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UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK
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PRESCIENT ACQUISITION GROUP,
INC. d/b/a PRESIDENT CAPITAL
CORP.,

Plaintiffs,

v.

05 cv 6298 (PKC)

MJ PUBLISHING TRUST, MICHAEL
J. JACKSON,

Defendants.
-----x

New York, N.Y.
April 11, 2006
2:15 p.m.

Before:

HON. P. KEVIN CASTEL,

District Judge

APPEARANCES

ALTMAN & COMPANY, PC
Attorneys for Plaintiff Prescient Acquisition Group
STEVEN ALTMAN
ERIC ROSENBERG

WACHTEL & MASYSR
Attorneys for Defendants
WILLIAM B. WACHTEL
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ALEXANDER DELUCHA
COZEN & O'CONNOR
Attorneys for Defendant Perfect Circle
DONALD N. DAVID
BRIAN A. BLOOM

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(In open court)

THE COURT: Sir, good afternoon.

MR. ALTMAN: Good afternoon. I'm pleased to report that the parties have resolved by consent the pending motion, on the following terms: I propose to read it into the record, and I think Mr. wachtel and I agree if there's some quibbles, we'll happily resolve them.

1) Mr. wachtel's firm has agreed to accept service on behalf of New Horizon Trust.

2) New Horizon Trust has agreed to waive any and all jurisdictional objections.

12 3) Until 30 days after the date on which a final
13 judgment is entered in this action, the defendants, including
14 New Horizon Trust, shall give prior written notice to Prescient
15 of at least 30 days after becoming aware of a transaction or
16 series of transactions that may result in the transfer, lien,
17 or further encumbrance of all or any part of
18 i) The MIJAC Catalogue,
19 ii) The 50 percent interest of MJ-ATV Publishing Trust
20 in Sony/ATV Music LLC and/or
21 iii) The Neverland Valley Ranch, together with a
22 reasonably detailed description of such contemplated transfer,
23 lien, or encumbrance and such draft documents as may exist.
24 Such notice shall be given by facsimile and email to the
25 following addresses:

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1 Stephen Altman, Altman & Company, PC, 260 Madison
2 Avenue, 22nd Floor, New York, New York, 10016. Fax number
3 (212) 683-7655. Email address Saltman@altmanco.net.
4 Donald N. David, Esq., Cozen & O'Connor, PC, 909
5 Third Avenue, New York, New York, 10022, fax number (866)
6 832-7106. Email address ddavid@cozen.com.
7 4) And final point: Plaintiff's preliminary
8 injunction application is withdrawn. The plaintiffs
9 acknowledge and agree that for purposes of point 3, it has
10 notice of the transaction and transfers and encumbrances
11 contemplated to the \$300 million transaction that's the subject
12 of the motion.

13 I think that accurately reflects our understanding of
14 the agreement to deal with the pending application.

15 We were less successful in the global talks, is all I
16 suppose I should say at the moment, despite best efforts, and
17 we thank you.

18 MR. WACHTEL: Your Honor, one amplification or
19 modification, which is, that my client and the lenders want to
20 know that when they go back to their offices today, they're not
21 going to be faced with another application to challenge this
22 transaction. In other words, they'd like to know that the
23 preliminary injunction application is withdrawn with prejudice,
24 and that the transactions that are being effectuated under the
25 current contemplated transaction themselves will not be -- they

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1 will not seek to undo those as a matter of equitable relief.
2 They just need that comfort, otherwise, the cloud remains.

3 MR. ALTMAN: I think it's just a semantic in detail.
4 For purposes of the application, my Exhibit T, I think, in our
5 main moving papers was the latest draft that we were aware of.
6 The defendants, and particularly Fortress, would like us to
7 represent that there's nothing -- so long as the current
8 transaction is the \$300 million loan and \$20 million additional
9 loan secured by Neverland, we agree. I just don't know what
10 the final deed documents are because I don't have them.

11 THE COURT: Is that acceptable?

12 MR. WACHTEL: One second. Yes, your Honor, that's
13 acceptable. Thank you very much.

14 THE COURT: All right. On that basis, I will adopt
15 the stipulation of the parties as an order of this court. If
16 the plaintiff wants to reduce that to the form of written order

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17 on notice to all other parties and submit it to me, I'll sign
18 it as an order as well. And I thank you all for working hard
19 to get this resolved. It was an interesting issue. I enjoyed
20 delving in it. It was a distraction from other things I was
21 working on.

22 MR. WACHTEL: There's a tiny discovery issue, but I
23 think we should probably do it another day.

24 THE COURT: I think you should. This is what you
25 should do with your tiny discovery issue. No. No. No. No.

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1 I might be thinking things, but that isn't what I was going to
2 say. This is what you should do: Meet and confer.

3 MR. WACHTEL: We did.

4 THE COURT: If you get to the point you're at a
5 roadblock, a joint letter. The joint letter should include the
6 text of the discovery request, the response, any legal argument
7 you want to advance. Submit it to me. I will either decide it
8 on the motion, on the letter motion. I'll require formal
9 briefing. I may set it down for a hearing, but the most likely
10 result is I'll decide it on the basis of the letter.

11 MR. WACHTEL: It's 30 extra days of discovery, so I'll
12 send you a short letter and that will be easy. Thank you very
13 much, your Honor.

14 THE COURT: Okay.

15 MR. DAVID: Thank you, your Honor.

16 THE COURT: Quite welcome. Thank you all. Appreciate
17 it.

18 (Adjourned)

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