
From: jeffrey E. <jeevacation@gmail.com>
Sent: Tuesday, October 6, 2015 10:10 AM
To: Richard Kahn
Subject: Re: FW: Subbase Drydock, Inc. RE: BIG N Project

ok

On Mon, Oct 5, 2015 at 8:48 PM, Richard Kahn <[REDACTED]> wrote:

Anna and Bosco both said barge is operating well and that Subbase came by AYH over weekend to check in on barge and make sure everything was ok

The last time we discussed unpaid balance you mentioned I should wait two weeks before negotiating and paying

Based on email below please advise if I shall still wait or attempt to negotiate and pay outstanding invoices

Island Rigging Invoice - materials & oil disposal 2,670

Island Rigging Invoice - labor = 4,123

Subbase - additional labor & fuel disposal invoice 3,508

<iv>Total 10,311

From: Mary Kral <[REDACTED]>

Reply-To: Mary Kral << href='[REDACTED]>

Date: Monday, October 5, 2015 at 4:18 PM

To: Ann Rodriguez <[REDACTED]> Richard Kahn

Subject: Subbase Drydock, Inc. RE: BIG N Project

Good Day, Ms. Rodriguez and Mr. Kahn=

We would like to follow up with you both, as we did not hear back from either of you from our letter of 9/28/15. We began our business in 1981 with three employees. After 34 years, Subbase Drydock employs 33 personnel and the majority of sales are derived from labor. We pride ourselves on our professional reputation and the loyal clientele established among clients from Europe, North America and the Caribbean. Our clients also include charter yachts, private yachts, ferries, tugs, and barges from the USVI, BVI and Puerto Rico.

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I must say that the manner in which the LSJ Management company handled the Big N project was disjointed. There was no one here overseeing the project and reviewing the work being done and asking the pertinent questions. Communication was via email or phone. Anna, you were very good and most pleasant to work with and we have no complaints; however, honestly, the overhaul of the Big N is not your area of expertise. </iv>

Mr. Kahn, you phoned my office on 9/24 with a host of issues raised, which I answered in detailed technical explanations. I am not sure how familiar you are with marine repairs, particularly overhauls such as the scope of Big N. You closed the conversation by stating you would get back to me on Monday, 9/28. I never heard from you.

This was a well performed job, yet, my tenant, Island Rigging and Subbase Drydock are left with unpaid balances. This is most unprofessional and I am asking for a response from either/or both of you as to why this is what you chose to do.

Best Regards=

Eugene Kral, Sr.
Subbase Drydock, Inc.
St. Thomas, USVI 00802
TEL: [REDACTED]
FAX: [REDACTED]
www.subbasedrydock.vi

From: Richard Kahn <[REDACTED]>
Date: Friday, September 25, 2015 at 12:21 PM
To: Jeffrey Epstein <jeevacation@gmail.com <mailto:jeevacation@gmail.com> >
Subject: Barge

Just spoke with Gene from Subbase regarding outstanding invoices:

balance due per original 260,000 invoice 58,843

balance due on unpaid 8,000 engine work 8,000
Island Rigging Invoice - material & oil disposal 2,670
Island Rigging Invoice - labor 4,123
Subbase - additional labor & fuel disposal invoice 3,518

Total 77,954

I told Gene that we wanted to do a 10% holdback as we have done in all of our previous construction contracts. He said that this is the first time he is hearing of this and cannot do this in the last hour. If we mentioned before work began we would have considered.

Regarding invoices above I told him 58,843 and 8,000 were as originally agreed to and we were ok to pay. I told him that when we agreed to 260,000 he specifically said that he would not nickel and dime us on small stuff

and that we believed invoices for Island Rigging (2,670 & 4,123) and Subbase 3,518 felt like we were being nickeled and dimed after almost 360,000

in work with him. He strongly disagreed and went on with all the extra work he did. I told him that I would like to pay him 58,843 and 8,000 today and we would revisit 3 other small charges totaling 10,311 on Monday. I think at best I can get him to agree to 60% of 10,311 as he is being very firm. He also said he stands by all his work that he just completed.

Gene will release boat this afternoon to Bosco if we pay 66,843

Please advise if ok to pay 66,843
Thank you

Richard Kahn
HBRK Associates Inc.
575 Lexington Avenue 4th Floor
New York, NY 10022



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please note

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