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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
10:00 a.m.

Before:

HON. P. KEVIN CASTEL,

District Judge

APPEARANCES

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

WACHTEL & MASYS
Attorneys for Defendants
WILLIAM B. WACHTEL
EVAN S. WEINTRAUB
ALEXANDER DELUCNA

COZEN & O'CONNOR
Attorneys for Intervenor Perfect Circle
BRIAN A. BLOOM

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(In open court; case called)

DEPUTY CLERK: Is counsel for the plaintiff ready?

MR. ALTMAN: Plaintiff is ready, your Honor.

DEPUTY CLERK: State your appearance, please.

MR. ALTMAN: Steven Altman, Altman & Company, PC, for
plaintiff; Prescient Acquisition Group, Inc.

THE COURT: All right. And with you is?

MR. ALTMAN: Eric Rosenberg.

DEPUTY CLERK: Are defendants ready?

MR. WACHTEL: Good morning, your Honor, William

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11 wachtel from the law firm of wachtel & Masyr, my colleague Evan
12 Weintraub, on behalf of the defendants in this action.

13 THE COURT: Intervenor ready?

14 MR. BLOOM: Your Honor, Brian Bloom from Cozen
15 O'Connor. We represent Perfect Circle Entertainment, the
16 intervener plaintiff.

17 THE COURT: All right. This is the return on the
18 order to show cause in support of a preliminary injunction. So
19 it's the movant's application, you may proceed.

20 MR. ALTMAN: Thank you, your Honor. I'll try to be
21 brief and focus on things that might not be as clear as perhaps
22 they could have been if we had more time.

23 THE COURT: Is this argument?

24 MR. ALTMAN: Yes.

25 THE COURT: Do you have any evidence you're submitting
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1 in support of the preliminary injunction other or different
2 than what is annexed to your motion papers?

3 MR. ALTMAN: I have one document that I would like to
4 submit, your Honor. It is a document that bears Bates stamp
5 number F025756 and 57.

6 THE COURT: Have you shown it to the other side?

7 MR. ALTMAN: This is a document that was produced by
8 Fortress's counsel, Sidley & Austin.

9 THE COURT: Are you offering it into evidence?

10 MR. ALTMAN: I am offering it into evidence in support
11 of our application.

12 THE COURT: Is there an objection?

13 MR. WACHTEL: Let me read it for a second, your Honor.

14 THE COURT: Sure.

15 MR. WACHTEL: Your Honor, this apparently is
16 communication between the lawyers trying to close the action
17 which the subject of the injunction. I'm not quite sure what
18 the evidentiary basis upon which this would be admissible under
19 the circumstances.

20 THE COURT: What's the basis for your objection?

21 MR. WACHTEL: There's no authentication.

22 MR. ALTMAN: I think Mr. Treblanc happens to be in the
23 courtroom, I would be happy to put him on the stand. The
24 e-mail that I'm particularly interested in is the one from John
25 Branca to Carl Block and Mr. Treblanc. I may be mispronouncing

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1 it. The subject is MJ.

2 MR. WACHTEL: Your Honor, if you feel that --

3 THE COURT: No, it's nothing about what I feel, it's
4 do you object or do you not object?

5 MR. WACHTEL: I don't object, your Honor.

6 THE COURT: I'm sorry?

7 MR. WACHTEL: I withdraw my objection.

8 THE COURT: Okay. So this is being offered as
9 Plaintiff's Exhibit A at the hearing?

10 MR. ALTMAN: Yes.

11 THE COURT: And it will be received without objection
12 as Plaintiff's Exhibit A.

13 (Plaintiff's Exhibit A received in evidence)

14 THE COURT: Anything further by way of evidence,
15 Mr. Altman?

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16 MR. ALTMAN: No, your Honor.
17 THE COURT: All right. Does the defendant have any
18 evidence which it seeks to introduce at this hearing above and
19 beyond the submissions in opposition to the preliminary
20 injunction motion?
21 MR. WACHTEL: Yes, your Honor, there is one document
22 which we just obtained actually this morning, and it is the
23 draft of the New Horizon Trust agreement dated as of
24 April 10th, 2006. I know my colleague has seen prior drafts.
25 This is literally, as I guess they say, hot off the press.

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1 MR. ALTMAN: I have no objection to the document other
2 than to note, your Honor, after we submitted our reply papers I
3 think I noticed there were 27,000 documents, none of which --
4 this is the first document with respect to this transaction
5 produced by the defendants, none, none were produced.
6 In addition to the 27,000 that were produced as of
7 when we submitted our reply brief yesterday, we got another
8 9,000 last night. This document may be in that 9,000 pages.
9 But other than the timing of it and our -- I think we have
10 expressed in the papers our concern about the defendant's
11 secrecy of the document.

12 THE COURT: Mr. Altman, I have no idea what you just
13 said. Do you object to the admission of the document or do you
14 not object to the admission of the document?

15 MR. ALTMAN: No objection, your Honor.

16 THE COURT: All right. That's being offered as
17 Defendant's Exhibit 1?

18 MR. WACHTEL: Yes, your Honor.

19 THE COURT: Received without objection.
20 (Defendant's Exhibit 1 received in evidence)

21 THE COURT: Any other evidence from the defendants?

22 MR. WACHTEL: No, your Honor.

23 THE COURT: Is there a rebuttal case by the
24 plaintiffs?

25 MR. ALTMAN: No, your Honor.

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1 THE COURT: All right. Both sides rest; is that
2 correct?

3 MR. ALTMAN: That's correct.

4 MR. WACHTEL: Yes, your Honor.

5 THE COURT: Does the intervenor have any evidence it
6 wishes to offer?

7 MR. BLOOM: Nothing further, your Honor.

8 THE COURT: All right. The evidentiary record on this
9 hearing is now closed.

10 Now Mr. Altman, I'll hear from you now.

11 MR. ALTMAN: Thank you, your Honor. And perhaps the
12 best place for me to start is we believe this is a classic
13 fraudulent conveyance. The transfer of all the assets, and
14 these are all of the assets that Mr. Jackson has, all the
15 assets that he has are the collateral for the current
16 indebtedness. The proposed transaction is very simple. They
17 want to take all that collateral and move it to a new entity.

18 That is a perfectly appropriate transaction if there
19 weren't a creditor that exists that has asserted a claim
20 already. It's such a basic concept of asset protection and

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21 fraudulent conveyance that Mr. Rosenberg reminded me it was on
22 our CLE tapes this past year. The question is when was the
23 trust created and when do the assets move.
24 If the client comes to the lawyer and says I just ran
25 over someone, I want to take all my assets and move it to a new

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1 trust, the lawyer says you can't do it now. If you did it
2 yesterday, it would be a legitimate transaction.
3 THE COURT: Gee, we may have a fundamental difference
4 of opinion on a basic point. If somebody in is an auto wreck,
5 the person is injured, and they say I want to sell my house,
6 what does the lawyer say to the person who caused the injury if
7 he says I want to sell the house?

8 MR. ALTMAN: Nothing wrong with that at all.

9 THE COURT: Why not?

10 MR. ALTMAN: If, in the ordinary case, that's what
11 they would do.

12 THE COURT: No. I'm doing it because I got into this
13 auto wreck, I'm selling my house, I'm moving out of the
14 community. I was in the community, I caused an auto wreck,
15 somebody was severely injured, I'm leaving town. I had no plan
16 on leaving town before the auto wreck, now I'm leaving.

17 MR. ALTMAN: If the sale is for fair value.

18 THE COURT: Thank you. Why isn't that principle
19 applicable here?

20 MR. ALTMAN: Because there is no fair value coming
21 back.

22 THE COURT: That's the issue; isn't it?

23 MR. ALTMAN: It's one of the issues, for sure.

24 THE COURT: All right. But a minute ago I heard you
25 advancing a proposition which is if you know of the debt and

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1 you have a transfer, then it's a classic case of fraudulent
2 conveyance.

3 MR. ALTMAN: Then I overstated it, your Honor, and I
4 apologize.

5 THE COURT: So let's go back to basics here on fair
6 value. Let me ask you this: If there is fair value, do you
7 have a basis for preliminary injunction?

8 MR. ALTMAN: We have to show there's no fair value as
9 to us.

10 THE COURT: Well, isn't it fair value for the
11 transfer? Isn't that what the fair value is at issue is
12 whether the transfer is for fair value?

13 MR. ALTMAN: From the perspective of the creditor.

14 THE COURT: Not whether the transaction is fair value
15 to the creditor, but whether the transaction is fair value.
16 Isn't that the issue?

17 MR. ALTMAN: No.

18 THE COURT: What's the support for the proposition
19 that the issue is not whether the transfer is for fair value?

20 MR. ALTMAN: The Interpool case.

21 THE COURT: Tell me about it.

22 MR. ALTMAN: In Interpool -- Interpool was a case
23 where --

24 THE COURT: There was a transfer of fair value.

25 MR. ALTMAN: There was a transfer for fair value

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1 during the pendency of the lawsuit, and what happened was this
2 defendant transferred substantially all their assets to a
3 limited partnership.
4 THE COURT: For fair value?
5 MR. ALTMAN: For what he claimed was fair value.
6 THE COURT: Well, you can challenge the fair value
7 determination, the question in this case is whether there was a
8 transfer for fair value. And I'm getting two different answers
9 from you. I kind of got a yes, that's the issue, then I got
10 something different, which I thought I heard you say the issue
11 is not whether the transfer was for fair value but whether the
12 issue was something like a transfer for fair value from the
13 point of view of the creditor or some such thing.
14 MR. ALTMAN: That is I think an accurate restatement
15 under debtor creditor law section 272. To show fair value it
16 has to be an exchange of equivalent value and in good faith.
17 The way that it's analyzed here in Interpool at page 267, the
18 court wrote: Here arguments were without merit. The existence
19 if a fair exchange must be determined from the perspective of
20 creditors rather than the vantage point from the debtor.
21 There in Interpool, as here, the debtor transferred
22 substantially all of his assets to a family trust. There was a
23 follow-on transfer also. The Court in Interpool held -- now
24 they don't find out about it until after they had gotten
25 judgment in judgment enforcement proceeding. Here it's the
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1 same situation, we just found out about it earlier.
2 THE COURT: But ultimately the issue is whether there
3 was fair value.
4 MR. ALTMAN: From the creditor's point of view.
5 THE COURT: Tell me how I decide fair value
6 differently from fair value from the creditor's point of view.
7 What's the different between fair value and fair value from the
8 creditor's point of view?
9 MR. ALTMAN: It's explicated actually by Judge Kaplan
10 in --
11 THE COURT: well, you explain to me the difference
12 between the two.
13 MR. ALTMAN: Where it's not equivalent value from the
14 execution. We're account executioner. If we get a judgment in
15 this case, assuming all those arguments, we get a judgment, can
16 we execute on those assets in an equivalent fashion as we can
17 now?
18 THE COURT: well, you couldn't execute against the
19 house in the hypothetical.
20 MR. ALTMAN: True, but in this case -- Execute
21 against the cash.
22 THE COURT: Correct.
23 MR. ALTMAN: Because the cash isn't gone.
24 THE COURT: Because there's fair value in the
25 hypothetical. The house is a half a million dollar house, it
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1 sold for a half a million dollars. The asset is no longer
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2 within the reach of the creditor, but what is now within the
3 reach of the creditor is the half a million dollars in cash,
4 the fair value.
5 MR. ALTMAN: If, in your hypothetical, the cash is
6 unreachable by the creditor --
7 THE COURT: How is it unreachable?
8 MR. ALTMAN: If he takes it -- if he lives in Bahrain.
9 THE COURT: Okay. We're talking about two steps now.
10 You seek received fair value for the house, it's a \$500,000
11 house, you get \$500,000. Now you have \$500,000. If you
12 dissipate that, if you secret that, if you transfer that or
13 give it away to third parties, you have a fraudulent conveyance
14 and you have a remedy. But the transfer of the house was still
15 not a fraudulent conveyance in that hypothetical.
16 MR. ALTMAN: I agree, in and of itself it is not a
17 fraudulent conveyance. If the intent was: I'm going to sell
18 the house, regardless of price, and take the money and put it
19 in a Swiss bank account and I'll be outside of the
20 jurisdiction, I submit that it is a fraudulent conveyance.
21 We're not on those facts, our facts are actually much easier,
22 from my perspective.
23 THE COURT: I'm still trying to get an answer from you
24 whether or not you need to prove that there was a transfer for
25 less than fair value. Do you need to prove that or do you not
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1 need to prove that?
2 MR. ALTMAN: I do need to prove that.
3 THE COURT: Okay. What's your evidence that there was
4 a transfer for less than fair value?
5 MR. ALTMAN: That the exchange makes -- in the
6 language of Interpool, makes the value that was received, the
7 new value, the MJPT and MJATB's interest in New Horizon Trust
8 is execution proof or unreachable by my client when we get a
9 judgment.
10 THE COURT: How is the received value not subject to
11 execution?
12 MR. ALTMAN: I did not understand the question, your
13 Honor.
14 THE COURT: How is the value received in the transfer
15 not available for execution?
16 MR. ALTMAN: They're not a party to the action,
17 they're not located in the state, they haven't agreed to accept
18 service, they haven't agreed not to transfer it again to
19 another entity.
20 I suppose if all those things were true, if New
21 Horizon were a defendant, if they had appeared, if they didn't
22 object to jurisdiction over them and waived all jurisdictional
23 objections and agreed not to transfer it again during the
24 pendency of the action, I would agree we would not be entitled
25 to an injunction.

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1 THE COURT: Let's take it one step at a time. You
2 seek to add them as a party defendant?
3 MR. ALTMAN: Yes.
4 THE COURT: Is there any objection to that part of the
5 application?
6 MR. WACHTEL: Can I have a moment to consult with my

7 colleagues, your Honor?
 8 THE COURT: Sure.
 9 MR. WACHTEL: Let me explain to you why, if I will.
 10 THE COURT: No, just take the moment. It will be a
 11 lot faster.
 12 (Pause)
 13 MR. WACHTEL: No objection.
 14 THE COURT: All right. Any objection from the
 15 intervenor?
 16 MR. BLOOM: No, your Honor.
 17 THE COURT: So Mr. Altman, I'm granting your motion to
 18 amend to add the party you have identified in your order to
 19 show cause as a party defendant to this action. That motion is
 20 granted.
 21 MR. ALTMAN: If there were an injunction prohibiting
 22 New Horizon from transferring it again, which I think is not
 23 the intent, or at least that's what they seem to say without
 24 saying it, assuming they're appearing and the Court has
 25 jurisdiction over them, then we can go back to litigating the
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1 merits of our case and finish our discovery and get ready for
 2 trial.
 3 THE COURT: The problem with that is this: You have
 4 come in by order to show cause and you have identified a
 5 transaction that is about to happen. And I understand that. I
 6 understand why you're here. And you have sought a preliminary
 7 injunction against that transfer from happening, and I
 8 understand why you have made that application. But that is a
 9 different circumstance from your now saying as to New Horizon
 10 made a party to this action because I granted your motion that
 11 they might, they could, they -- who knows, they might have a
 12 transfer for less than fair value. It could happen. And
 13 therefore, the Court should grant a preliminary injunction
 14 because it could happen.
 15 I don't understand where that becomes a basis. You
 16 may be back before me seeking a preliminary injunction against
 17 a transfer by New Horizon to a third party for less than fair
 18 value and I might be granting your motion, but at this stage I
 19 don't see where you have the basis to seek that relief.
 20 MR. ALTMAN: Let me go back to, if I might, the fair
 21 value issue. Where the world stands now, my client's right to
 22 execute on the interest, it's easy now because I have the
 23 party, the collateral is still there, that collateral can't be
 24 dissipated. And if we get whatever the judgment is, a million,
 25 five million, 48 million, whatever it is, or just the nine
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1 percent of the 300 million that they're going to try to let in
 2 this afternoon, if that happens, my \$27 million claim, what do
 3 I levy on when I get that judgment?
 4 THE COURT: Well, I'm not unsympathetic. I'm not at
 5 all unsympathetic because that really goes back to the house
 6 hypothetical. If the house is there on Elm Street, it ain't
 7 going anywhere. I know where it is, I can attach it, I can
 8 foreclose on it, my money is good as gold.
 9 Once that asset is transferred and now there is
 10 bullion, specie, currency, choses in action, who knows what,
 11 those things are less easy to keep an eye on. I can watch the

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12 recorder's office, I can see if anybody tries to do anything
13 with the house on Elm Street. It's not quite so easy when I'm
14 dealing with choses in action, specie, bullion, currency,
15 whatever you want to call it.

16 MR. ALTMAN: I appreciate the analogy, but I just
17 don't think it fits here. In the current situation the
18 trust -- it requires no further step. Once it's transferred to
19 New Horizon, and New Horizon is not -- isn't bound not to
20 transfer it again away, it's out of our reach, it's gone, even
21 if we have this claim for a fraudulent conveyance.

22 Now I submit that, as we set forth in the brief, there
23 are the indicia that this was not a bone fide transaction, it
24 was not done in good faith, and that it appears regent, the
25 defendant didn't tell us anything about it, we don't get any

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1 documents about it, we happen upon it because of some
2 third-party discovery, and that third-party discovery they
3 resist fairly significantly. And I understand why. To me, I
4 submit, what they're trying -- that exactly shows it wasn't in
5 good faith and it was intended specifically to evade our
6 creditor claims. It's a bone fide business.

7 If I'm Fortress and I'm sitting with my businessman's
8 hat and advising them, I say listen, he got this claim out of
9 there for \$48 million by Prescient pending in Federal Court in
10 downtown Manhattan, we want to make our claim free and clear of
11 it. The reason why I submitted just this one page is I think
12 Mr. Branca is, to my mind, a very smart man. He said the same
13 thing.

14 THE COURT: He's the Fortress guy?

15 MR. ALTMAN: No, Branca is the other claimant against
16 Mr. Jackson in the indemnification provisions in the credit and
17 security agreement. I guess Mr. Wachtel gave me the trust
18 agreement but not the credit and security agreement, but
19 presumably whatever the current draft of that indemnification
20 provision, there's a carve-out. Fortress says: Michael
21 Jackson, you have pay, not us, you pay, it's your sole
22 responsibility, whatever happens from the Branca claims and
23 whatever happens from the Prescient claims.

24 THE COURT: well, don't you have a situation right now
25 where certain of these defendants have debts outstanding and
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1 obligations outstanding to persons other than your client.
2 They have debts outstanding, or at least there is a claim
3 asserted by your client, it's an unliquidated claim, but you
4 stand before me today in the shoes of the potential creditor.

5 MR. ALTMAN: Yes.

6 THE COURT: But aren't there other creditors out there
7 of the existing defendants?

8 MR. ALTMAN: There are, but there are only two that
9 made their way into the credit and security agreement,
10 Mr. Branca and us. And what did Mr. Branca say right before
11 they made a settlement with him to effect this transaction? He
12 said if we don't have the music assets as a backstop for the 13
13 million, the balance of this payment, the due date must be on
14 signing. I agree. I'm really saying the same thing.

15 THE COURT: You're now asserting the same position he
16 asserted in negotiation.

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17 MR. ALTMAN: That's right. And I submit the basis for
18 his asserting that position in negotiation was: I don't want
19 the collateral, this half a billion dollar collateral to be
20 moved to someplace elsewhere which I don't have a claim in that
21 someplace else.

22 THE COURT: I understand that, but if I'm reading the
23 papers correctly, if the transaction doesn't happen, then the
24 financing doesn't happen and this suit probably winds up in
25 bankruptcy court; if the transaction doesn't happen. And if

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1 the transaction does happen, this suit may wind up in
2 bankruptcy court.

3 MR. ALTMAN: I don't think that's the case, but it was
4 one of the reasons -- it's an interesting thought, and it was
5 perhaps one of the reasons that I jumped the gun in suggesting
6 simply add the party and consent to jurisdiction and waive
7 objections and restrain from transferring past. That may be
8 the business person's solution, I'm not suggesting that to the
9 Court.

10 But looking at it from that perspective, because in
11 many respects -- and Mr. Wachtel and I joked about it -- I
12 joked about it to him, he was not laughing -- that Fortress's
13 closing helps me rather than the facts as they were before they
14 closed, I say. At the end of day when we try this case, I will
15 say we brought Fortress, we have a nine percent engagement
16 agreement, Fortress funded 300 million, we have some other
17 arguments with respect to what happened before, but as to that,
18 that helps me, I think.

19 THE COURT: Let me hear from the party who is helping
20 you.

21 MR. WACHTEL: And now to background, your Honor. The
22 reason that he said help is that indeed the claim of Prescient
23 here is that they were engaged to assist Mr. Jackson in
24 refinancing the existing Bank of America debt that was attached
25 to the assets that reside in the two trusts. That effort on

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1 his client culminated when Fortress, without any notice to
2 Mr. Jackson, or for that matter I suspect to Prescient, bought
3 the Bank of America debt I suspect at a discount.

4 Okay. Lo and behold, Fortress then in essence picks
5 up the phone, says to the Jackson interest: Guess what, we're
6 now your lender. Okay. From that moment until today, the
7 process has not been an easy one. Mr. Jackson is stuck with
8 Fortress because Fortress, as part of its forbearance
9 agreement, exacted what is known as a right of last offer. So
10 when Mr. Jackson felt the need, for business reasons, to
11 refinance the mortgage on his collection or the mortgage on the
12 house, in your example, he went to Citibank with the aid of his
13 partner, Sony, Citibank presented a very attractive financing
14 package, not only as to its terms, because of the spirit of its
15 relationship with Sony, Fortress exercised their right of last
16 offer. And Mr. Jackson rather ironically is now faced with no
17 choice, as a legal matter, but to accept the Fortress proposal
18 to refinance the assets.

19 Now going back to your house, your Honor, I think it's
20 a perfect example. Mr. Jackson -- the house, if you will, in
21 this case are these assets. In the case of Mr. Jackson, the

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22 assets reside already in a house not owned by him personally
23 but owned by the trust. Okay. The house is about to be
24 foreclosed upon by the \$272 million debtor creditor Fortress,
25 which is threatening to foreclose on the Jackson house. Okay.

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1 So he says wait a second, a foreclosure, that will result in a
2 fire sale and all will be lost, even though it is perceived and
3 alleged by the defendants -- by the plaintiffs that the
4 interest that Mr. Jackson has in these assets is worth a half a
5 billion dollars, the debt is 272, there is nevertheless a
6 concern, a legitimate concern that in the foreclosure sale who
7 knows what you're facing. So Mr. Citibank, will you help me
8 out? Yes. Fortress asserts its rights under the right of last
9 offer and now Fortress is prepared to provide \$300 million
10 instead of 272.

11 The reality is, when all is said and done, the only
12 differences, as a practical matter, is they're a further entity
13 in the chain of title. In essence it's like a parent
14 corporation dropping an asset into a sub for a legitimate
15 business reason, in this case it's a condition of the
16 refinancing --

17 THE COURT: All right. This is what I want you to do.

18 MR. WACHTEL: -- and the fair value remains, because
19 now Mr. Jackson --

20 THE COURT: Have a seat. This is what I want you to
21 do. Are you formally moving for a preliminary injunction
22 against the newly added party, New Horizon?

23 MR. ALTMAN: Yes, we are.

24 THE COURT: This is what I'm going to have you do. I
25 want you all back here at 2:15 today. I'm going to hear

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1 continued argument on this motion and then I will rule. What I
2 want you to do between now and 2:15 -- and if you have problems
3 finding space, we will get you space -- is I want you to sit
4 down and I want you to talk about resolution of this
5 litigation.

6 If it comes to pass that a preliminary injunction is
7 granted either against the named defendants or against New
8 Horizon, that presents a certain set of problems. If it is
9 denied, the litigation continues. I have no idea of the merits
10 of the claims in this litigation, but it does strike me that
11 now is the time for the parties to be talking.

12 when is the closing?

13 MR. WACHTEL: Your Honor, the closing is scheduled for
14 this afternoon, but perhaps I can --

15 THE COURT: Put off the closing.

16 MR. WACHTEL: -- share with you --

17 THE COURT: Put off the closing. Can you put off the
18 closing on consent?

19 MR. WACHTEL: Sure, but --

20 THE COURT: Okay, great.

21 MR. WACHTEL: But I want to alert your Honor to one
22 fact which may help you understand why the process may not bear
23 much fruit. As a result of this refinancing, Mr. Jackson
24 derives not a penny of free cash. It is all being consumed
25 between transaction fees. So even --

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1 THE COURT: I'll see you at 2:15.
2 MR. WACHTEL: Thank you, your Honor.
3 THE COURT: And I'll tell you now, when we get
4 together at 2:15 I'm going to ask you where you met and for how
5 long you met.
6 MR. WACHTEL: We'll meet right now, I hope in the back
7 there.
8 THE COURT: I will be asking you about your meeting,
9 so I hope it's a good one.
10 MR. WACHTEL: A hundred percent, your Honor.
11 (Adjourned to 2:15 p.m.)
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