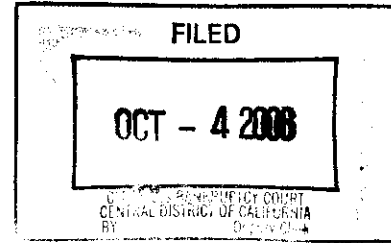


ORIGINAL

1 R. ALEXANDER PILMER (Bar No. 166196)
2 TIMOTHY B. JAFEK (Bar No. 214066)
3 **KIRKLAND & ELLIS LLP**
4 777 South Figueroa Street
5 Los Angeles, California 90017
6 Telephone: (213) 680-8400
7 Facsimile: (213) 680-8500



5 JOHN P. REITMAN (Bar No. 80579)
6 ANDREW S. ROTTER (BAR No. 86725)
7 **GUMPORT | REITMAN**
8 550 South Hope Street, Suite 825
9 Los Angeles, California 90071-2627
10 Telephone: (213) 452-4900
11 Facsimile: (213) 623-3302

12 Counsel for R. Todd Neilson, Trustee of the "Estate of Reed
13 E. Slatkin and Substantively Consolidated Affiliates
14 Topsight Oregon Inc. and the Reed Slatkin Investment Club,
15 L.P. Liquidating Trust"

16 **UNITED STATES BANKRUPTCY COURT**
17 **CENTRAL DISTRICT OF CALIFORNIA**
18 **NORTHERN DIVISION**

19 In re

20 REED E. SLATKIN and Substantively
21 Consolidated Affiliates TOPSIGHT
22 OREGON, INC. and REED SLATKIN
23 INVESTMENT CLUB, L.P.,

24 Reorganized Debtors.

25) **CASE NO. ND 01-11549-RR**
26) [substantively consolidated with former
27) Case No. ND 01-12990-RR]

28) **CHAPTER 11**

) **NOTICE OF HEARING ON**
) **MOTION FOR ORDER**
) **AUTHORIZING SETTLEMENT**
) **WITH CHURCH OF**
) **SCIENTOLOGY FLAG SHIP**
) **SERVICE ORGANIZATION; THE**
) **CHURCH OF SCIENTOLOGY FLAG**
) **SERVICE ORGANIZATION, INC.;**
) **THE INTERNATIONAL**
) **ASSOCIATION OF**
) **SCIENTOLOGISTS; THE US IAS**
) **MEMBERS' TRUST; THE**
) **RELIGIOUS TECHNOLOGY**
) **CENTER; THE ASSOCIATION FOR**
) **BETTER LIVING AND**
) **EDUCATION; THE WORLD**
) **INSTITUTE OF SCIENTOLOGY**
) **ENTERPRISES; THE CITIZENS**
) **COMMISSION ON HUMAN**
) **RIGHTS; CRIMINON**
) **INTERNATIONAL; NARCONON**
) **INTERNATIONAL; THE CHURCH**
) **OF SCIENTOLOGY CELEBRITY**

NOT. OF HEARING ON MOT. FOR ORDER AUTHORIZING SETTLEMENT WITH SCIENTOLOGY ENTITIES

1) **CENTRE INTERNATIONAL; THE**
2) **CHURCH OF SCIENTOLOGY**
3) **WESTERN UNITED STATES; THE**
4) **CHURCH OF SPIRITUAL**
5) **TECHNOLOGY; SCIENTOLOGY**
6) **MISSIONS INTERNATIONAL; THE**
7) **CHURCH OF SCIENTOLOGY**
8) **RELIGIOUS TRUST; AND THE**
9) **CHURCH OF SCIENTOLOGY**
10) **INTERNATIONAL**

Hearing
Date: November 7, 2006
Time: 10 a.m.
Place: Courtroom 201
1415 State Street
Santa Barbara, CA 93101
[Judge Riblet]

11 **TO DEBTOR REED E. SLATKIN, THE TRUST BOARD OF THE “ESTATE**
12 **OF REED E. SLATKIN AND SUBSTANTIVELY CONSOLIDATED**
13 **AFFILIATES TOPSIGHT OREGON, INC. AND REED SLATKIN**
14 **INVESTMENT CLUB, L.P. LIQUIDATING TRUST,” THE OFFICE OF THE**
15 **UNITED STATES TRUSTEE, AND ALL OTHER PERSONS ENTITLED TO**
16 **NOTICE PURSUANT TO SECTIONS 6.3.4 AND 6.3.8 OF THE “CHAPTER 11**
17 **TRUSTEE AND CREDITORS’ COMMITTEE’S JOINT PLAN OF**
18 **REORGANIZATION DATED JUNE 18, 2003,” CONFIRMED BY THE**
19 **COURT PURSUANT TO AN ORDER ENTERED ON JUNE 20, 2003:**

20 **NOTICE IS HEREBY GIVEN** that, on November 7, 2006 at 10 a.m.,¹ in the
21 United States Bankruptcy Court for the Central District of California, Northern
22 Division, located at 1415 State Street, Santa Barbara, California 93101, the
23 Honorable Robin Riblet, United States Bankruptcy Judge, will conduct a hearing on
24 the motion (the “Motion”) filed by R. Todd Neilson, Trustee of the “Estate of Reed E.

25 ¹ A version of this notice without the date and time of hearing was previously served on all
26 parties entitled to notice. After serving that earlier version of the notice, counsel for the Trustee
27 was directed to follow the Court’s procedures for self-calendaring and did so to select the date
28 and time of hearing which appears in this version of the notice.

1 Slatkin and Substantively Consolidated Affiliates Topsight Oregon, Inc. and the Reed
2 Slatkin Investment Club, L.P. Liquidating Trust” (the “Liquidating Trust”) for
3 authority to compromise claims against the Church of Scientology Flag Ship Service
4 Organization; the Church of Scientology Flag Service Organization, Inc.; the
5 International Association of Scientologists; the US IAS Members’ Trust; the
6 Religious Technology Center; the Association for Better Living and Education; the
7 World Institute of Scientology Enterprises; the Citizens Commission on Human
8 Rights; Criminon International; Narconon International; the Church of Scientology
9 Celebrity Centre International; the Church of Scientology Western United States; the
10 Church of Spiritual Technology; Scientology Missions International; the Church of
11 Scientology Religious Trust; and the Church of Scientology International
12 (collectively, the “Scientology Entities”). Through the Motion, the Trustee seeks an
13 order that does each of the following:

- 14 1. Approve all of the terms of the Settlement Agreement and Mutual
15 General Release (the “Agreement”) between the Trustee, on behalf of the Liquidating
16 Trust, and the Scientology Entities;
- 17 2. Authorizes the Trustee and the Scientology Entities to exchange releases
18 as set forth in the Agreement;
- 19 3. Authorizes and directs the parties to the Agreement to perform its terms;
- 20 4. Determines that the Agreement was made in good faith and in an
21 arm’s-length transaction; and
- 22 5. Determines that adequate notice of the hearing on the Motion was given.

23 **NOTICE IS FURTHER GIVEN** that the Trustee’s Motion is made under
24 Federal Rule of Bankruptcy Procedure 9019(a) on the ground that the Agreement is in
25 the best interests of the Liquidating Trust and is made in good faith.

26 During the seven years prior to Slatkin’s bankruptcy, the Scientology Entities
27 received transfers of money directly from Slatkin and indirectly from persons who
28

1 maintained purported investment accounts with Slatkin and who had received more
2 money from Slatkin during the seven years prior to Slatkin's bankruptcy than they had
3 given him.

4 The Trustee contends that the transfers received directly and indirectly from
5 Slatkin by the Scientology Entities during the seven years prior to Slatkin's
6 bankruptcy are avoidable and recoverable by the Trustee as fraudulent transfers
7 pursuant to 11 U.S.C. §§ 544, 547, 548, and 550 and Cal. Civ. Code §§ 3439.04,
8 3439.05, 3439.07, and 3439.09.

9 Pursuant to the proposed settlement, the Scientology Entities will pay
10 \$3,500,000.00 (the "Settlement Payment") to the Liquidating Trust within ten
11 business days after the Approval Order becomes a Final Order (as those terms are
12 defined in the Agreement). Furthermore, the Trustee and the Scientology Entities will
13 exchange mutual general releases as set forth in ¶¶ 5 and 6 of the Agreement.

14 The proposed settlement has been negotiated between the Trustee and the
15 Scientology Entities. The Trustee believes that the settlement is reasonable and in the
16 best interests of the Liquidating Trust given the costs of litigation, the risk of loss, and
17 the costs, difficulties, and risks associated with collecting any judgment that might be
18 obtained.

19 The description of the settlement contained in this Notice of Hearing and the
20 Memorandum of Points and Authorities accompanying the Motion is merely a
21 summary of the settlement. The complete terms of the proposed settlement are set
22 forth in the Agreement. The Trustee urges all interested parties to carefully read the
23 Agreement.

24 The Motion is based on this Notice of Hearing, the Notice of Motion and
25 Motion; the Memorandum of Points and Authorities attached to the Motion;
26 Declarations of R. Todd Neilson and R. Alexander Pilmer, and Exhibits; the pleadings
27 on file with the Court of which the Court is requested to take judicial notice; and upon
28

1 such further evidence that may be properly submitted prior to or at the hearing on the
2 Motion. You may obtain a complete copy of the Motion (including the Memorandum
3 of Points and Authorities, Declarations, and exhibits) at your own expense either from
4 the Court's file or by telephoning Mr. Ed Rodieck of Whitmont Legal Copying at
5 (213) 955-5956. Please do not call Mr. Rodieck collect.

6 NOTICE IS FURTHER GIVEN that, pursuant to Local Bankruptcy Rule
7 9013-1(a)(7), any opposition to the Motion must be in writing; must be filed with the
8 Court and served upon counsel for the Trustee, counsel for the Scientology Entities,
9 and the Office of the United States Trustee at the addresses set forth below not later
10 than 14 days before the date set for the hearing; and must include a Memorandum of
11 Points and Authorities and competent evidence in support of the opposition:

12 For Filing With the Court

13 Clerk's Office
14 United States Bankruptcy Court
15 1415 State Street
Santa Barbara, California 93101

For Service on the Scientology Entities

c/o David Schindler, Esq.
Latham & Watkins
633 West Fifth Street, 40th Floor
Los Angeles, California 90071

17 For Service on the Trustee and the Trust
18 Board

19 R. Todd Neilson, Trustee
20 c/o R. Alexander Pilmer, Esq.
21 Kirkland & Ellis LLP
777 South Figueroa St., 34th Floor
Los Angeles, California 90017

For Service on the Office of the U.S.
Trustee

Office of the U.S. Trustee
c/o Brian D. Fittipaldi, Esq.
128 East Carillo Street
Santa Barbara, California 93101

22 NOTICE IS FURTHER GIVEN that, pursuant to Local Bankruptcy Rule
23 9013-1(a)(11), failure to timely file and serve an opposition not later than 14 days

24 ///

25 ///

26 ///

27 ///

1 before the hearing date may constitute a waiver of such opposition and may be
2 deemed by the Court to constitute consent to the relief requested herein.

3
4 DATED: October 3, 2006

Respectfully submitted,

KIRKLAND & ELLIS LLP

6
7 By: 

Timothy B. Jalek

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

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, Karol Tshabourian, 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 October 3, 2006, I served the document(s) described as:

NOTICE OF HEARING ON MOTION FOR ORDER AUTHORIZING SETTLEMENT WITH CHURCH OF SCIENTOLOGY FLAG SHIP SERVICE ORGANIZATION; THE CHURCH OF SCIENTOLOGY FLAG SERVICE ORGANIZATION, INC.; THE INTERNATIONAL ASSOCIATION OF SCIENTOLOGISTS; THE US IAS MEMBERS' TRUST; THE RELIGIOUS TECHNOLOGY CENTER; THE ASSOCIATION FOR BETTER LIVING AND EDUCATION; THE WORLD INSTITUTE OF SCIENTOLOGY ENTERPRISES; THE CITIZENS COMMISSION ON HUMAN RIGHTS; CRIMINON INTERNATIONAL; NARCONON INTERNATIONAL; THE CHURCH OF SCIENTOLOGY CELEBRITY CENTRE INTERNATIONAL; THE CHURCH OF SCIENTOLOGY WESTERN UNITED STATES; THE CHURCH OF SPIRITUAL TECHNOLOGY; SCIENTOLOGY MISSIONS INTERNATIONAL; THE CHURCH OF SCIENTOLOGY RELIGIOUS TRUST; AND THE CHURCH OF SCIENTOLOGY INTERNATIONAL

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

[VIA 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.

[SEE ATTACHED SERVICE LIST]

(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 October 3, 2006, at Los Angeles, California.


Karol Tshabourian

IN RE REED SLATKIN
**LIMITED NOTICE and POST-
EFFECTIVE DATE SPECIAL NOTICE**

SERVICE ON THE SCIENTOLOGY

ENTITIES C/O DAVID SCHINDLER, ESQ.

Latham & Watkins
633 West Fifth Street, 40th Floor
Los Angeles, CA 90071

UNITED STATES TRUSTEE

Brian Fittipaldi
Staff Attorney
128 East Carillo Street
Santa Barbara, CA 93101

Trustee of Liquidating Trust

R. Todd Neilson
LECG
2049 Century Park East, Suite 2300
Los Angeles, CA 90067

Trust Board Member

Michael B. Azeez
2187 Marseille Drive
Palm Beach Gardens, Florida 33410

Trust Board Member

Anthony Podell
3 Pine Tree Lane
Rolling Hills, CA 90274

Attorney for Debtor

Richard Pachulski, Esq.
Pachulski, Stang, Ziehl Young Jones &
Weintraub
10100 Santa Monica Blvd., # 1100
Los Angeles, CA 90067

Attorneys to Trustee of Liquidating Trust

John P. Reitman
Gumport | Reitman
550 South Hope Street, Suite 825
Los Angeles, CA 90071-2627

Trust Board Member

Stuart W. Stedman, President
Wesley West Interests, Inc.
P.O. Box 7
Houston, TX 77001

Trust Board Member

Gregory B. Abbott
1200 Kessler Drive
Aspen, Co 81611

Attorney for Debtor

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

Atty for Adversary Defendant

c/o Debra L. Korduner
Law Offices of Debra L. Korduner
1900 Avenue of the Starts, 25th Floor
Los Angeles, CA 90067

Trust Board Member

George V. Kriste
20643 Seaboard Road
Malibu, CA 90265

Trust Board Member

John K. Poitras
30 Echo Lane
HC-01, Box 30
Woodside, CA 94062

**Request For Post-Effective Date Special
Notice ("RSN")
Pursuant To Order of the Court**

RSN-ATTYS-Denise Del Bianco

Steve Cochran
Julia W. Brand
Katten Muchin Zavis Rosenman
2029 Century Park East, Suite 2600
Los Angeles, CA 90067

RSN-Attys for Dayton Trust

Andrew W. Alper, Esq.
Frandzel Robins Bloom Csato
6500 Wilshire Blvd., 17th Floor
Los Angeles, CA 90048-4920

**RSN-Attys for J. Allen, C. Boron, L. Boron, I Chait, C. Ohl,
N. Wise, R. Wise**

Jeffrey C. Eglash
Buckmaster de Wolf/Charles K. Park
Howrey Simon Arnold & White
550 South Hope Street, Suite 1100
Los Angeles, CA 90071

RSN - IRS

Debra W. Yang, U.S. Attorney
Edward M. Robbins, Jr., Asst U.S. Atty
7211 Federal Building
300 N. Los Angeles Street
Los Angeles, CA 90012

RSN-Attys for Irving Rubin

Earle I Erman Esq.
Erman Teicher Miller Zucker Freedman
400 Galleria Officentre, #444
Southfield MI 48034

RNS-Attys for Jon von Gunten & von Gunten Inc

Karen L. Grant, Esq.
205 E. Figueroa Street
Santa Barbara, CA 93101

RSN-Attys for Parties-in-Interest

Howard Kollitz, Esq.
Richard D. Burstein, Esq.
Danning Gill Diamond & Kollitz LLP
2029 Century Park East, 3rd Floor
Los Angeles, CA 90067-2904

RSN-Attys for Union Bank of Ca

Kenneth R. Chiat, Esq.
Quinn Emanuel Urquhart Oliver & Hedges
865 South Figueroa Street, 10th Floor
Los Angeles, CA 90017

RSN-Attys for Adversary Defendants

Kobrin, et al.

Helena K. Kobrin
Moxon & Kobrin
3055 Wilshire Blvd., Suite 900
Los Angeles, CA 90010

Co-Counsel for Linda Rosen

Larry A. Hammond, Esq.
Osborn Maledon
2929 N. Central Ave #2100
Phoenix, AZ 85012

RSN

ry Schewatz
Special Asst U.S. Attorney
950 Hampshire Road, East Pavilion
Thousand Oaks, CA 91361

RSN-Attys for Ansel Slome

Joseph A. Eisenberg, Esq.
Jeffer Mangels Butler & Marmaro LLP
1900 Avenue of the Stars, 7th Floor
Los Angeles, CA 90067

RSN-Attys Comerica Bank

David Gould, Esq.
McDermott, Will & Emery
2049 Century Park East, 34th Floor
Los Angeles, CA 90067-3208

RSN-Creditor

Susan Safirstein
PO Box 2122
Oldsmar, FL 34677

RSN-Attys for Jack Beam/Renee Beam

Michael C. Baum, Esq.
Resch Polster Alpert & Berger LLP
10390 Santa Monica Blvd., 4th Floor
Los Angeles, CA 90025-5058

RSN-Creditor

Helen Dawn Darfus
307 Percy Street
Natchitoches, LA 71457

RSN-Counsel for Hale & Anne Milgrim

Community Family Trust
Lawrence B. Steinberg, Esq.
Gilchrist & Rutter
1299 Ocean Avenue, Suite 900
Santa Monica, CA 90401

RSN-Attys-H&A Milgrim Comm Family Trust

~~Lawrence B. Steinberg, Esq.
Hall Dickler Kent Goldstein & Wood LLP
9665 Wilshire Blvd., Suite 1050
Beverly Hills, CA 90212~~

RSN-Attys for Jon von Gunten & von Gunten Inc

J. Scott Bovitz
Bovitz & Spitzer
880 West First Street, Suite 502
Los Angeles, Ca 90012-2445

RSN-Attys Comerica Bank

Arya Towfighi, Esq.
McDermott, Will & Emery
2049 Century Park East, 34th Floor
Los Angeles, CA 90067-3208

Internal Revenue Svc HQ 5420

Special Procedures Branch
P.O. Box 99
San Jose, CA 95103-0099

RSN - Creditor

Carolyn Judd
1332 3/4 Miller Drive
Los Angeles, CA 90069

RSN-Attorney for Paul Hawken

Richard S. Conn
Musick Peeler & Garrett LLP
One Wilshire Blvd., Suite 2000
Los Angeles, CA 90017-3383