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1 UNITED STATES DISTRICT COURT  
1 SOUTHERN DISTRICT OF NEW YORK  
2 -----x

2  
3 PRESCIENT ACQUISITION GROUP,  
3 INC. d/b/a PRESIDENT CAPITAL  
4 CORP.,  
4

5 Plaintiffs,

6 v.

05 cv 6298 (PKC)

7 MJ PUBLISHING TRUST, MICHAEL  
7 J. JACKSON,  
8

8 Defendants.  
9  
9 -----x

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

12 Before:

12 HON. P. KEVIN CASTEL,  
13  
13

District Judge

14 APPEARANCES

15  
16 ALTMAN & COMPANY, PC  
16 Attorneys for Plaintiff Prescient Acquisition Group  
17 STEVEN ALTMAN  
17 ERIC ROSENBERG  
18

19 WACHTEL & MASYSR  
19 Attorneys for Defendants  
20 WILLIAM B. WACHTEL  
20 MICHELE C. COOK  
21 ALEXANDER DELUCHA  
22 COZEN & O'CONNOR  
22 Attorneys for Defendant Perfect Circle  
23 DONALD N. DAVID  
23 BRIAN A. BLOOM  
24  
25

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1 (In open court)  
2 THE COURT: Sir, good afternoon.  
3 MR. ALTMAN: Good afternoon. I'm pleased to report  
4 that the parties have resolved by consent the pending motion,  
5 on the following terms: I propose to read it into the record,  
6 and I think Mr. Wachtel and I agree if there's some quibbles,  
7 we'll happily resolve them.  
8 1) Mr. Wachtel's firm has agreed to accept service on  
9 behalf of New Horizon Trust.  
10 2) New Horizon Trust has agreed to waive any and all  
11 jurisdictional objections.

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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.

(Adjourned)

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