

and the Class, to himself or the Defendant Entities for his own personal gain or use.

85. Epstein utilized securities and cash, which properly belonged to TFC, Plaintiffs and the Class, and for which his co-conspirator Hoffenberg is court ordered to pay restitution, for the benefit of himself and/or the Defendant Entities.

86. Epstein utilized these funds in contravention of their intended, disclosed purpose, and Epstein, ignoring the intended, disclosed purpose, transferred the funds to himself and/or to the Defendant Entities, for his own personal gain or use.

87. TFC reasonably relied upon the Ponzi scheme, which was created and executed by Epstein, and that such scheme was in the best interests of TFC.

88. Plaintiffs and the Class reasonably relied upon the fraudulent Ponzi scheme, which was created and executed by Epstein, and that such scheme was in the best interests of Plaintiffs and the Class.

89. In an effort to continue to conceal this fraud from Plaintiffs and the Class, Epstein continues to hide and refuses to identify the assets and funds which were improperly transferred to Epstein and/or the Defendant Entities.

90. In an effort to conceal the fraud from banks, financial institutions and current investors of his holdings and syndication of margin accounts, Epstein continues to hide and refuses to identify the assets and funds which were improperly transferred to Epstein and/or the Defendant Entities.

91. As a direct and proximate result of the foregoing fraudulent acts, Plaintiffs and the Class have been damaged.

92. The Defendants at all times acted with malice.

93. The fraudulent actions of the Defendants merit the imposition of punitive damages.