (X)*

5. If applicant or a shareholder/partner/member owning more than 5% or more of applicant is a publicly traded entity; copies of the annual report of same. *Check if Attached, Appendix 39 (n/a)*

6. If entity is a pass-through entity, provide for owners who are/were VI residents. Statement as to the manner in which the investment has been, or will be financed together with names and addresses of persons or companies providing the financing. *Check if Attached, Appendix 40 (n/a)*

6. TAX INFORMATION

A. Letter from V.I. Bureau of Internal Revenue indicating status of tax obligations. (Not required for corporations existing less than one (1) year; if operations has not commenced) *Check if Attached, Appendix 41 (n/a)*

B. Copies of applicant entity Federal (IRS) or V.I. income tax returns for the past three (3) years. *Check if Attached, Appendix 42 (n/a)*

C. Copies of Federal (IRS) or V.I. income tax returns for the past three (3) years for beneficiary owners. *Check if Attached, Appendix 43 (TBP)*

7. ADDITIONAL INFORMATION

A. Applicant must obtain a letter from the V.I. Department of Planning and Natural Resources stating compliance with ecological, environmental and planning laws and regulations. *Check if Attached, Appendix 44 (TBP)*

B. If the property of facility adjoins beach or shoreline attach copy of easement or lease recorded with recorder of deeds with public easement provisions.

Check if Attached, Appendix 45 (n/a)

C. If applicant is approved, does applicant intend to conduct any business not eligible for benefits? Yes () No(X) If "yes", attach explanation and the nature of such business. *Check if Attached, Appendix 46 ()*

D. Please Attach your management training program plan.

Check if Attached, Appendix 47 (X)

E. Explain and give evidence of your educational assistance program

Check if Attached, Appendix 48 (X)

8. BACKGROUND INFORMATION

A. Indicate whether applicant, or any of its stockholders or partners have, or have had, any proprietary interest in any other enterprise which is or has been a beneficiary under the V.I. Economic Development Program. Please answer questions BE for all applicant(s), entity partners, owners, directors or officers of corporation and beneficial owners. Yes(X) No() If "yes" explain below.

Mr. Jeffrey Epstein is the sole owner of Financial Trust Company, Inc., an EDC beneficiary. He is also a member of IGY-AYH St. Thomas Holdings, LLC.

B. Has any entity in which you, or your spouse, is/was a director, officer, partner or an owner of a 5% or greater interest ever had any license, permit, or certificate issued by a governmental agency in any jurisdiction denied, suspended, revoked, or subject to any conditions? Yes() No(X) If "Yes" please explain. *Check if Attached, Appendix 49 ()*

C. Have you ever been arrested or charged with any crime or offense in any jurisdiction? Yes(X) No() If "yes" please explain. *Check if Attached, Appendix 50 (X)*

D. Have you ever been the subject of an investigation conducted by any governmental agency/organization, court, commission, committee, grand jury or investigatory body (local, state, county, provincial, federal, national, ect.) other than in response to a traffic summons? Yes(X) No() If "yes" please provide the name and address of court or other agency, nature of proceeding or investigation date, whether testimony given and if so what date, and approximate time period of investigation.

Check if Attached, Appendix 51 (X)

E. Have any of the beneficial owners ever been adjudicated or filed a petition for any type of bankruptcy, insolvency or liquidation under any bankruptcy or insolvency law in any jurisdiction? No. *Check if Attached, Appendix 52 ()*

9. EXTENSIVE, MODIFICATION AND TRANSFER APPLICANTS

A. Provide clearance certificate from the EDC Compliance Unit.

B. Extension applicants. All extension applicants should provide the following:

1. Certificate showing the liability of its previous business.

Check if Attached, Appendix 53 ()

2. Indicate the specific benefits which applicant is seeking.

Check if Attached, Appendix 54 ()

3. A certificate from the Commissioner of Labor stating the applicant is in compliance with all labor laws, codes and regulations.

Check if Attached, Appendix 55 ()

4. A statement showing the percentage level, effective date and termination date of each type of benefit previously enjoyed by the applicant.

Check if Attached, Appendix 56 ()

5. In the case of a hotel, timeshare, guesthouse, condo/hotels, boutique hotel, etc, a statement from the V.I. Bureau of Economic Research showing that the applicant is current in reporting the hotel, timeshare, guesthouse, condo/hotels, boutique hotel, etc. occupancy on a monthly and annual basis and visitor origin data on annual basis, for a two year period ending no more than five months prior to the date of the application. *Check if Attached, Appendix 57 ()*

C. Transfer applicants: In addition to the information required in items 19 above, transfer applications (as defined in section 719 title 29 VIC) shall contain the date on which the applicant wishes the effective date of the transfer of benefits.

Check if Attached, Appendix 58 ()

D. Exempt support businesses: In addition to the information required in items 19 above, all exempt support business applicants shall provide a statement from the commissioner of insurance and copy of license to operate in the V.I. as an "exempt support business". *Check if Attached, Appendix 59 ()*

Income & Expense Statements*
Five Year Projection**

	Year 1	Year 2	Year 3	Year 4	Year 5	AVG 5 Years
REVENUES (Itemized)						
TOTAL REVENUE:						
Total Cost of Sale						
Gross Margin						
OPERATIONING EXPENSES:						
LABOR COSTS (Full-time Employment)						
Sales and wages						
Payroll Taxes						
TOTAL LABOR COST						
LOCAL PURCHASE OF GOODS AND SERVICES						
Utilities						
Raw Material						
Freight Charges						
Insurance						
Other (Specify)						
TOTAL LOCAL EXPENSES						
EXPENSES OTHER THAN LOCAL:						
Raw Materials						
Advertising / Promotion						
Supplies						
Depreciation						
Other (specify)						
TOTAL NON-LOCAL EXPENSES						
TOTAL OPERATING EXPENSES						
NET PROFIT BEFORE TAXES						

*SAMPLE FORMAT **APPLICATION WILL NOT BE PROCESSED WITHOUT THE REQUESTED INFORMATION

Application must be filed with one (1) original and fourteen (14) bound copies. File with the Director of Applications, Economic Development Commission #4 King Street, Fredericksted, St, Croix 00840.

TRUTH STATEMENT On the basis of information presented in this application and the accompanying attachments, applicant requests the Industrial Development Commission grant to the applicant, Economic Development Commission benefits provided by the title 29 chapter 12 of the Virgin Islands code as amended. *"Under penalties and pain of perjury I hereby certify that all the above information, as well as accompanying documents, are true and complete to the best of my knowledge, information and belief. If information submitted changes I understand that I am obligated to inform the Economic Development Commission."*

NAME OF APPLICANT _____

AUTHORIZED SIGNATURE _____

TITLE _____ DATE _____

Subscribed and sworn to before me this _____ day of _____, 20 _____

Notary Public

Seal or Authority of Notary

RELEASE AUTHORIZATION To All Courts, Probation Departments, Selective Service Boards, Employers, Educational Institutions, Banks, Financial and Other Such Institutions, and All Governmental Agencies – federal, state and local, without exception, both foreign and domestic.

On Behalf of _____
(Name of Enterprise)

I, _____
(Name of President, officer, partner or sole proprietor)

have authorized the Virgin Islands Economic Development Commission or its designee to conduct a full investigation into the background of the said enterprise. Therefore, you are hereby authorized to release any and all information pertaining to the said enterprise, documentary otherwise, as requested by any employee or agent of the Virgin Islands Economic Development Commission or its designees, provided that he or she certifies to you that said enterprise has an application pending before the Economic Development Commission or that said enterprise is presently a licensee or registrant requirement to be qualified under the provisions of Title 29 VIC Chapter 12 701726. This authorization shall supersede and countermand any prior request or authorization to the contrary. A photo static copy of this authorization will be considered as effective and valid as the original.

Subscribed and sworn to before me this _____ day of _____, 20 _____

Signature

APPENDIX 1

1. BUSINESS SUMMARY

1.1. Executive Summary

Southern Trust Company, Inc. ("Applicant" or "STC"), a corporation organized under the laws of the U. S. Virgin Islands will establish and conduct a Category IIA "designated service business" as described in Section 703(g)(4) Title 29, Chapter 12 of the Virgin Islands Code. Applicant will seek to apply the concepts, methodologies, and technologies related to biomedical and financial informatics, including public health epidemiology, financial genetic algorithms, computational biology, genomics, proteomics, structural biology, disease modeling, and biomedical engineering, based on databases and information to be kept on servers located in the U.S. Virgin Islands. The business objective of the Applicant is to build an extensive DNA database and develop a data-mining platform for the database to be available through the Internet. With over 200 million profiled US Internet users and up to 2 billion worldwide users, the goal of discovering trends related to diseases and assisting in health preservation has vast possibilities.

Data-mining has become more and more complicated as the mass of information increases exponentially. In the not too distant future, there will be as many people on the Internet as there existed on this planet in its entirety only 20 years ago. Dissecting useful information from the massive amounts of available data will require high-level mathematical skills, and high-speed access to various databases. The fiber connections available in the U.S. Virgin Islands will allow for the redundancy necessary to conduct such a high-tech operation. The purpose of DNA and biomedical data mining and graph data is to enhance the ability to access, interpret and utilize information related to biomedical and financial informatics in order to improve health and well being. Measured data provide valuable insight into product usage. It also brings challenges like large data files and it is crucial to make the most of measured data to understand product service, performance, and life.

The Applicant's platform will be based on databases and information to be kept on servers located in the U.S. Virgin Islands, specifically St. Thomas. Corporate enterprises have discovered that data mining is a valuable mechanism in analyzing customer, operational and transactional data that they have collected and stored for many years for billing and auditing purposes which provides them with a mechanism that simulates the ability for larger enterprises to "know your customers". The Applicant will deploy this mechanism to the human being creating a means for individuals to "know your DNA". The development of data mining methods is very sensitive and the

Applicant will adhere to privacy preservation and non-perfect matches. The Applicant's strategy will be developed in consultation with leading privacy advocates and privacy professionals as part of its business process.

The Applicant will use accurate standard software architecture optimized for large data sets. The raw data will be separated from the metadata, increasing searching speed. There will be built-in automated analysis ensuring standard reports are readily available and the Applicant will use a security model that makes sure only the right people have access to the approved data and information. Users can even configure the on-line analysis routines - and build powerful queries and reports; the right data, report or analysis to the right user at the right time.

1.2. Relationship to Financial Trust Company, Inc.

Mr. Jeffrey Epstein is the President and sole shareholder of an existing Economic Development Commission ("EDC") beneficiary, Financial Trust Company, Inc. ("FTC") that was granted an extension of benefits in 2010. The client base of and the product provided by the Applicant differ markedly from those of FTC, hence the desire to create a new entity that will meet all of the requirements of the EDC. FTC recently filed for a suspension of benefits, effective March 23, 2012. Some FTC employees may be transferred to STC.

2. BUSINESS ACTIVITIES AND COMPENSATION

2.1. Services to be Provided

The Applicant will specialize in the interpretation of biomedical and financial artificial intelligence and offer market intelligence to companies who operate in the financial, biomedical and pharmaceutical industries.

The primary goal of the Applicant is to become a successful competitor in the field of artificial intelligence, specifically concentrated in biomedical informatics and financial informatics algorithms and technology. The Applicant's initial focus will be on data acquisition and locating and establishing wide-ranging, all-inclusive biomedical and financial information databases on servers located in the U.S. Virgin Islands.

- The Applicant will retail DNA testing services providing information and tools to individuals to learn about and research their own DNA.

- The Applicant will engage in the development of “off-the-shelf” biomedical informatics software, as well as custom-designed biomedical informatics algorithms.
- The Applicant will engage in the development of genetic and financial algorithms for stock market data mining optimization.
- The Applicant will offer database solutions and server solutions.

Informatics studies may be commissioned privately by a single entity that will have exclusive rights to the data collected. This will be marketed by the Applicant as “custom research”. In other cases, studies may be published by the Applicant on a non-proprietary basis and sold to multiple companies. This will be marketed by the Applicant as published research.

The Applicant's customers will range from individuals seeking information about their own DNA, to scientists buying desktop software for improving their academic research, to health care organizations seeking solutions for optimizing work processes and sustaining a competitive edge in the forward-looking scientific environment, and to entities seeking investment strategies.

2.2. Compensation and Eligible Income Streams.

The Applicant will charge a fee for services based on a competitive target price. Title 29, Chapter 12, Section 713b(a) of the Virgin Islands Code provides that the income tax liability of a Beneficiary is reduced on a current basis “for income derived from the business or industry for which the certificate is granted.” Therefore, in order for income to be eligible for the EDC benefits, the income must be attributable to the business for which the EDC benefits are specifically granted. In addition, as provided in the currently effective rules of the Internal Revenue Code, the income must be also either USVI source income or income that is effectively connected with a USVI trade or business. It is anticipated that all of the Applicant's income will be sourced or effectively connected to the USVI and therefore eligible for benefits.

3. OWNERSHIP OF THE APPLICANT

The Applicant will be owned by Mr. Jeffrey Epstein. Mr. Epstein's business career began in 1976 at Bear Stearns & Company. He subsequently started his own financial consulting firm in 1981, which he eventually brought to the U.S. Virgin Islands in 1999, when he opened Financial Trust Company, Inc. Mr. Epstein is the Chairman, President and sole shareholder of FTC, a financial consulting firm that has been an EDC beneficiary for the past 13 years. In addition to his and FTC's significant contributions to the U.S. Virgin Islands economy over the past 13 years, Mr. Epstein, FTC and the philanthropic foundation he funded and organized have given over \$2.3 million to U.S.

Virgin Islands charitable interests, including \$1.1 Million to educational pursuits, and scholarship and enrichment programs, and approximately \$650,000 to local U.S. Virgin Islands charities and U.S. Virgin Islands youth sporting organizations. His foundation has continued to provide opportunities for scientific and technological exploration and development in the U.S. Virgin Islands by sponsoring several scientific symposiums in the U.S. Virgin Islands enabling local interaction among Nobel Laureates and faculty, postdoctoral researchers, graduate and undergraduate students, educators and the public.

Mr. Epstein is universally renowned for his complex mathematics skills and is an experienced entrepreneur who has built several highly profitable companies. He has successfully transferred these abilities to the world of high finance, having been one of the pioneers of derivative and option-based investing. He looks now to shift his focus to the dynamic discipline of biomedical and financial analysis. His relationships in the upper echelon of research and academia and advanced knowledge of both science and mathematics will enable the Applicant to thrive in this technology-based environment.

4. EMPLOYEE TEAM

4.1. Management

The Applicant's management team will include the following positions:

President and Chief Executive Officer.

Mr. Jeffrey Epstein will hold this position and he will provide leadership, develop networks of contacts, build effective management teams, articulate and champion a vision for the Applicant, and pursue the vision of the Applicant and its staff. Mr. Epstein will develop and implement strategic objectives that support the Applicant's mission. As CEO, he will define strategic priorities and seek to align key performance indicators to the strategic priorities of the Applicant. Mr. Epstein will use his scientific, mathematical, business and regulatory knowledge to plan, organize, oversee, and assess the Applicant's operations in relation to the Applicant's strategic objectives.

Chief Scientific Officer

The person in this position should have a Ph.D. in Biomedical Informatics and/or a medical degree with conceivably another degree in Computer Technology or Engineering. Primary responsibilities will be serving as head of research and development within the biomedical division of the Applicant. The person in this position

may have to liaise with governmental agencies and may need to present research updates. This person may also be responsible for hiring and firing his or her own staff, and assigning duties directly.

4.2 Employee Team

The Applicant cannot be successful in the U.S. Virgin Islands without the support of a qualified staff. A large majority of the Applicant's employees will have advanced degrees in fields such as Computer Science, Mathematics, Biomedical Informatics and/or Finance. Skills will include: Bioinformatics, Molecular Biology, Biochemistry, Statistics, Mathematics, Software Architecture and Design, Database Management and Human-Computer Interaction. Some positions will be considered professional in nature and will be full-time, while others may be strictly entry-level employees.

Section 708(m) requires that each applicant must commit to hiring a minimum of ten (10) persons on a full time basis. EDC Rules and Regulations section 708-601 generally requires that the Beneficiary employ ten persons within one year of the date the Chairman signs the Certificate of Benefits.

The EDC retains the ability to waive the ten employee requirement where an Applicant, at the time of the Application, requests a waiver in its application, states the number of full-time employees it expects to employ, states if and when it can increase the number; states why employment of more employees is not economically feasible and states why the business is desirable nonetheless.

While STC anticipates that it will hire in excess of ten employees over the course of its Certificate, should it be granted such benefits, it anticipates that its "ramping up" period may be more extensive due to its specialized hiring needs. Therefore, STC is requesting a waiver of the employment requirement, as provided for under section 708-601, from ten (10) employees to five (5) employees. STC anticipates that additional hiring may take place in years 2-5. Some of the positions required to make STC successful require very specific technical skills that may not be immediately available in the Territory. Some positions may require extensive searches in order to find a suitable candidate. It is therefore unlikely that STC could meet the ten employee requirement within the first two years. Despite not being able to commit to ten employees within the first two years, this business is the perfect model for the continued expansion of ecommerce and data businesses here in the Territory. Utilizing the newly expanded technology infrastructure of the territory that will be further enhanced by the territory's broadband initiative, STC will serve as a primary example of the robust technological capabilities of the U.S. Virgin Islands. This coupled with the generous economic incentives should serve the territory well in attracting new businesses to the territory.

5. FINANCIAL PLAN

A detailed financial analysis of the Applicant's expected profits and losses over the next five (5) years in the U.S. Virgin Islands has been included as Appendix 37 of the Application.

6. CORPORATE RESPONSIBILITY AND COMMITMENTS

6.1. Annual charitable commitment. In addition to its contribution of \$3,000 per year to the Territorial Scholarship Fund, the Applicant is committed to donating \$50,000 per annum to local charitable causes.

6.2. Statutory Commitments of Applicant

6.2.1. Section 708(m).

In accordance with Title 29, section 708(m), fifty percent (50%) of any educational assistance provided as part of the annual charitable contribution shall be designated for public school programs.

6.2.2. Section 708(h).

The Applicant also agrees to comply with the local procurement requirements as stated in Title 29, section 708(h).

6.2.3. Section 708(k).

The Applicant agrees to notify the Virgin Islands Employment Service at the Department of Labor as to the availability of employment, number of employees, occupations, classification of workers, and the applicable wage rate as required in 29 VIC 708(k).

6.2.4. Section 708(r)

The Applicant agrees to require all contractors retained to purchase all insurance from resident insurance companies, agents, or brokers licensed to operate in the Virgin Islands in accordance with 29 VIC 708(r).

6.2.5. Section 708(p)

The Applicant will provide employees additional leave from work, other than time applied to their annual leave, to participate and represent the Virgin Islands in athletic and sporting events in accordance with 29 VIC 708(p).

6.2.6. Section 708(s)

The Applicant will establish and maintain a Donated Leave Program similar to the program established under Title 3, chapter 25, Section 583b, Virgin Islands Code, in accordance with section 708(s).

APPENDIX 3

Southern Trust Company, Inc. is a U.S. Virgin Islands corporation originally incorporated as Financial Infomatics, Inc. on November 18, 2011. The sole shareholder of Southern Trust Company, Inc. is Mr. Jeffrey E. Epstein. See organizational information below.

Southern Trust Company, Inc.

EIN: xx-xxxx861

Place of Business: U.S. Virgin Islands

Resident Agent in the U.S. Virgin Islands: Kellerhals Ferguson Fletcher Kroblin LLP, 9100 Havensight Port of Sale, Ste. 15-16 St. Thomas, VI 00802

Mr. Epstein is also the sole shareholder of Financial Trust Company, Inc. an EDC beneficiary. Mr. Epstein is also a member of IGY-AYH St. Thomas Holdings, LLC.

APPENDIX 4

Jeffrey E. Epstein

6100 Red Hook Quarter, B3

St. Thomas, U.S. Virgin Islands 00802

[REDACTED]

Place of Birth: New York

Date of Birth: [REDACTED]

APPENDIX 6

Certificate of Incorporation and Articles

APPENDIX 7

Certificate of Good Standing

APPENDIX 21

JOB TITLES & SALARIES

Job Title	Description	Salary
Chief Executive Officer	This position will provide leadership, develop networks of contacts, build effective management teams, articulate and champion a vision for the Applicant, and pursue the vision of the Applicant and its staff. It will develop and implement strategic objectives that support the Applicant's mission. The CEO will define strategic priorities and seek to align key performance indicators to the strategic priorities of the Applicant.	\$200,000
Chief Science Officer	The person in this position should have a Ph.D. in Biomedical Informatics and/or a medical degree with conceivably another degree in Computer Technology or Engineering. Primary responsibilities will be serving as head of research and development within the biomedical division of the Applicant. The CSO may liaise with governmental agencies and may need to present research updates. The CSO may also be responsible for hiring and firing his or her own staff, and assigning duties directly.	\$150,000
Data Base Manager	This position should have an advanced degree in Financial Engineering and/or Quantitative Research. Primarily responsibilities will be the development of an operating plan and strategic objectives that support the <i>Algorithmic team</i> . The DBM will provide leadership to direct others in solving complex problems and will exercise authority to implement and initiate projects. This position will also be responsible for the introduction of new technology enhancement into the research area.	\$85,000
Technical Assistant	The TA will provide client support and technical issues resolution. The TA will configure software to connect to Internet application servers, have a general understanding of the operational systems and application operations related STC offered services, and identify, correct and/or advise, on operational issues in computer systems. The TA should have the ability to solve practical problems and deal with a variety of variables in situations where only limited standardization exists as well as have the ability to interpret a variety of instructions furnished in written, oral, diagram, or schedule form.	\$75,000
Accountant	The Accountant is responsible for applying accounting principles and procedures to analyze financial information, prepare accurate and timely financial reports and statements and ensure appropriate accounting control procedures.	\$60,000
Administrative Assistant	The AA will answer inbound phone calls, receive and direct visitors and clients and perform general clerical duties including photocopying, fax, and mailing (open, sort and distribute correspondence). This position will also retrieve documents from filing system, handle requests for information and data, resolve administrative problems and inquiries as well as prepare written responses to routine inquiries, schedule and coordinate meetings, appointments and travel arrangements for managers, prepare agendas for meetings and prepare schedules. The AA will also maintain office supply inventories, and coordinate maintenance of office equipment.	\$40,000

APPENDIX 22

NON-VIRGIN ISLANDS RESIDENTS AT TIME OF HIRE

As provided in Title 29 VIC section 710(a) and EDC Rules and Regs. section 708-604, eighty percent (80%) of all persons employed by a beneficiary must be residents of the U.S. Virgin Islands, as defined in section 703(e). As noted in the Application, some the positions contemplated by STC are extremely technical in nature and while attempts will be made to meet the eighty percent employment requirement, STC respectfully requests a waiver of such percentage for the first three years of its Certificate to fifty percent (50%).

STC also agrees that, in accordance with section 711(c), it will seek the assistance of the Department of Labor in filling all vacancies. To the extent the Department of Labor is unable to refer any qualified applicants to STC within ten (10) working days. STC may hire a nonresident for a position.

APPENDIX 24
EMPLOYEE/OWNERS

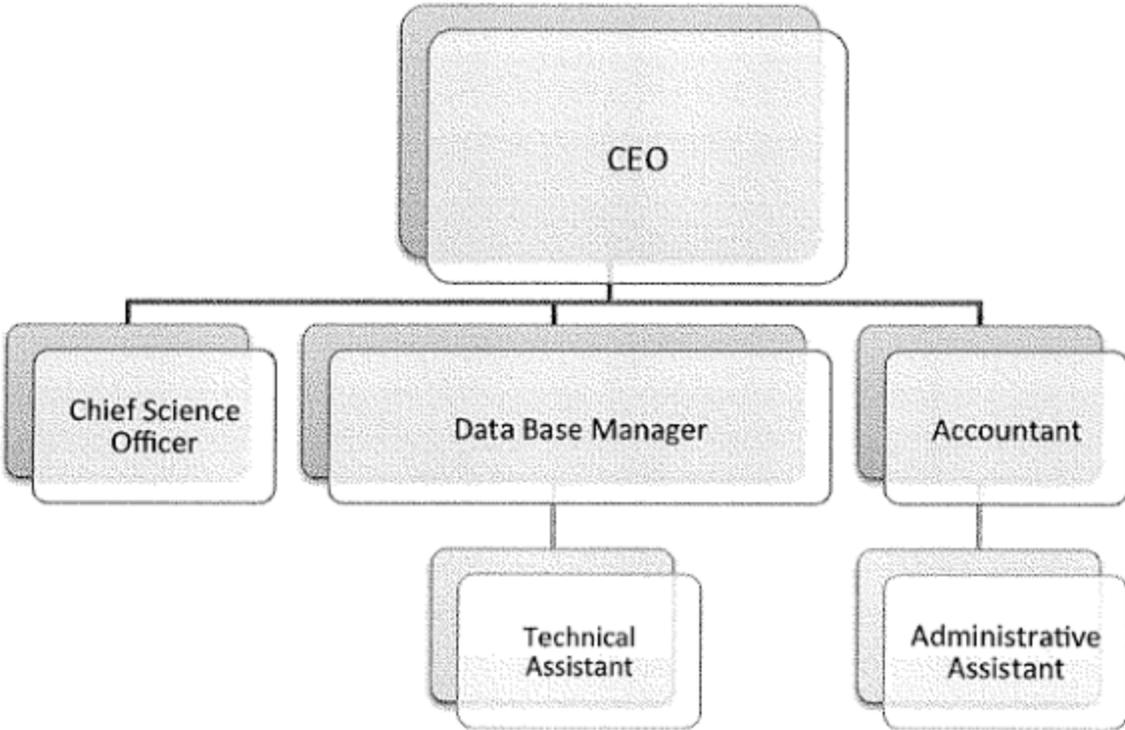
Mr. Epstein will be employed as the President of Southern Trust Company, Inc.

APPENDIX 26

LABOR MATTERS

On May 14, 2012, an employee terminated for reasons including the misappropriation of the employer's property filed a wrongful discharge complaint with the Virgin Islands Department of Labor against the employer, an affiliate of the Applicant engaged in activities which are entirely unrelated to the proposed business of the Applicant. The Virgin Islands Department of Labor is currently reviewing whether it has jurisdiction over the complaint.

APPENDIX 27
ORGANIZATIONAL CHART



APPENDIX 28

EMPLOYEE BENEFIT PLAN

Health Insurance

All full-time employees will be eligible to participate in the Applicant's health insurance plan. The plan will provide for medical and dental insurance coverage for all employees with no waiting period. The Applicant will pay the cost of both employee and family coverage (legal spouse and legal minor dependents).

Employee Retirement Plan

All full-time employees are eligible to participate in the Applicant's retirement plan. The Applicant intends to establish a Simple IRA plan for the exclusive benefit of eligible employees. All eligible employees receiving at least \$5,000 in compensation during any two prior years are eligible to participate in the plan. The employee participant may make monthly salary deferrals. The Applicant will make a matching contribution equal to 100% of the employee's elective deferral up to a limit of 3% of annual compensation.

Vacation Time

Full-time employees regularly scheduled to work 32 or more hours a week will be eligible for paid vacation each calendar year. During the first calendar year of employment, if an employee is hired before July 1, the employee will be eligible for two weeks of vacation. Thereafter, the employee will be eligible for three weeks per calendar year. After five years of service the employee will be eligible for four weeks of vacation. Vacation time can be taken in weeks, days or half-days, depending on business requirements. Vacation time must be used in the calendar year in which the time is allotted. Generally, vacation carryover is not permitted.

Personal Days

Full-time employees will be eligible for two paid personal days each calendar year. Newly hired employees will be able to take personal days beginning in the fourth month of service. The number of personal days depends on the hire date and work schedule. Those hired on or after July 1, are eligible for personal days in the next calendar year.

Holiday Pay

The Applicant will observe the 15 following paid holidays (applicable to full-time employees).

Personal Emergency Days

The Applicant will provide up to five (5) personal emergency days in a 12-month period. Full-time employees are eligible to request personal emergency days after completing three months of service.

Death in the Immediate Family

The Applicant will provide full-time employees with five days in one week off. With three or more months of service, a full-time employee receives regular salary for the week.

Medical Leave

Under the medical leave policy, full-time employees may have the financial protection of full pay for up to 26 weeks. The Applicant will offer fully paid and unpaid medical leave dependent upon a number of factors.

STC shall implement a Donated Leave Program, similar to the Donated Leave Program of Title 3 VIC section 583b, whereby employees who have been employed by STC for at least one year in a full-time position and who has exhausted all accrued sick, annual and administrative leave while absent on approved sick leave will be eligible to receive donated sick or annual leave from other employees who have indicated a willingness to donate leave time.

APPENDIX 30

PRINCIPAL REVENUE SOURCE

During the initial phase of investment, it is anticipated that the principal revenue sources will be from Africa and Europe.

APPENDIX 33

LEASED PREMISES

The Applicant is in the process of negotiating for space on the East End of St. Thomas. Upon execution of the lease, all required documentation will be provided to the EDC. The Applicant anticipates needing approximately 2,500 to 3,000 square feet of space.

APPENDIX 34

BANK REFERENCE LETTER

A bank reference letter for Mr. Epstein has been requested and will be provided to the EDC upon receipt.

APPENDIX 35

FINANCING OF INVESTMENT

Mr. Jeffrey Epstein, who is the sole shareholder of Applicant, will finance the required capital investment.

APPENDIX 37
FIVE YEAR PROJECTION

**Income and Expense Statements
Five Year Projection**

APPENDIX 37

	Year 1	Year 2	Year 3	Year 4	Year 5	Average 5 years
REVENUES:						
Fee income	\$ 3,000,000	\$ 3,600,000	\$ 4,500,000	\$ 5,850,000	\$ 7,605,000	\$ 4,911,000
Investment income, net	\$ 100,000	\$ 104,000	\$ 108,000	\$ 112,000	\$ 117,000	108,200
TOTAL REVENUES	\$ 3,100,000	\$ 3,704,000	\$ 4,608,000	\$ 5,962,000	\$ 7,722,000	\$ 5,019,200
OPERATING EXPENSES:						
Labor Costs(Full-time Employment)						
Salaries and wages	\$ 610,000	\$ 641,000	\$ 769,000	\$ 961,000	\$ 1,249,000	\$ 846,000
Payroll taxes	\$ 38,000	\$ 40,000	\$ 48,000	\$ 60,000	\$ 79,000	53,000
Employee benefits	\$ 105,000	\$ 110,000	\$ 129,000	\$ 152,000	\$ 196,000	138,400
TOTAL LABOR COSTS	\$ 753,000	\$ 791,000	\$ 946,000	\$ 1,173,000	\$ 1,524,000	\$ 1,037,400
Local Purchase of Goods and Services						
Occupancy costs	\$ 119,000	\$ 124,000	\$ 129,000	\$ 134,000	\$ 139,000	\$ 129,000
Advertising and marketing	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000	100,000
Research and development	\$ 60,000	\$ 66,000	\$ 79,000	\$ 48,000	\$ 29,000	56,400
Charitable contributions	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	\$ 53,000	53,000
Utilities and telecommunications	\$ 70,000	\$ 73,000	\$ 76,000	\$ 79,000	\$ 82,000	76,000
Professional services	\$ 55,000	\$ 57,000	\$ 59,000	\$ 62,000	\$ 64,000	59,400
Office supplies and postage	\$ 30,000	\$ 31,000	\$ 32,000	\$ 34,000	\$ 35,000	32,400
Insurance	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	\$ 40,000	40,000
EDC annual fees	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	\$ 8,000	8,000
Dues, subscriptions and licenses	\$ 4,000	\$ 4,000	\$ 4,000	\$ 4,000	\$ 5,000	4,200
Travel	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	5,000
IT- repairs and maintenance	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	\$ 5,000	5,000
TOTAL LOCAL EXPENSES	\$ 549,000	\$ 566,000	\$ 590,000	\$ 572,000	\$ 565,000	\$ 568,400
Expenses Other Than Local						
Professional subscriptions	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	\$ 2,500	2,500
Dues, subscriptions and licenses	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	\$ 55,000	55,000
Professional services	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	\$ 50,000	50,000
TOTAL NON-LOCAL EXPENSES	\$ 107,500					
TOTAL OPERATING EXPENSES	\$ 1,409,500	\$ 1,464,500	\$ 1,643,500	\$ 1,852,500	\$ 2,196,500	\$ 1,713,300
NET PROFIT BEFORE TAXES	\$ 1,690,500	\$ 2,239,500	\$ 2,964,500	\$ 4,109,500	\$ 5,525,500	\$ 3,305,900

APPENDIX 38
BALANCE SHEET

APPENDIX 38

Upon approval of this application, the applicant will be funded with the initial capital investment and its balance sheet shall be as follows:

Southern Trust Company, Inc.
BALANCE SHEET
Opening Balance Sheet

ASSETS	
Cash	\$ 400,000
TOTAL ASSETS	<u>\$ 400,000</u>
EQUITY	
Capital	\$ <u>400,000</u>
	<u>400,000</u>
TOTAL LIABILITIES AND EQUITY	<u>\$ 400,000</u>

APPENDIX 43

TAX RETURNS

In order to preserve confidentiality of Mr. Epstein's personal tax returns, these will be submitted under separate cover.

APPENDIX 47

MANAGEMENT TRAINING PLAN

An important element of the Applicant's sustainability and success is the development of leadership and management capacity throughout the Applicant's organization.

Successful staff development requires that the Applicant provide a structured training plan which involves management and/or professional development in the area for which the staff members are employed, such as general management, finance, research, legal, accounting and clerical, while at the same time ensuring that staff members are each fulfilling a clearly defined role within the Applicant's organization.

Trainees will be appointed to an established position, and over the period of their development program will be expected to undertake all the work for that position. They will receive 'on the job' training and their review process will include the setting of work objectives against which their progress can be monitored. The number of roles identified as being suitable for management trainees, as compared to other general administrative or technical roles, is expected to be limited.

Recruitment to management trainee roles is open to all qualified staff members. A process will be followed to identify and appoint those individuals who display the attributes and competencies required to achieve their expected potential through the acquisition of a core set of transferable skills and professional competencies.

The attributes and competencies for management training are as follows:

- A high degree of initiative, resourcefulness, flexibility and a self-motivating approach to achieve both business objectives and personal success in order to succeed as a senior manager.
- Conceptual and innovative thinking that informs an analytical approach to complex problems and comprehension of practical options and solutions.
- The ability to communicate clearly and effectively through oral and presentational skills as well as excellent writing skills.
- Potential to develop a successful career as a professional or manager and a leader.
- The ability to acquire the requisite professional and technical skills to succeed as a manager.
- Taking personal responsibility for one's own development and having a commitment to study towards further academic and or professional qualifications.
- The ability to motivate and encourage others to achieve targets and the ability to work towards common goals.
- Good team working skills.

The normal expectation is that each individual chosen for a management trainee role will have a degree, which provides a platform to demonstrate the individual's intellectual ability and the potential to progress as a senior manager. However, it is recognized that in some specialist roles other forms of professional qualifications with a combination of relevant experience and a successful record of career progression could provide a similar indication. Management trainees will demonstrate progress by actually doing their assigned duties and fulfilling their assigned tasks at the same time they are undertaking their development program.

Identifying Opportunities

Approval for management trainee positions will be through a process conducted by the President and Chief Executive Officer. The President and CEO will construct a "business case" (as described below) and will have final approval prior to proceeding with recruitment. This will allow for a consistent approach towards future development and training as well as ensure compliance with employment laws.

The business case should, among other things:

- Describe the role the trainee will be filling with the Applicant.
- Explain why a trainee role is being proposed;
- Demonstrate the need to recruit staff with aptitude, potential and desire to progress and succeed - Strengthen team expertise and / or specialist knowledge;
- Allow other employees to experience different work through role rotation
- Provide for succession planning;
- Identify the need for new managers to progress in these areas given the strategic requirements;
- Explain the opportunities arising through restructuring;
- Explain how the trainee's role fits with the Applicant's objectives;
- Include an outline of a development plan, including examples of typical on the job training;
- Identify appropriate additional qualifications which the trainee would be required to obtain as part of the development plan;
- Identify clear objectives and expectations of the position, as well as any immediate tasks and responsibilities; and
- Identify effective supervision and/or management in place to develop the management trainee, in line with the development plan, to meet the expectations required for career progression.

It is expected that those chosen as management trainees will be encouraged and supported by the Chief Executive Officer in attending and participating fully in appropriate development courses, such as those provided by:

- The University of the Virgin Islands
- Accredited E- Learning Courses and Webinars
- And other professional development bodies.

In some cases it may be appropriate for the trainee to undertake further academic or professional qualifications during the period of their training program.

Identifying Employee Training Needs

It will be necessary for the Applicant to conduct a job task analysis of the employee (or group of employees) identified as having training needs. In order to provide effective training, it's necessary to know exactly what the expectations are for the job. Some of this information can be gathered by observation and by asking employees to provide verbal or written descriptions of what their jobs entail.

The Applicant should compare employee performance to the job expectations and identify the areas in which there are discrepancies. The Applicant should also identify whether the discrepancy is due to work process issues, such as not knowing how to complete a specific task, or personnel issues, such as not wanting to complete a specific task. Work process issues can be addressed with employee training.

The Applicant should schedule a meeting with all of the employees involved, asking them to bring with them lists of what they consider to be the top five areas in which they feel more training is needed. The lists, as well as supervisory staff's own observations, should be shared.

The Applicant will prioritize training needs as a group, taking into account that those that have an immediate effect on business performance or employee safety are the most important. The Applicant will cause its Chief Executive Officer and supervisors to discuss the Applicant's goals with employees. Knowing the desired outcome can assist employees expressing what they need to know in order to help the Applicant achieve its goals.

Key Elements of a Management Trainee Development Plan

The Key Elements of a Management Trainee Development Plan ("TDP") include the following:

Employee Profile - name, position title, office, grade/pay scale, as well as:

- Career goals – short and long-term goals with estimated and actual completion dates
- Pre-Planning
- Employee / Meetings

- Evaluation of Outcomes
- Preparation of the TDP
- Implementation of the TDP

Development objectives – linked to work mission/goals/objectives and the employee's development needs and objectives.

Training and development opportunities – specific formal classroom training, workshops, rotational assignments, shadowing assignments, on-the-job training, self-study programs and professional conferences/seminars that the employee will pursue with estimated and actual completion dates.

Summary of Training Process

The objective of the Management Training Program is to develop employees into strong operational and financial managers. The program is designed to ease the transition from the trainee's current position into a new position.

Month 1:

Assigned to a manager where trainee will complete his/her initial training

Introduced to the Applicant's staff as a management trainee

Rotate through areas throughout company to gain an understanding of the complexity of the operation.

Months 2-7:

Complete training program for assigned area

Train and work as an employee in the area

Participate in management meetings

Learn management responsibilities for the position. Complete management projects as assigned .

Performance evaluation given at 90 days by the CEO

Assigned a Mentor to assist with career development

Complete at least sixty hours of in class or on-line course work associated with trainee role.

Months 7-12:

Transfer to a new area for training.

Complete training program for assigned area.

Train and work as an employee in the area.

Participate in management meetings.

Learn management responsibilities for the position.

Complete management projects as assigned.

Complete at least sixty hours of in class or on-line course work associated with trainee role.

Review Process

The CEO will undertake quarterly reviews of progress. These reviews will focus on the extent to which the trainee is progressing in the role, review progress within the agreed training and development program, and monitor progress towards and achievement of agreed objectives.

APPENDIX 48

EDUCATIONAL ASSISTANCE

Educational Assistance Policy

The Applicant intends to provide its employees with an educational assistance program designed to assist employees in their professional development and in advancing their careers by encouraging voluntary academic studies that contribute to improved performance. Recognizing the mutual benefits for the Applicant and its eligible employees, financial assistance is provided to employees for courses, certification programs, continuing professional education (CPE) courses, and examinations requested by management or voluntarily taken by employees interested in furthering their formal education. The courses, programs, and examinations covered under this policy must meet certain criteria established by the Applicant. While successful completion of a course of study improves an employee's educational background, such accomplishment does not obligate the Applicant to reward participants with promotion, transfer, reassignment, compensation increase, or other employment-related benefits.

Employee Eligibility

Educational assistance is available to full-time employees who meet the Applicant's eligibility requirements.

Maximum Annual Education Benefits

The maximum assistance to be provided to an eligible employee during a calendar year is \$5000. Employees must obtain approval *before* enrolling in or registering for any educational program, examination, certification program, or CPE course.

Participating in this Program

Tuition reimbursement, employee training and continuing professional education courses will be provided for approved programs related to an employee's job function.

Requests to participate in this program must be made to a supervisor or manager in writing at least 30 days before course or program registration and must include a description of the course to be taken, the name of the educational institution providing the course, the cost of the course and a brief description of how the course will assist the employee in better performing his or her job function.

Reimbursement to employees will be made at the time the course is completed and an official grade or transcript from the educational institution or proof of participation in CPE program, as well as a receipt showing the amount paid, is submitted.

Employees may be required to submit the course grade and related expense receipts for tuition reimbursement. Upon approval, payment will be made directly to the employees, based on the following percentages for grades attained:

- Grade A- [or equivalent] or above = 100% tuition reimbursement
- Grade B- [or equivalent] or above = 75% tuition reimbursement
- Grade C- [or equivalent] or above = 50% tuition reimbursement
- Grade D+ [or equivalent] or below = 0% tuition reimbursement.

The Applicant reserves the right to receive a copy of the grade report. Reimbursements under this program are for tuition payments and the cost of books or training manuals only. Supplies, enrollment fees or other charges will not be reimbursed.

The maximum reimbursement is \$50.00 per credit.

The colleges and universities approved by the educational plan at the present moment are the following: The University of the Virgin Islands and correspondence courses accredited by the Middle States Association.

Reimbursement will be subjected to the following conditions:

- Applies only to studies geared to obtain a bachelor's degree.
- The employee must have completed a year of service with a satisfactory performance of duties and responsibilities.
- The granting of a preliminary approval of the employee's request must be made by the employee's supervisor.

Educational Assistance may not be used by employees who receive educational benefits offered by the Veteran's Administration or grants from the Territory of Federal government such as the Pell Grant.

Final payment will be made within 30 days of receipt of all required documentation.

APPENDIX 50-51

BACKGROUND INFORMATION

For a relatively brief period in what has otherwise been a productive and accomplished life, Mr. Epstein did face some legal difficulties relating to matters alleged to have taken place seven years ago exclusively within Palm Beach County, Florida. The Palm Beach County Sheriff's Office and the Palm Beach County State Attorney commenced a local investigation of Mr. Epstein in 2005 relating to such matters. An investigation was also conducted by the United States Attorney's Office for the Southern District of Florida and the Federal Bureau of Investigation in 2007 relating to the same local matters investigated by the Palm Beach authorities. The Federal investigation was discontinued in 2008 without the issuance of any Federal charges. Nothing for which Mr. Epstein was investigated had any relation whatsoever to the business or industry of Mr. Epstein or the Applicant.

On June 30, 2008, before the Florida Circuit Court for the 15th Judicial Circuit located in Palm Beach, Florida, Mr. Epstein pleaded guilty to and was convicted of, one count of solicitation of prostitution and one count of procuring prostitution of a person under the age of 18. He served 13 months of an 18-month sentence in the Palm Beach County Jail, followed by enhanced probation, which he completed over two years ago. There have been no similar allegations or charges of any misconduct by Mr. Epstein since that period of time seven years ago. Nothing to which Mr. Epstein pleaded guilty and was convicted had any relation whatsoever to the business or industry of Mr. Epstein or the Applicant.

Beginning in 2007, civil tort claims arising out of the same or similar matters alleged in the Palm Beach investigations, all alleged to have occurred over seven years ago, were commenced against Mr. Epstein. All but one of these tort claims were commenced in Federal District Court for the Southern District of Florida, or in the Florida Circuit Court of the 15th Judicial Circuit in and for Palm Beach County. All of the cases commenced against Mr. Epstein arising out of the same or similar alleged conduct have been settled. More details can be provided as necessary upon request.

All of the above matters have been fully resolved and there has been no further significant litigation commenced over the past 10 years against Mr. Epstein as a defendant. Other miscellaneous litigation over the past 10 years with claims asserted against Mr. Epstein is described below:

- In 2004, Mr. Epstein settled a Pennsylvania state court case with an artist.
- In 2005, Mr. Epstein and his company received a settlement in a dispute with Citibank brought in separate fora in New York and in the U.S. Virgin Islands.
- In 2006, Mr. Epstein settled a Florida Circuit Court case with an artwork consignor.
- In 2007, an action commenced in New York Supreme Court by the liquidating trustee of a limited partnership against Mr. Epstein as trustee of one of the limited partners was dismissed with prejudice.
- In 2009, Mr. Epstein settled a dispute with a marine contractor in the United States District Court for the Southern District of Florida.
- In 2010, a case brought by a contractor against Mr. Epstein in the Virgin Islands Superior Court was dismissed and referred to Arbitration, which the contractor determined not to pursue.
- In 2010, Mr. Epstein settled a sales contract dispute in the Virgin Islands Superior Court.
- In 2011, Mr. Epstein and his company received a settlement in a declaratory judgment and contract action commenced by an architectural and design firm.
- In 2012, a subcontractor sued by Mr. Epstein and his company in the Virgin Islands Superior Court counterclaimed for a Declaratory Judgment. Both Mr. Epstein's claims and the counterclaim are pending.
- In 2012, Mr. Epstein voluntarily dismissed a claim filed in the Florida Circuit Court against a Florida attorney, whose counterclaims against Mr. Epstein arising out of that same lawsuit are pending.

Of the above lawsuits, only the case brought against Mr. Epstein as a trustee and the Citibank cases, which ended in either a dismissal or settlement, involved any of Mr. Epstein's business activities.

Over the past 10 years, neither Mr. Epstein, individually, nor any of his controlled affiliates, have ever been subject to an audit or a post audit penalty assessment by a tax authority (including, but not limited to, the Internal Revenue Service and/or the Virgin Islands Bureau of Internal Revenue).