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Schedule 4.01(E)

Suits & Proceedings

Except as is set forth below in this Schedule 4.01(E), there is no action, suit, litigation, investigation, or proceeding pending or, to the Borrower's knowledge, threatened before any court, Governmental Authority or arbitrators against the Borrower or any of its properties, in each case in any material respect, that purports to affect the Collateral, the legality, validity or enforceability of this Agreement or any other Loan Document or the consummation of the transactions contemplated hereby.

**A. Pending:**

Case	Amount of Claim	Counsel of Record	Description/Status
<p>1. Prescient Acquisition Group, Inc d/b/a Prescient Capital Corp. v. MJ Publishing Trust and Michael J. Jackson 05 CV 6298 (SDNY) (Judge Castel)</p>	<p>\$48,375,000</p>	<p><u>Defendants' Counsel</u> WACHTEL &amp; MASYR, LLP <u>Plaintiffs' Counsel</u> Altman &amp; Company PC</p>	<p><b>Description:</b> Finders/Advisors fee dispute concerning refinancing of MJ Publishing Loan w/ Bank of America. Another party, Perfect Circle, asserts that it, not Prescient, is entitled to the finder's fee.  <b>Procedural Status:</b> Defendants' Rule 12(b)(6) Motion to Dismiss is fully briefed and is pending.</p>
<p>2. F. Marc Schaffel and F. Marc Schaffel Productions, LLC v. Michael Jackson, MJJ Productions, Inc. and Fire Mountain Services, LLC LA Superior Case No. SC 083501</p>	<p>\$3 - \$5 million</p>	<p><u>Defendant's Counsel</u> Mesereau &amp; Yu Mundell, Odium &amp; Haws Michael D. Sydow <u>Plaintiffs' Counsel</u> King, Holmes, Paterno &amp; Bertiner, LLP</p>	<p><b>Description:</b> Schaffel contends he is owed money for production of two Fox specials, loans, and shopping bills.  <b>Procedural Status:</b> Preattachment motion hearing and status conference scheduled for 12/14/05 was continued to January 2006. Schaffel is trying to put a lien on Neverland. Has failed twice before; the judge denied their requests before.</p>

Case	Amount of Claim	Counsel of Record	Description/Status
<p>(Terry Friedman, J.)</p> <p>3. Marcel Avram and Mama Productions GmbH v. Michael J. Jackson and MJ Productions (Arbitration)</p>		<p><u>Defendants' Counsel</u> Michael D. Sydow</p> <p><u>Plaintiffs' Counsel</u> Christensen White, Fink, et al.</p>	<p><b>Description:</b> Avram alleges MJ breached contract for Mama Concerts to produce/promote a Korean benefit concert and, in particular, violated of Avram's right to exploit MJJ performance media. Sony sent cease and desist letter claiming it had exclusive rights to MJJ's performances.</p> <p><b>Procedural Status:</b> A petition to compel arbitration by the plaintiff has been denied and a two-day bench trial has been set in state court for July.</p> <p><b>Key Dates:</b> The mediation previously scheduled for March 1, 2006 was postponed and no new date has been scheduled.</p>
<p>4. Bartucci vs. Jackson USDC Eastern District of la. Case No. 04-2977</p>	<p>Bartucci seeks unspecified compensatory and punitive damages</p>	<p><u>Plaintiffs' Counsel</u> Adams and Reese LLP</p>	<p><b>Description:</b> Bartucci alleges he was molested in 1984 by MJ in a limo from New Orleans to Los Angeles during May 19 through May 27, 1984 time period. He alleges he did not know he was molested until he woke up one day (20 years later) during the criminal trial in 2005 and saw MJ on trial. He alleges he then realized that he had repressed memory of an incident 20 years ago.</p> <p><b>Procedural Status:</b> Defendants filed a summary judgment motion based on statute of limitation, which is pending. If it is denied then defendant will request a hearing to determine whether Plaintiff's expert opinion that Plaintiff suffered from repressed memory is scientifically reliable.</p>

5.	<p><b>Jurgen Bachus vs. Michael Jackson</b> (pending in German courts)</p>	<p><b>\$6,500,000</b></p>	<p><u>Plaintiffs' Counsel</u> Thomas Stein Dr. Winterstein/Dr. Rubrmann</p>	<p><b>Description:</b> Bachus alleges MJJ was obligated to purchase 7,500 shares of MJ Net Entertainment AG from him for 5MM euros. Purchase was not completed. <b>Procedural Status:</b> MJ was never personally served. Rather, Brian Wolf received a call about the lawsuit. In Germany, plaintiff must pay for a filing fee in proportion to the amount of the claim. Thus, plaintiff first filed a declaratory relief action, so that he could pay the minimum court filing fee. He then obtained a default judgment in the amount of 10,000 € (i.e., \$11,700). We do not know whether he filed an ancillary complaint for \$6.5 million and whether he sought default judgment. Issues as to whether German default judgments are enforceable in the U.S.</p>
6.	<p><b>George J. Gleeson v. Michael Jackson, et al.</b></p>		<p><u>Plaintiffs' Counsel</u> George Gleeson</p>	<p><b>Description:</b> Handwritten complaint alleging copyright and other IP violations about "We are the World" and "Thriller." Quincy Jones is a co-defendant. Action has been tendered to MJJ insurance carrier. <b>Procedural Status:</b> Suit appears to have been filed August 1. Unclear whether service has been effected. (Received copy of complaint from Quincy Jones.)</p>
7.	<p><b>ADR vs. Michael J. Jackson (Family Law - Debbie Rowe)</b></p>	<p><b>\$1 - \$5 million in settlement demand</b></p>	<p><u>Plaintiffs' Counsel</u> Michael L. Abrams Tom Hall</p>	<p><b>Description:</b> Dispute over Separation Agreement, including Spousal Support, Property Equalization, &amp; Confidentiality. Debbie Rowe claims she is owed at least \$1 million from the 1999 settlement agreement. Defendant counterclaims that she breached the 1999 confidentiality agreement and thus is not entitled to that amount. (This issue is on appeal.) <b>Procedural Status:</b> Case now on hold. Defendants requested that judge remove himself because he expressed personal animosity towards Michael in open court.</p>

8.	<p><b>Weisner v. Triumph and MJ</b>  (Santa Monica courthouse)</p>	\$64 million	<p><u>Plaintiffs' Counsel</u> King, Holmes, Paterno &amp; Berliner, LLP</p>	<p><b>Description:</b> Weisner claims that he and MJ had an agreement whereby he would exploit Michael's likeness and image throughout the world. He claims that since MJ is not cooperating to let him exploit his likeness and image, he has lost an estimated value of \$64 million, which is what he would have gotten had MJ kept his promise.</p>
9.	<p><b>Daniel Kapone v. Michael Jackson, MJJ Productions, Sony, SBC, et al.</b>  (Orange County Case)</p>	Unspecified compensatory and punitive damages	<p><u>Defendants' Counsel</u> Mundell, Odium &amp; Haws</p> <p><u>Plaintiffs' Counsel</u> Michael Matterson</p>	<p><b>Description:</b> Child molestation, song plagiarism, conversion, breach of implied contract, conspiracy, unfair business practices, RICO, etc. Plaintiff claims that MJ molested him when he was 2 years old, and while molesting him stole lyrics he invented at 2 years of age and used them for "Bad" and other songs.</p> <p><b>Procedural Status:</b> A motion to change venue from the current county, Orange county, to Los Angeles County was recently granted and the case is in the process of being moved to Los Angeles.</p>
10.	<p><b>Ayscough &amp; Marav v. Michael J. Jackson, MJJ Productions, Inc., Fire Mountain Services, LLC</b>  Los Angeles Superior Court, YC052627</p>	Approx. \$217,000.00	<p><u>Plaintiffs' Counsel:</u> Sidney Lanier</p>	<p><b>Description:</b> Collection for unpaid legal fees.</p> <p><b>Procedural Status:</b> Early stages; case filed February 2006.</p>

11.	<b>Ana Maria Lira v. Michael J. Jackson dba Neverland Valley Ranch</b> (WCAB No. GOL0099477)	Unspecified compensatory damages and all penalties under the Labor Code.	<u>Plaintiffs' Counsel:</u> Michael G. Stevens	<b>Description:</b> Plaintiff/Applicant filed an application with the Workers Compensation Appeals Board for alleged injuries sustained from a fall which allegedly occurred on February 17, 2006. Applicant was a housekeeper for MJ.  <b>Procedural Status:</b> Early stages; claim filed March 17, 2006. The Uninsured Employers Funds was added as a defendant.
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**B. Threatened:**

Other than miscellaneous claims for payment and nuisance claims, none.