

## MASTER SETTLEMENT AGREEMENT

THIS MASTER SETTLEMENT AGREEMENT AND GENERAL RELEASE (“Master Settlement Agreement” or “MSA” or “Agreement”) is entered into as of the Effective Date (as defined below) between the Government of the United States Virgin Islands (“GVI”) and JPMorgan Chase Bank, N.A. (“JPMC”). GVI and JPMC shall be referred to throughout this MSA, and not for any other purpose, collectively as “Parties” and individually as “Party.”

### RECITALS

- A. On December 27, 2022, the GVI, through its Attorney General, filed a complaint in the United States District Court for the Southern District of New York (“SDNY”) captioned *Government of the United States Virgin Islands v. JPMorgan Chase Bank, N.A.*, No. 22-CV-10904 (S.D.N.Y.) (the “Litigation”).
- B. The Litigation involves claims brought by GVI, pursuant to the Trafficking Victims Protection Act (“TVPA”), 18 U.S.C. §§ 1591 to 1595, the Virgin Islands Criminally Influenced and Corrupt Organizations Act, 14 V.I.C. §§ 600 to 614, and the Virgin Islands Consumer Fraud and Deceptive Business Practices Act, 12A V.I.C. §§ 301 to 336, arising from JPMC’s relationship with Jeffrey Epstein and associated individuals and entities (together, “Epstein”).
- C. On January 10, 2023, the GVI, through its Attorney General, filed a First Amended Complaint.
- D. On March 20, 2023, the Court denied JPMC’s motion to dismiss the TVPA claim and granted JPMC’s motion to dismiss the claims under the Virgin Islands Criminally Influenced and Corrupt Organizations Act, 14 V.I.C. §§ 600 to 614, and the Virgin Islands Consumer Fraud and Deceptive Business Practices Act, 12A V.I.C. §§ 301 to 336.
- E. On April 12, 2023, the GVI, through its Attorney General, filed a Second Amended Complaint to add a claim pursuant to the TVPA, 18 U.S.C. § 1591(d).
- F. On April 24, 2023, JPMC filed an answer denying any liability and asserting affirmative defenses.
- G. JPMC has brought claims against James E. Staley (“Staley”) as a third-party defendant to the Litigation.
- H. GVI as plaintiff and JPMC as defendant in the Litigation intend to fully, finally, permanently, and irrevocably resolve the Litigation between them and to settle all past, present, and future claims by GVI against JPMC that are related to, arise from, or are in any way connected to Epstein, including but not limited to Epstein’s residence in the U.S. Virgin Islands (“USVI”), Epstein’s relationship with JPMC, Epstein’s alleged sexual abuse of any person, and Epstein’s alleged sex trafficking venture.

## ADDITIONAL PROVISIONS

- I. JPMC remains committed to previous and ongoing efforts to fight human trafficking through its anti-money laundering (“AML”) program, which has included but is not limited to: (i) learning from the perspectives of experts and survivors of sex trafficking; (ii) transaction monitoring program aimed at detecting potential indicia of crimes, including, human trafficking crimes; (iii) a Know Your Customer (“KYC”) program reasonably designed to comply with federal requirements with respect to understanding the nature and purpose of customer relationships; (iv) processes to make reports to regulators and law enforcement as required by law; and (v) annually reviewing the efficacy of its AML program. Additional good-faith efforts in the JPMC AML program include:
- a. Having and implementing a process, reasonably designed, to try to identify and escalate clients associated with forced or child labor, human trafficking or slavery and not to provide banking, lending, capital markets or advisory services to clients where there is credible information of forced or child labor, human trafficking or slavery;
  - b. Annual employee training on policies and procedures to identify, report, and address evidence of human trafficking by JPMC customers, which is updated regularly to incorporate current information on the nature of human trafficking and the insight of respected organizations, experts, and survivors of human trafficking;
  - c. Establishing and implementing firmwide operational risk practices, reasonably designed to facilitate appropriate escalation and remediation of issues in the event JPMC identifies any violation of the human trafficking laws by a JPMC supplier;
  - d. Establishing and implementing practices for informing law enforcement when customers are identified as involved in human trafficking;
  - e. Establishing and implementing processes, reasonably designed and intended to ensure that accounts are not opened in the private bank without due diligence required under KYC standards, and to terminate accounts if JPMC has credible information that the account is engaged in or facilitating human trafficking;
  - f. Regular review of compliance policies to ensure that they are current and effective in identifying and addressing signs of human trafficking; and
  - e. Maintaining membership in the Wolfsberg Group, an association of 13 global banks that aims to develop frameworks and guidance for the management of financial crime risks, or a reasonable alternative group, particularly with respect to AML and counter-terror financing policies.

The statements and commitments made in this Paragraph I reflect JPMC’s ongoing good faith efforts to combat human trafficking. These statements are not contractual commitments to GVI and do not create any rights in GVI or any other person, government, or party. Nor shall any person, government, or party be a third-party beneficiary of these statements and commitments.

In consideration of the promises and mutual covenants set forth in the Terms, the adequacy of which is hereby acknowledged by all Parties to this Agreement, the Parties agree as follows:

TERMS

1. Effective Date. The “Effective Date” of this Agreement means the earliest date upon which all Parties have signed this Agreement or identical counterparts thereof.
2. No Liability. JPMC and GVI do not admit any liability in connection with this settlement. This Agreement, any act contemplated herein, or any previously or subsequently executed term sheet or agreement shall not be construed as an admission of any liability as to any person, government, or party or used in any proceeding, brought by any person, government, or party, against JPMC or GVI. For avoidance of doubt, the payments by JPMC are not and shall not be construed as a fine, penalty, assessment of punitive damages, or any similar form of payment.
3. Release. In consideration for the payments, benefits, and other promises and covenants set forth herein, the Parties voluntarily, knowingly, willingly, and irrevocably release and forever discharge each other and their agents, employees acting within the scope of their authority, as well as any of those entities’ subsidiaries, affiliates, and parents, together with each of those entities’ respective officers, directors, employees, insurers, reinsurers, or authorized agents (collectively, the “Releasees”) from any and all claims, causes of action, demands, or theories of liability that are related to, arise from or could arise from, or are in any way connected to Epstein, including but not limited to Epstein’s residence in the USVI, Epstein’s relationship with JPMC, Epstein’s alleged sexual abuse of any person, and Epstein’s alleged sex trafficking (the “Released Matters”). The Parties acknowledge that the Releasees are intended beneficiaries of this release. For avoidance of doubt, nothing contained in this MSA shall constitute a release of any of JPMC’s claims, rights, or causes of action against its insurers and reinsurers or JPMC’s claims, rights, or causes of action against Staley.

The Parties agree that this MSA is a full, fair, and final accord and satisfaction and mutual release of the Released Matters. With respect to the Released Matters, each Party expressly and voluntarily waives and relinquishes all rights and benefits that it had, has, or would have in any statutory or non-statutory law of any jurisdiction providing that a general release does not extend to claims which the party does not know or suspect to exist in its favor at the time of executing the release, which if known by it must have materially affected its settlement.

Each Party has had the opportunity to consult with and be advised by counsel regarding the meaning and effect of this release. Each Party acknowledges that this Agreement has been negotiated, drafted, and executed with the knowledge that unknown or unsuspected claims may exist and that all such claims are released and waived.

4. Covenant Not to Sue. Each Party represents, covenants, and warrants that it shall not threaten, commence, file, initiate, institute, cause, or prosecute any action or proceeding arising out of or relating to the Released Matters. Notwithstanding the above, this covenant does not extend to any action or proceeding arising out of or relating to a breach of this Agreement. This covenant is perpetual and binds the Parties' respective successors and assigns.
5. Stipulation of Dismissal. On September 29, 2023, upon execution of this Agreement, the Parties will file a stipulation of dismissal in the Litigation, in the form attached hereto as Exhibit A, specifying that the dismissal shall be with prejudice. The Parties hereby agree that the dismissal is not appealable and that each Party shall bear its own costs of suit, expenses, and attorneys' fees except as otherwise provided herein.
6. Settlement Amount. For each of the below Settlement Amounts, JPMC shall make the payment, or cause it to be made, by electronic funds transfer within twenty (20) business days after the later of the execution of this Agreement or completion of all of the following steps for each payment as set forth below and in Section 7: (i) provision by USVI to JPMC of a completed W-9 tax certificate; and (ii) provision by USVI to JPMC of accurate wire transfer instructions (including contact information for a telephonic confirmation of the instructions) on the payee's letterhead:
  - a. \$10 million, on behalf of and at the request of the GVI, to the class action settlement fund established in the pending civil litigation, *Jane Doe 1 v. JPMorgan Chase Bank, N.A.*, No. 22-CV-10019-UA (S.D.N.Y.) (the "*Doe* Litigation") ("Class Funds"), for the provision of mental health services to be administered by the Claims Administrator in her discretion, for the sole benefit of Class Members, as that term is defined in the *Doe* Litigation Stipulation of Settlement (ECF No. 181-1). The Class Funds shall be wired to the Qualified Settlement Fund as that term is defined in the *Doe* Litigation Stipulation of Settlement (ECF No. 181-1). In the event that the Class Funds are not or cannot be accepted or distributed by the Qualified Settlement Fund, the funds, or any undistributed balance, will revert to the Crime Prevention/Prosecution Fund of the USVI for the Attorney General of the United States Virgin Islands ("AG") (including any acting AG) or the designated Assistant Attorney General ("AAG") to determine distribution;
  - b. \$25 million contribution to the Attorney General of the U.S. Virgin Islands' Crime Prevention/Prosecution Fund to be used to enhance and support infrastructure for prosecution and enforcement measures necessary to combat all crimes and violations of law in the Virgin Islands including but not limited to training, advocacy, operations/operational services, and capital improvement measures in keeping with fulfilling the statutory mandates of the Virgin Islands Department of Justice;
  - c. \$20 million to a grant fund that shall be created by GVI pursuant to Section 7 (the "Charitable Fund") to enhance the delivery and advocacy of support services to vulnerable, disenfranchised individuals and community organizations by providing access to grant and scholarship services to address social ills, including but not

limited to sex trafficking, human trafficking, mental health initiatives, domestic violence and poverty (“Charitable Donation”); and

- d. \$20 million to Motley Rice LLC as full and complete satisfaction of attorneys’ fees and expenses incurred by GVI in connection with the Litigation.

7. Charitable Donation. Within 90 days of execution of this Agreement GVI will create the Charitable Fund required to receive the Charitable Donation, which shall be used to distribute funds to organizations for the purpose of serving or enhancing the delivery and advocacy of support and scholarship services to vulnerable, disenfranchised individuals and reducing vulnerability to crime, including reducing and preventing sex trafficking, sexual crimes, and other crimes and providing services or tools to help support survivors on their paths toward freedom and healing. The Charitable Fund must be a registered 501(c)(3) public charity in good standing with the Internal Revenue Service (IRS) and the United States Virgin Islands Bureau of Internal Revenue (BIR) and have an existing product that actively manages funds for charitable use distribution only. In the event that the Charitable Fund is not created within 20 days of the execution of this Agreement, the Parties shall, within 7 business days, agree upon and establish an interest-bearing escrow account into which the Charitable Donation shall be deposited, and JPMC shall have 7 business days from the establishment of the escrow account to deposit the Charitable Donation into the escrow account. The terms of the escrow account shall provide that the Charitable Donation shall be held in escrow until such time as the Charitable Fund is created, and that the Charitable Donation may only be released from the escrow account to the Charitable Fund. In the event that the Charitable Fund is not created within 90 days of the execution of this Agreement, GVI may, with prior written notice to JPMC, extend the time period to create the Charitable Fund by an additional 90 days, and the grant funds will remain in the escrow account. In the event that the Charitable Fund is not created after the second 90-day period, the Parties may agree to further extend the time period for creating the Charitable Fund. For the avoidance of doubt, the Parties intend that these funds are used for the charitable purposes stated herein and do not intend that these funds revert to JPMC.

- a. AG as Fund Advisor: The AG (including any acting AG) or designated AAG shall serve as the Advisor of the Charitable Fund, responsible for identifying and recommending charitable organizations and initiatives to be funded by the Charitable Donation.
- b. Trustee: The role of “Trustee” is designated to the Charitable Fund’s organization and standard process for managing charitable recommendations.
- c. Due Diligence: Following the guidelines of the Charitable Fund, it will conduct thorough due diligence on all recommended charitable organizations to ensure they are IRS- and BIR-qualified public charities and that the funds granted will be used for the identified charitable purposes.
- d. Investment and Preservation of the Corpus: The Charitable Fund shall be responsible for investing the Charitable Fund’s assets in a manner that ensures the

preservation of the corpus while generating reasonable returns to support the Charitable Fund's charitable activities. Establishment of a donor-advised fund account at any financial institution to maintain the Charitable Fund shall be deemed satisfaction of this condition.

- e. Reporting and Transparency: The Advisor shall provide regular reports to the Governor and the Virgin Islands Legislature on the Charitable Fund's activities, including details of the charitable organizations supported, the amounts granted, and the effectiveness and impact of the Charitable Fund's contributions as required by the laws of the USVI.
8. Disclosure. The Parties will not make or cause to be made any public statement disparaging the other. Notwithstanding the foregoing, nothing in this Agreement, including any non-disclosure or confidentiality provision, prohibits or restricts any Party (or Party's attorney) from initiating communications directly with, filing a charge or complaint with, or responding to any inquiry from, or providing testimony before, the SEC, FINRA, or any other self-regulatory organization or any other federal or state regulatory authority regarding this Agreement or its underlying facts or circumstances.
9. Choice of Law. This MSA is deemed entered into in the State of New York and shall be governed by New York law.
10. Forum Selection. The Parties agree to submit to the exclusive jurisdiction of the Courts of the State of New York and the United States District Court for the Southern District of New York for the purposes of any judicial proceeding brought in connection with the MSA and waive the right to any objection to personal jurisdiction or to the laying of venue of any such ancillary suit, action or proceeding in such Courts of the State of New York.
11. Severability. The Parties agree that if any of the provisions contained in the MSA are declared illegal, unenforceable, or ineffective by a legal forum of competent jurisdiction, such provisions shall be deemed severable, such that all other provisions shall remain valid and binding upon the Parties.
12. Waiver. No waiver of any breach of any provision of this MSA shall constitute a waiver of any prior, concurrent, or subsequent breach of the same or any provisions hereof, and no waiver shall be effective unless made in writing and signed by an authorized representative of the waiving Party.
13. Full Capacity. Each Party's representative executing this document represents that he or she has the full mental and physical capacity and legal authority to enter into, execute, and perform this MSA and resolve the Litigation. Each Party is the sole holder of all claims and has not assigned or transferred any interest, in whole or in part, of any claim.
14. Entire Agreement. This is an enforceable Agreement. This Agreement constitutes the entire agreement between the Parties with respect to the settlement of this matter and supersedes all previous communications, representations, agreements or understandings, either oral or written, between the Parties with respect to the settlement of the Litigation. This Agreement contains the complete, full, and exclusive understanding of the Parties as

to the settlement of the Litigation and all prior or contemporaneous written or oral agreements with respect to the settlement of the Litigation are merged herein. Each Party enters into this Agreement following extensive discovery in the Litigation, and expressly disclaims any reliance on any representations, warranties, or inducements of the other Party.

15. Court Rulings. The Parties agree that any rulings made by the Court on or after execution date of this Agreement shall not be a basis to alter the terms of the Agreement. This includes, but is not limited to, any ruling by the Court in the Litigation related to pending motions for summary judgment and/or *Daubert* motions.
16. Inurement. This Agreement shall extend and inure to the benefit of the Parties and their respective successors and assigns, and be binding upon the Parties and their respective successors and assigns. The Parties agree that no person, government, or party other than the Parties shall be a third-party beneficiary of this Agreement, with the sole exception of that the Releasees are intended third-party beneficiaries of the release contained in Section 3. For avoidance of doubt, nothing contained in this MSA shall constitute a release of any of JPMC's claims, rights, or causes of action against its insurers and reinsurers or JPMC's claims, rights, or causes of action against Staley.
17. Counterparts. This Agreement may be signed in counterparts, each of which shall be deemed an original hereof, but all of which together shall constitute one and the same instrument. Delivery of signatures by means of facsimile or electronic mail shall be as effective as original signatures.
18. Confidentiality. No Party shall disclose any negotiations seeking resolution of the Litigation, or any of the underlying facts, claims, or discovery in connection with the Litigation, except as provided for in Section 8, pursuant to a court order, or with the prior written consent of the other Party. For the avoidance of doubt, nothing shall prohibit disclosure of this MSA to Releasees. Furthermore, for the avoidance of doubt, the Parties agree not to disclose or share information as set forth in this Section and Section 27 arising out of or relating to the Litigation or any of the facts and circumstances giving rise to this Agreement.
19. Comprehension. Each Party acknowledges that it has been represented by independent legal counsel of its own choice throughout the negotiation, drafting, and execution of this Agreement. Each Party also acknowledges that it has executed this Agreement with the consent and on the advice of such independent legal counsel. Each Party further acknowledges that it and its counsel have had adequate opportunity to make whatever investigation or inquiry they may deem necessary or desirable in connection with the subject matter of this Agreement before executing it. Each Party has authorized and directed its respective legal counsel to execute and deliver such other and further documents as may be required to carry out the terms and conditions of this Agreement.

The Parties represent and warrant that they have read and been advised by competent counsel regarding this Agreement, that they understand this Agreement's provisions and

legal effect, that they understand their rights and obligations, and that they are knowingly, willingly, and voluntarily entering into this Agreement.

20. Construction and Interpretation. Both the Parties and their counsel have reviewed and participated in drafting this Agreement, and the rule of construction that any ambiguities are to be resolved against the drafting Party shall not be employed in interpreting this Agreement. This Agreement has been and shall be construed as having been drafted by all Parties.

The section headings are inserted for convenience of reference only and are not intended to be a part of or to affect the meaning or interpretation of, or otherwise used to interpret or construe, this Agreement.

21. Amendment and Modification. This Agreement may not be amended or modified except in writing signed by all Parties to this Agreement. No other act, document, usage, or custom shall be deemed to amend or modify this Agreement.
22. No Agency. This Agreement shall not and does not create a relationship of principal and agent, partnership, or joint venture between the Parties. The Parties shall not under any circumstances act as or represent themselves to be such.
23. Staley. JPMC agrees to hold harmless GVI in the event that Staley sues or otherwise brings a claim or action against GVI for matters substantially related to the Litigation. JPMC reserves all rights with respect to pursuing claims against Staley.
24. Cooperation. The Parties (a) acknowledge that it is their intent to consummate this MSA; and (b) agree to cooperate to the extent reasonably necessary to effectuate and implement all terms and conditions of this MSA.
25. Exhibits. All Exhibits to this MSA are material and integral parts hereof and are fully incorporated herein by reference. Notwithstanding the foregoing, in the event that there exists a conflict or inconsistency between the terms of this MSA and the terms of any Exhibit attached hereto, the terms of the MSA shall prevail.
26. Privileges. Nothing in this MSA, or in the negotiations relating thereto, is intended to or shall be deemed to constitute a waiver of any applicable privilege or immunity, including, without limitation, attorney-client privilege, joint defense privilege, or work product protection.
27. Continued Effectiveness of the Protective Order. The terms of the Protective Order (including any subsequent protective orders) and any Court order governing the confidentiality of information and documents produced in the Litigation shall remain in effect after the Effective Date.
28. Full and Complete Agreement. This agreement contains the complete, full, and exclusive understanding of the Parties as to the settlement of the Litigation and all prior or



contemporaneous written or oral agreements with respect to the settlement of the Litigation are merged herein.

Accepted by and agreed to:

*Ariel M. Smith, Attorney General*

9/29/2023

Date: \_\_\_\_\_

Ariel M. Smith, Esq.  
*Attorney General of the United States Virgin Islands*

Accepted by and agreed to:

*Stacey Friedman*

9/29/2023

Date: \_\_\_\_\_

Stacey Friedman, Esq.  
*Executive Vice President and General Counsel, JPMorgan Chase & Co.*

# Exhibit A

**IN THE UNITED STATES DISTRICT COURT  
FOR THE SOUTHERN DISTRICT OF NEW YORK**

GOVERNMENT OF THE UNITED  
STATES VIRGIN ISLANDS,

Plaintiff,

v.

JPMORGAN CHASE BANK, N.A.,

Defendant/Third-Party  
Plaintiff.

Case No. 22-cv-10904 (JSR)

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JPMORGAN CHASE BANK, N.A.,

Third-Party Plaintiff,

v.

JAMES EDWARD STALEY,

Third-Party  
Defendant.

**GOVERNMENT OF THE UNITED STATES VIRGIN ISLANDS'  
STIPULATION OF DISMISSAL**

Pursuant to Federal Rule of Civil Procedure 41(a)(1)(A)(ii), Plaintiff the Government of the United States Virgin Islands submits this stipulation of dismissal of its claims against Defendant JPMorgan Chase Bank, N.A. The dismissal shall be with prejudice.

Privileged & Confidential  
Subject to Settlement/Mediation Privilege/FRE 408

Dated: September 29, 2023

**WILMER CUTLER PICKERING  
HALE AND DORR LLP**

/s/ Felicia H. Ellsworth

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**JONES DAY**

Respectfully submitted,

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