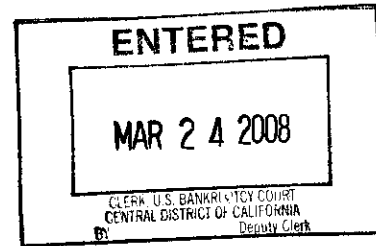


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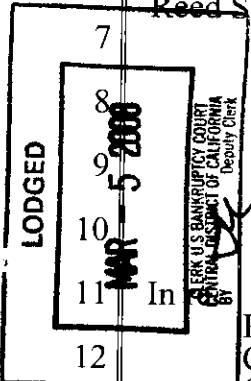
7 Attorneys for Counter-Claimant R. Todd Neilson, Trustee  
8 of the "Estate of Reed E. Slatkin and Substantively  
9 Consolidated Affiliates Topsight Oregon, Inc. and  
10 Reed Slatkin Investment Club, L. P. Liquidating Trust"



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

MAR 23 2008

CLERK U.S. BANKRUPTCY COURT  
CENTRAL DISTRICT OF CALIFORNIA  
Deputy Clerk



14 REED E. SLATKIN and Substantively  
15 Consolidated Affiliates TOPSIGHT  
16 OREGON, INC. and REED SLATKIN  
17 INVESTMENT CLUB, L.P.,

18 Reorganized Debtors.

19 RONALD RAKOW and DENIESE DEL  
20 BIANCO,

21 Plaintiffs,

22 v.

23 R. TODD NEILSON, Chapter 11 Trustee,

24 Defendant.

25 and related Counter-Claim.

**Bk. No. ND 01-11549-RR**  
[substantively consolidated with  
former Case No. ND 01-12990-RR]

**Chapter 11**

**Adv. No. 02-01083-RR**

**JUDGMENT**

**Hearing Date:**

**DATE:** February 20, 2008  
**TIME:** 10:00 a.m.  
**PLACE:** 1415 State Street  
Courtroom 201  
Santa Barbara, CA 93101  
[Judge Riblet]

**Status Conference:**

**DATE:** February 20, 2008  
**TIME:** 10:00 a.m.  
**PLACE:** 1415 State Street  
Courtroom 201  
Santa Barbara, CA 93101  
[Judge Riblet]

26 On February 20, 2008, on the 10:00 a.m. calendar, in courtroom 201 of the United  
27 States Bankruptcy Court, 1415 State Street, Santa Barbara, California, the Honorable Robin L.  
28 Riblet, United States Bankruptcy Judge, conducted a hearing on the motion (the "Motion") of

1 Counter-Claimant R. Todd Neilson, trustee (the "Trustee") of the "Estate of Reed E. Slatkin  
2 and Substantively Consolidated Affiliates Topsight Oregon, Inc. and Reed Slatkin Investment  
3 Club, L.P. Liquidating Trust," for summary judgment on the Trustee's first through fifth and  
4 thirteenth through eighteenth claims for relief asserted in the Counter-Complaint against  
5 counter-defendants Ronald Rakow ("Rakow") and Denise Del Bianco ("Del Bianco"). Peter  
6 J. Mastan of Gumport | Reitman appeared on behalf of the Trustee. All other appearances  
7 were as stated on the record.

8 The Court, having considered the Motion, the Memorandum of Points and Authorities,  
9 declarations, and exhibits filed in support of the Motion, all documents filed in opposition to  
10 the Motion, the Trustee's reply in further support of the Motion, all other pleadings and  
11 papers on file in this action, the oral argument presented, and good cause appearing, hereby  
12 grants summary judgment on the Trustee's claims for relief as follows:

13 **IT IS ORDERED, ADJUDGED AND DECREED** that:

14 **On the First Claim For Relief:**

15 1. On the Trustee's first claim for relief against Rakow and Del Bianco for the  
16 avoidance and recovery of actual fraudulent transfers pursuant to 11 U.S.C. §§ 544(b) and  
17 550, and Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07, judgment is entered against Rakow  
18 and in favor of the Trustee in the following amounts:

- 19 a. The principal amount of \$4,920,142;
- 20 b. Pre-judgment interest in the sum of \$1,952,285.40 (calculated on  
21 \$4,920,142 at the rate of 7% per annum from July 3, 2002, the date on which the Counter-  
22 Complaint was filed, through March 3, 2008); and
- 23 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
24 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
25 paragraphs 1(a) and (b) of this judgment from the date this judgment is entered until all such  
26 amounts are paid.

27 2. On the Trustee's first claim for relief against Rakow and Del Bianco for the  
28 avoidance and recovery of actual fraudulent transfers pursuant to 11 U.S.C. §§ 544(b) and

1 550, and Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07, judgment is entered against Del  
2 Bianco and in favor of the Trustee in the following amounts:

3 a. The principal amount of \$3,670,000;

4 b. Pre-judgment interest in the sum of \$1,456,235.94 (calculated on  
5 \$3,670,000 at the rate of 7% per annum from July 3, 2002, the date on which the Counter-  
6 Complaint was filed, through March 3, 2008); and

7 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
8 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
9 paragraphs 2(a) and (b) of this judgment from the date this judgment is entered until all such  
10 amounts are paid.

11 3. The amounts awarded pursuant to paragraph 2 are included in the amounts  
12 awarded pursuant to paragraph 1. Pursuant to 11 U.S.C. § 550(d), the Trustee is entitled to a  
13 single satisfaction of the amounts awarded under paragraph 1 of this judgment.

14 **On the Second Claim For Relief:**

15 4. On the Trustee's second claim for relief against Rakow and Del Bianco for the  
16 avoidance and recovery of actual fraudulent transfers pursuant to 11 U.S.C. §§ 544(b) and  
17 550, and Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07, judgment is entered against Rakow  
18 and in favor of the Trustee in the following amounts:

19 a. The principal amount of \$3,869,500;

20 b. Pre-judgment interest in the sum of \$1,535,396.45 (calculated on  
21 \$3,869,500 at the rate of 7% per annum from July 3, 2002, the date on which the Counter-  
22 Complaint was filed, through March 3, 2008); and

23 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
24 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
25 paragraphs 4(a) and (b) of this judgment from the date this judgment is entered until all such  
26 amounts are paid.

27 5. On the Trustee's second claim for relief against Rakow and Del Bianco for the  
28 avoidance and recovery of actual fraudulent transfers pursuant to 11 U.S.C. §§ 544(b) and

1 550, and Cal. Civ. Code §§ 3439.04(a)(1) and 3439.07, judgment is entered against Del  
2 Bianco and in favor of the Trustee in the following amounts:

3 a. The principal amount of \$3,670,000;

4 b. Pre-judgment interest in the sum of \$1,456,235.94 (calculated on  
5 \$3,670,000 at the rate of 7% per annum from July 3, 2002, the date on which the Counter-  
6 Complaint was filed, through March 3, 2008); and

7 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
8 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
9 paragraphs 5(a) and (b) of this judgment from the date this judgment is entered until all such  
10 amounts are paid.

11 6. The amounts awarded pursuant to paragraph 5 are included in the amounts  
12 awarded pursuant to paragraph 4. Pursuant to 11 U.S.C. § 550(d), the Trustee is entitled to a  
13 single satisfaction of the amounts awarded under paragraph 4 of this judgment.

14 7. The amounts awarded pursuant to paragraphs 4 and 5 are included in the amounts  
15 awarded pursuant to paragraphs 1 and 2 respectively.

16 **On the Third Claim for Relief:**

17 8. On the Trustee's third claim for relief against Rakow and Del Bianco for the  
18 avoidance and recovery of constructive fraudulent transfers pursuant to 11 U.S.C. §§ 544(b)  
19 and 550, and Cal. Civ. Code §§ 3439.04(a)(2) and 3439.07, judgment is entered against  
20 Rakow and in favor of the Trustee in the following amounts:

21 a. The principal amount of \$3,099,500;

22 b. Pre-judgment interest in the sum of \$1,229,864.56 (calculated on  
23 \$3,099,500 at the rate of 7% per annum from July 3, 2002, the date on which the Counter-  
24 Complaint was filed, through March 3, 2008); and

25 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
26 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
27 paragraphs 8(a) and (b) of this judgment from the date this judgment is entered until all such  
28 amounts are paid.

1           9. On the Trustee's third claim for relief against Rakow and Del Bianco for the  
2 avoidance and recovery of constructive fraudulent transfers pursuant to 11 U.S.C. §§ 544(b)  
3 and 550, and Cal. Civ. Code §§ 3439.04(a)(2) and 3439.07, judgment is entered against Del  
4 Bianco and in favor of the Trustee in the following amounts:

5           a. The principal amount of \$2,900,000;

6           b. Pre-judgment interest in the sum of \$1,150,704.06 (calculated on  
7 \$2,900,000 at the rate of 7% per annum from July 3, 2002, the date on which the Counter-  
8 Complaint was filed, through March 3, 2008); and

9           c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
10 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
11 paragraphs 9(a) and (b) of this judgment from the date this judgment is entered until all such  
12 amounts are paid.

13           10. The amounts awarded pursuant to paragraph 9 are included in the amounts  
14 awarded pursuant to paragraph 8. Pursuant to 11 U.S.C. § 550(d), the Trustee is entitled to a  
15 single satisfaction of the amounts awarded under paragraph 8 of this judgment.

16           11. The amounts awarded pursuant to paragraph 8 are included in the amounts  
17 awarded pursuant to paragraphs 1 and 4. The amounts awarded pursuant to paragraph 9 are  
18 included in the amounts awarded pursuant to paragraphs 2 and 5.

19 **On the Fourth Claim for Relief:**

20           12. On the Trustee's fourth claim for relief against Rakow and Del Bianco for the  
21 avoidance and recovery of actual fraudulent transfers pursuant to 11 U.S.C. §§ 548 (a)(1)(A)  
22 and 550, judgment is entered against Rakow and in favor of the Trustee in the following  
23 amounts:

24           a. The principal amount of \$2,253,000;

25           b. Pre-judgment interest in the sum of \$265,639.19 (calculated on  
26 \$2,253,000 at the rate of 2.08% per annum from July 3, 2002, the date on which the Counter-  
27 Complaint was filed, through March 3, 2008); and

28 ///

1 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
2 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
3 paragraphs 12(a) and (b) of this judgment from the date this judgment is entered until all such  
4 amounts are paid.

5 13. On the Trustee's fourth claim for relief against Rakow and Del Bianco for the  
6 avoidance and recovery of actual fraudulent transfers pursuant to 11 U.S.C. §§ 548 (a)(1)(A)  
7 and 550, judgment is entered against Del Bianco and in favor of the Trustee in the following  
8 amounts:

9 a. The principal amount of \$2,245,000;

10 b. Pre-judgment interest in the sum of \$264,695.91 (calculated on  
11 \$2,245,000 at the rate of 2.08% per annum from July 3, 2002, the date on which the Counter-  
12 Complaint was filed, through March 3, 2008); and

13 c. Post-judgment interest at the rate of 1.98% per annum (as determined in  
14 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
15 paragraphs 13(a) and (b) of this judgment from the date this judgment is entered until all such  
16 amounts are paid.

17 14. The amounts awarded pursuant to paragraph 13 are included in the amounts  
18 awarded pursuant to paragraph 12. Pursuant to 11 U.S.C. § 550(d), the Trustee is entitled to a  
19 single satisfaction of the amounts awarded under paragraph 12 of this judgment.

20 15. The amounts awarded pursuant to paragraph 12 are included in the amounts  
21 awarded pursuant to paragraphs 1, 4, and 8. The amounts awarded pursuant to paragraph 13  
22 are included in the amounts awarded pursuant to paragraphs 2, 5, and 9.

23 **On the Fifth Claim for Relief:**

24 16. On the Trustee's fifth claim for relief against Rakow and Del Bianco for the  
25 avoidance and recovery of constructive fraudulent transfers pursuant to 11 U.S.C. §§  
26 548(a)(1)(B) and 550, judgment is entered against Rakow and in favor of the Trustee in the  
27 following amounts:

28 a. The principal amount of \$1,483,000;

1           b.       Pre-judgment interest in the sum of \$174,852.60 (calculated on  
2 \$1,483,000 at the rate of 2.08% per annum from July 3, 2002, the date on which the  
3 Complaint was filed, through March 3, 2008); and

4           c.       Post-judgment interest at the rate of 1.98% per annum (as determined in  
5 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
6 paragraphs 16(a) and (b) of this judgment from the date this judgment is entered until all such  
7 amounts are paid.

8           17. On the Trustee's fifth claim for relief against Rakow and Del Bianco for the  
9 avoidance and recovery of constructive fraudulent transfers pursuant to 11 U.S.C. §§  
10 548(a)(1)(B) and 550, judgment is entered against Del Bianco and in favor of the Trustee in  
11 the following amounts:

12           a.       The principal amount of \$1,475,000;

13           b.       Pre-judgment interest in the sum of \$173,909.31 (calculated on  
14 \$1,475,000 at the rate of 2.08% per annum from July 3, 2002, the date on which the  
15 Complaint was filed, through March 3, 2008); and

16           c.       Post-judgment interest at the rate of 1.98% per annum (as determined in  
17 accordance with 28 U.S.C. § 1961), compounded annually, on all unpaid amounts awarded in  
18 paragraphs 17(a) and (b) of this judgment from the date this judgment is entered until all such  
19 amounts are paid.

20           18. The amounts awarded pursuant to paragraph 17 are included in the amounts  
21 awarded pursuant to paragraph 16. Pursuant to 11 U.S.C. § 550(d), the Trustee is entitled to a  
22 single satisfaction of the amounts awarded under paragraph 16 of this judgment.

23           19. The amounts awarded pursuant to paragraph 16 are included in the amounts  
24 awarded pursuant to paragraphs 1, 4, 8, and 12. The amounts awarded pursuant to paragraph  
25 14 are included in the amounts awarded pursuant to paragraphs 2, 5, 9, and 13.

26 **On the Thirteenth Claim for Relief:**

27           20. On the Trustee's thirteenth claim for relief for declaratory relief, the Court  
28 declares as follows:

1           a.       Rakow has no interest in the \$386,385 turned over to the Trustee by the  
2 United States of America pursuant to this Court's September 21, 2001 "Order Authorizing  
3 Turnover of Cash Seized by Government and Held by Internal Revenue Service" (the "Seized  
4 Cash Order"), or the proceeds of those funds.

5           b.       Del Bianco has no interest in \$380,000 of the \$386,385 turnover over to  
6 the Trustee by the United States of America pursuant to the Seized Cash Order, or the  
7 proceeds of those funds.

8 **On the Fourteenth Claim for Relief**

9           21. On the Trustee's fourteenth claim for relief against Rakow for subordination of  
10 proof of claim number 401 (the "Rakow Claim") in the amount of \$4,030,000 pursuant to 11  
11 U.S.C. § 510(b), the Rakow Claim, to the extent it is otherwise valid, is hereby subordinated  
12 to the claims of general unsecured creditors.

13 **On the Fifteenth Claim for Relief**

14           22. On the Trustee's fifteenth claim for relief against Rakow for subordination of the  
15 Rakow Claim pursuant to 11 U.S.C. § 510(c), the Rakow Claim, to the extent it is otherwise  
16 valid, is hereby subordinated to the claims of general unsecured creditors.

17 **On the Sixteenth Claim for Relief**

18           23. On the Trustee's sixteenth claim for relief against Rakow for disallowance of the  
19 Rakow Claim, judgment is entered disallowing the Rakow Claim in its entirety.

20 **On the Seventeenth Claim for Relief**

21           24. On the Trustee's seventeenth claim for relief against Del Bianco for subordination  
22 of proof of claim number 444 (the "Del Bianco Claim") in the amount of \$3,657,436.49  
23 pursuant to 11 U.S.C. § 510(c), the Del Bianco Claim, to the extent it is otherwise valid, is  
24 hereby subordinated to the claims of general unsecured creditors.

25 **On the Eighteenth Claim for Relief**

26           25. On the Trustee's eighteenth claim for relief against Del Bianco for disallowance  
27 of the Del Bianco Claim, judgment is entered disallowing the Del Bianco Claim in its entirety  
28 pursuant to 11 U.S.C. § 502(d). In the event that Del Bianco pays to the Trustee the amounts

1 awarded against her and in favor of the Trustee in connection with the first through fifth  
2 claims for relief herein, then Del Bianco shall have an allowed claim against the Liquidating  
3 Trust in the amount of \$186,084.60.

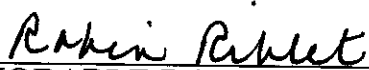
4 **On the Sixth Through Twelfth Claims for Relief:**

5 26. The Court, having on November 21, 2002 entered Summary Judgment on the  
6 Complaint commencing the above captioned adversary proceeding, dismisses the Trustee's  
7 sixth through twelfth claims for relief without prejudice as to all parties.

8 **Final Judgment:**

9 12. Pursuant to Fed.R.Civ.P. 54(b), there is no just reason for delay of the entry of  
10 this Judgment and hereby directs that this Judgment be entered forthwith. Execution of this  
11 Judgment may issue forthwith.

12  
13 DATED: March 23, 2008

14   
15 \_\_\_\_\_  
16 HONORABLE ROBIN L. RIBLET  
17 UNITED STATES BANKRUPTCY COURT  
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**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, and Substantively Consolidated Affiliates TOPSIGHT OREGON, INC. and REED SLATKIN INVESTMENT CLUB, L.P. Reorganized Debtor.	CHAPTER <u>11</u> CASE NUMBER ND 01-11549-RR
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**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 9021-1(a)(1)(E), that a judgment or order entitled  
(specify): *JUDGMENT*

was entered on (specify date): **MAR 24 2008**

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):

**MAR 24 2008**

Dated:

**MAR 24 2008**

**JON D. CERETTO**  
Clerk of the Bankruptcy Court

By:

**KAM RUST**  
Deputy Clerk

**SERVICE LIST**  
**[BY FIRST CLASS U.S. MAIL]**

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**LAUNCH MEDIA, INC.; GULF**  
**UNITED TECHNICAL COMMERCE**  
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**SERVICE LIST**  
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