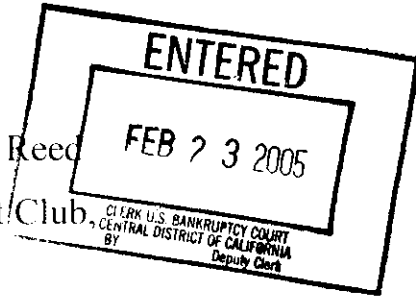


1 JOHN P. REITMAN (Bar No. 80579)
2 ANDREW S. ROTTER (Bar No. 86725)
3 **GUMPORT, REITMAN & MONTGOMERY**
4 550 South Hope Street, Suite 825
5 Los Angeles, California 90071-2627
6 Telephone: (213) 452-4900
7 Facsimile: (213) 623-3302

8 RICHARD L. WYNNE (Bar No. 120349)
9 R. ALEXANDER PILMER (Bar No. 166196)
10 MARK T. CRAMER (Bar No. 198952)
11 **KIRKLAND & ELLIS LLP**
12 777 South Figueroa Street, 34th Floor
13 Los Angeles, California 90017
14 Telephone: (213) 680-8400
15 Facsimile: (213) 680-8500

16 Counsel for R. Todd Neilson, Trustee of the "Estate of Reed
17 E. Slatkin and Substantively Consolidated Affiliates
18 Topsight Oregon, Inc. and the Reed Slatkin Investment Club,
19 L.P. Liquidating Trust"



12 **UNITED STATES BANKRUPTCY COURT**
13 **CENTRAL DISTRICT OF CALIFORNIA**
14 **NORTHERN DIVISION**

15 In re
16 REED E. SLATKIN and Substantively
17 Consolidated Affiliates TOPSIGHT
18 OREGON, INC. and REED SLATKIN
19 INVESTMENT CLUB, L.P.,
20
21 Reorganized Debtors.

20 R. TODD NEILSON, Trustee of the
21 Estate of Reed E. Slatkin Liquidating
22 Trust,

22 Plaintiff,

23 v.

24 JOHN CHADDER, an individual; and
25 DOES 1-10,

26 Defendants.

) Case No. ND 01-11549-RD [Substantively
) Consolidated With Former Case No. 01-
) 12990-RR]

) Chapter 11

) **A.P. NO. 03-01211-RR**

) **STIPULATION FOR DISMISSAL OF
) ADVERSARY PROCEEDING; AND
) ORDER THEREON**

) Status Conference Scheduled for:

) Date: May 27, 2005
) Time: 10:00 a.m.
) Place: 1415 State Street
) Courtroom 201
) Santa Barbara, CA 93101
) [Judge Riblet]

ORIGINAL

17/16
004U 8/14

1 This Stipulation is entered into by and between (a) plaintiff R. Todd Neilson (the
2 "Trustee"), trustee of the "Estate of Reed E. Slatkin and Substantively Consolidated
3 Affiliates Topsight Oregon, Inc. and Reed Slatkin Investment Club, L.P. Liquidating
4 Trust" (the "Liquidating Trust"), the successor-in-interest to the chapter 11 bankruptcy
5 estate (the "Estate") of Reed E. Slatkin and substantively consolidated affiliates
6 Topsight Oregon, Inc. and Reed Slatkin Investment Club, L.P.; and (b) defendant John
7 Chadder ("Chadder"), through their respective counsel.

8 This Stipulation is made with respect to the following facts and circumstances:

9 1. On or about April 25, 2003, in his capacity as the chapter 11 trustee (the
10 "Chapter 11 Trustee") of the Estate, the Trustee filed his Complaint commencing this
11 adversary proceeding.

12 2. On December 20, 2002, in In re Reed E. Slatkin, Case No. ND 01-11549-
13 RR (the "Slatkin Case"), the Court entered its "Order Authorizing Trustee To Settle
14 Fraudulent Transfer and Preference Claims Without Further Court Order" (the
15 "Settlement Authority Order"). In the Settlement Authority Order, the Court
16 authorized the Chapter 11 Trustee, in certain circumstances specified therein, to enter
17 into and perform settlement agreements without further court order but with the
18 approval of the Official Committee of Unsecured Creditors (the "Committee") in the
19 Slatkin Case and the Office of the United States Trustee.

20 3. On June 20, 2003, the Bankruptcy Court entered an order (the
21 "Confirmation Order") confirming the "Chapter 11 Trustee and Creditors'
22 Committee's Second Amended Joint Plan of Reorganization Dated June 18, 2003" (the
23 "Plan"). Pursuant to ¶ 6.3 of the Plan, the Liquidating Trust was created; pursuant to
24 ¶¶ 2.1.66 and 6.3.1 of the Plan, the members of the Committee in the Slatkin Case
25 became the initial members of the "Trust Board" of the Liquidating Trust; pursuant to
26 ¶ 6.3.3 of the Plan, all property of the Estate was transferred to and vested in the
27 Liquidating Trust; pursuant to ¶¶ 2.1.43, 6.3.3, and 6.3.5 of the Plan, all of the Estate's
28 claims, rights, causes of action, counterclaims, objections, and defenses arising under

1 §§ 541 through 558, inclusive, of the Bankruptcy Code were transferred to and vested
2 in the Liquidating Trust; and pursuant to ¶ 6.3.6 of the Plan, the Trustee has the
3 authority to settle “Litigation Claims” in accordance with the procedures established
4 by the Court in the Settlement Authority Order.

5 4. In or about February 2005, the Trustee entered into a Settlement
6 Agreement and Mutual General Release (the “Settlement Agreement”) with Chadder,
7 in which, among other things, Chadder agreed to pay the Trustee the full amount of the
8 Trustee’s claim, i.e., \$149,966.50. However, if Chadder timely makes the settlement
9 payment as provided in the Settlement Agreement, then the Trustee will accept such
10 payment as full satisfaction. Under the Settlement Agreement, Chadder agreed to pay
11 a lump sum of \$119,973.20.

12 5. In accordance with the Settlement Authority Order, the settlement
13 described in ¶ 4 above was approved by the members of the Trust Board. In addition,
14 the Office of the United States Trustee was notified of the settlement and indicated that
15 it had no objection to it.

16 6. Chadder has paid the full amount of the settlement and it has cleared the
17 banking process. The Settlement Agreement provides that, after the settlement has
18 been paid in full and has cleared the banking process, the Trustee and Chadder will
19 execute and lodge with the Court a stipulation for dismissal of this adversary
20 proceeding with prejudice.

1 **AGREEMENT**

2 NOW, THEREFORE, in accordance with the terms of the Settlement
3 Agreement, the Trustee and Chadder agree that Court should enter an order dismissing
4 this adversary proceeding with prejudice.

5 **IT IS SO STIPULATED.**

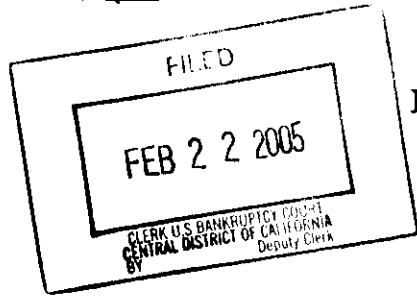
6 Dated: February 16, 2005

KIRKLAND & ELLIS LLP

7
8 By: Mark T. Cramer

9 Mark T. Cramer
10 Counsel for Plaintiff R. Todd Neilson,
11 Trustee of the "Estate of Reed E. Slatkin
12 and Substantively Consolidated Affiliates
Topsight Oregon, Inc. and the Reed Slatkin
Investment Club, L.P. Liquidating Trust"

13 Dated: February 16, 2005



14
15 By: David Brownstein

16 David Brownstein
17 Counsel for Defendant John Chadder

18 **ORDER**

19 Based on the foregoing Stipulation, and good cause appearing therefore,
20 Adversary Proceeding No. AD 03-01211-RR is dismissed with prejudice.

21 **IT IS SO ORDERED.**

22 Dated: Feb 22, 2005

23 Robin Riblet

24 The Honorable Robin Riblet
25 United States Bankruptcy Judge

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

PROOF OF SERVICE

I, Elsa Banuelos, declare as follows:

I am employed in the County of Los Angeles, State of California. I am over the age of 18; my business address is Kirkland & Ellis LLP, 777 S. Figueroa Street, Los Angeles, CA 90017.

On February 17, 2005, I served the document(s) described as:

**STIPULATION FOR DISMISSAL OF ADVERSARY PROCEEDING;
AND ORDER THEREON**

on the interested parties in this action at the addresses set forth below:

[X] [U.S. MAIL] By placing the documents listed above in a sealed envelope with postage thereon fully prepaid, in the United States mail at Los Angeles, California addressed as set forth below. I am familiar with the firm's practice of collection and processing correspondence for mailing by depositing with the U.S. postal service on that same day with postage thereon fully prepaid in the ordinary course of business.

ATTORNEYS TO TRUSTEE OF LIQUIDATING TRUST

John P. Reitman
Gumport Reitman & Montgomery
550 S. Hope Street, Suite 825
Los Angeles, CA 90071

TRUSTEE OF LIQUIDATING TRUST

R. Todd Neilson
Neilson Elggren LLP
10100 Santa Monica Blvd., Suite 410
Los Angeles, CA 90067

UNITED STATES TRUSTEE

Brian Fittipaldi
Office of the United States Trustee
Staff Attorney
128 East Carrillo Street
Santa Barbara, CA 93101

ATTORNEY FOR DEBTOR

Richard Pachulski, Esq.
Eric S. Kurtzman, Esq.
Pachulski, Stang, Ziehl Young Jones
10100 Santa Monica Blvd., Suite 1100
Los Angeles, CA 90067

ATTORNEY FOR DEBTOR

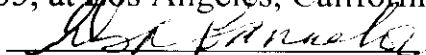
Jay L. Michaelson, Esq.
Joseph M. Sholder, Esq.
Michaelson Susi & Michaelson
7 West Figueroa Street, 2nd Floor
Santa Barbara, CA 93101

ATTORNEY NET DEBTOR

David I Brownstein
Brownstein & Brownstein LLP
15910 Ventura Blvd., Ste 1110
Encino, CA 91436

[X] (FEDERAL) I declare that I am employed in the office of a member of the bar of this court at whose direction the service was made.

Executed on February 17, 2005, at Los Angeles, California.



Elsa Banuelos

NOTE TO USERS OF THIS FORM:
Physically attach this form as the last page of the proposed Order or Judgment.
Do not file this form as a separate document.

In re REED E. SLATKIN, DEBTOR.	(SHORT TITLE)	CHAPTER 11 CASE NUMBER: ND 01-11549-RR ADVERSARY NUMBER: 03-1211-RR
--	---------------	---

**NOTICE OF ENTRY OF JUDGMENT OR ORDER
AND CERTIFICATE OF MAILING**

TO ALL PARTIES IN INTEREST ON THE ATTACHED SERVICE LIST:

1. You are hereby notified, pursuant to Local Bankruptcy Rule 116(1)(a)(iv), that a judgment or order entitled,
(specify):

**STIPULATION FOR DISMISSAL OF ADVERSARY PROCEEDING;
ORDER THEREON**

was entered on (specify date): FEB 23 2005

2. I hereby certify that I mailed a copy of this notice and a true copy of the order or judgment to the persons and entities on the attached service list on (specify date):

FEB 23 2005

DATED:

FEB 23 2005

JON D. CERETTO
Clerk of the Bankruptcy Court

by: KAM RUST

UNITED STATES TRUSTEE

Brian Fittipaldi
Office of the United States Trustee
Staff Attorney
128 East Carrillo Street
Santa Barbara, CA 93101

ATTY FOR CHAPTER 11 TRUSTEE

John P. Reitman
Gumport Reitman & Montgomery
550 S. Hope Street, Suite 825
Los Angeles, CA 90071

ATTY FOR DEBTOR

Jay L. Michaelson, Esq.
Joseph M. Sholder, Esq.
Michaelson Susi & Michaelson
7 West Figueroa Street, 2nd Floor
Santa Barbara, CA 93101

Mark T. Cramer
Kirkland & Ellis LLP
777 South Figueroa Street, Suite 3400
Los Angeles, California 90017

CHAPTER 11 TRUSTEE

R. Todd Neilson
Neilson Elggren LLP
10100 Santa Monica Blvd., Suite 410
Los Angeles, CA 90067

ATTY FOR DEBTOR

Richard Pachulski, Esq.
Eric S. Kurtzman, Esq.
Pachulski, Stang, Ziehl Young Jones
10100 Santa Monica Blvd., Suite 1100
Los Angeles, CA 90067

ATTY FOR JILL TATE HIGGINS

David I Brownstein
Brownstein & Brownstein LLP
15910 Ventura Blvd., Ste 1110
Encino, CA 91436