

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

7 Attorneys for Plaintiff R. Todd Neilson, Trustee of  
8 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

14 In re

15 REED E. SLATKIN and Substantively  
16 Consolidated Affiliates TOPSIGHT  
17 OREGON, INC. and REED SLATKIN  
18 INVESTMENT CLUB, LP,

19 Reorganized Debtors.

20 R. TODD NEILSON, Trustee of the  
21 Chapter 11 Bankruptcy Estate of Reed E.  
22 Slatkin,

23 Plaintiff,

24 v.

25 GEORGE W. MURGATROYD III and  
26 TRACY F. MURGATROYD, GEORGE W.  
27 MURGATROYD III, a California  
28 professional corporation, and DOES 1-10,  
inclusive,

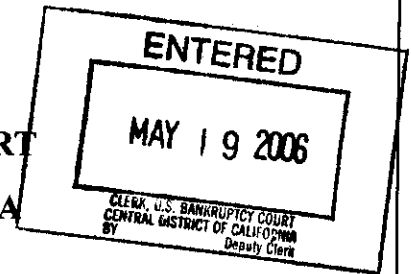
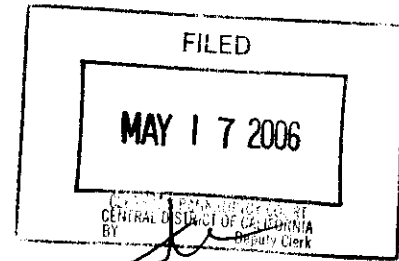
Defendants.

///

///

///

///



Bk. No.: ND 01-11549-RR  
[Substantively Consolidated with  
former Case No. ND 01-12990-RR]

CHAPTER 11

Adv. No. AD 02-01178-RR

STIPULATION FOR DISMISSAL OF  
ADVERSARY PROCEEDING WITH  
PREJUDICE; AND ORDER THEREON

[No hearing required]

Last Scheduled Status Conference:

DATE: January 28, 2005  
TIME: 10:00 a.m.  
PLACE: Courtroom 201  
415 State Street  
Santa Barbara  
[Judge Riblet]

1 This Stipulation is entered into by and among (a) plaintiff R. Todd Neilson, trustee (the  
2 "Trustee") of the "Estate of Reed E. Slatkin and Substantively Consolidated Affiliates  
3 Topsight Oregon, Inc. and Reed Slatkin Investment Club, L.P. Liquidating Trust" (the  
4 "Liquidating Trust"), the successor-in-interest to the chapter 11 bankruptcy estate (the  
5 "Estate") of Reed E. Slatkin and substantively consolidated affiliates Topsight Oregon, Inc.  
6 and Reed Slatkin Investment Club, L.P. ("RSIC"); and (b) defendants George W. Murgatroyd  
7 III, Tracy F. MURGATROYD, and George W. Murgatroyd III, a California professional  
8 corporation (collectively, the "Murgatroyds"), through their respective attorneys of record.

9 This Stipulation is made with respect to the following facts:

10 A. On October 8, 2002, in his capacity as the chapter 11 trustee (the "Chapter 11  
11 Trustee") of the Estate, the Trustee filed his Complaint commencing this adversary  
12 proceeding. In the Complaint, the Chapter 11 Trustee alleged various claims for relief against  
13 the Murgatroyds.

14 B. On June 20, 2003, in the Slatkin Case, the Court entered an order (the  
15 "Confirmation Order") approving the "Chapter 11 Trustee and Creditors' Committee's  
16 Second Amended Joint Plan of Reorganization Dated June 18, 2003" (the "Plan"). Pursuant  
17 to ¶ 6.3 of the Plan, the Liquidating Trust was created; pursuant to ¶¶ 2.1.66 and 6.3.1 of the  
18 Plan, the members of the Committee became the initial members of the "Trust Board" of the  
19 Liquidating Trust; pursuant to ¶ 6.3.3 of the Plan, all property of the Estate was transferred to  
20 and vested in the Liquidating Trust; and pursuant to ¶¶ 2.1.43, 6.3.3, and 6.3.5 of the Plan, all  
21 of the Estate's claims, rights, causes of action, counterclaims, objections, and defenses arising  
22 under §§ 541 through 558, inclusive, of the Bankruptcy Code were transferred to and vested in  
23 the Liquidating Trust.

24 C. In July/August 2004, the Trustee and the Murgatroyds entered into a Settlement  
25 Agreement and Mutual General Release (the "Settlement Agreement"), in which, among other  
26 things, the Murgatroyds agreed to pay the Trustee the sum of \$874,980.34, plus interest, (the  
27 "Settlement Payment") over time.

28 ///

1 D. The Settlement Agreement was approved by Court order entered November 1,  
2 2004.

3 E. On January 7, 2005, the Court entered its order (the "Dismissal Order"),  
4 pursuant to which the Court dismissed this adversary proceeding without prejudice.

5 F. the Murgatroyds have paid the Settlement Payment in full. The Dismissal Order  
6 provides that "[t]he Court shall retain jurisdiction over the parties to this adversary proceeding  
7 for the purpose of vacating this dismissal without prejudice and entering a dismissal with  
8 prejudice, following payment of the Settlement Payment in full, upon a further stipulation of  
9 the Trustee and the Murgatroyds or upon a notice motion of the Murgatroyds."

10 **AGREEMENT**

11 **NOW, THEREFORE**, in accordance with the terms of the Settlement Agreement and  
12 the Dismissal Order, the Trustee and the Murgatroyds request that the Court vacate its  
13 dismissal of this adversary proceeding without prejudice and enter an order dismissing this  
14 adversary proceeding with prejudice.

15 **IT IS SO STIPULATED.**

16  
17 Dated: May 16, 2006

GUMPORT | REITMAN

18  
19 By: 

John P. Reitman

Attorneys for Plaintiff R. Todd Neilson,  
Trustee of the "Estate of Reed E. Slatkin and  
Substantively Consolidated Affiliates  
Topsight Oregon, Inc. and the Reed Slatkin  
Investment Club, L.P. Liquidating Trust"

20  
21  
22  
23 Dated: May \_\_, 2006

GEORGE W. MURGATROYD III

24  
25 By: \_\_\_\_\_

George W. Murgatroyd III  
Attorneys for Defendants George W.  
Murgatroyd III, Tracy F. MURGATROYD,  
and George W. Murgatroyd III, a California  
professional corporation

1 D. The Settlement Agreement was approved by Court order entered November 1,  
2 2004.

3 E. On January 7, 2005, the Court entered its order (the "Dismissal Order"),  
4 pursuant to which the Court dismissed this adversary proceeding without prejudice.

5 F. the Murgatroyds have paid the Settlement Payment in full. The Dismissal Order  
6 provides that "[t]he Court shall retain jurisdiction over the parties to this adversary proceeding  
7 for the purpose of vacating this dismissal without prejudice and entering a dismissal with  
8 prejudice, following payment of the Settlement Payment in full, upon a further stipulation of  
9 the Trustee and the Murgatroyds or upon a notice motion of the Murgatroyds."

10 **AGREEMENT**

11 **NOW, THEREFORE**, in accordance with the terms of the Settlement Agreement and  
12 the Dismissal Order, the Trustee and the Murgatroyds request that the Court vacate its  
13 dismissal of this adversary proceeding without prejudice and enter an order dismissing this  
14 adversary proceeding with prejudice.

15 **IT IS SO STIPULATED.**

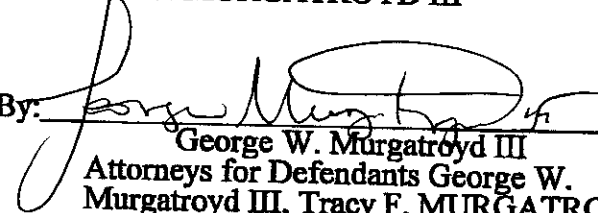
16  
17 Dated: May \_\_, 2006

GUMPORT | REITMAN

18  
19 By: \_\_\_\_\_  
20 John P. Reitman  
21 Attorneys for Plaintiff R. Todd Neilson,  
22 Trustee of the "Estate of Reed E. Slatkin and  
Substantively Consolidated Affiliates  
Topsight Oregon, Inc. and the Reed Slatkin  
Investment Club, L.P. Liquidating Trust"

23 Dated: May 12 2006

GEORGE W. MURGATROYD III

24  
25 By:   
26 George W. Murgatroyd III  
27 Attorneys for Defendants George W.  
28 Murgatroyd III, Tracy F. MURGATROYD,  
and George W. Murgatroyd III, a California  
professional corporation

**ORDER**

Based on the foregoing Stipulation, and good cause appearing therefor:

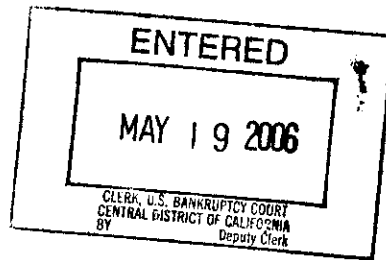
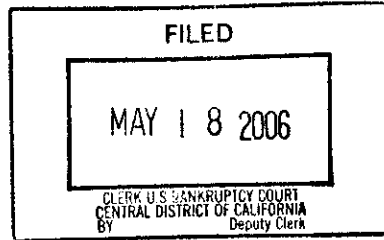
(1) The dismissal without prejudice of Adversary No. AD 02-01178-RR entered January 7, 2005 is hereby vacated.

(2) Adversary No. AD 02-01178-RR is hereby dismissed with prejudice in its entirety.

**IT IS SO ORDERED.**

Dated: May 18, 2006

*Robin Riblet*  
\_\_\_\_\_  
Robin L. Riblet  
United States Bankruptcy Judge



**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
--	---

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

was entered on *(specify date)*:

**MAY 19 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)*:

**MAY 19 2008**

Dated:

**MAY 19 2008**

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

By:

  
Deputy Clerk

**SERVICE LIST**

**UNITED STATES TRUSTEE**

Brian Fittipaldi, Esq.  
Office of the U.S. Trustee  
128 East Carrillo Street  
Santa Barbara, CA 93101

**LIQUIDATING TRUSTEE**

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

**COUNSEL TO TRUST BOARD and  
SPECIAL LITIGATION COUNSEL TO  
LIQUIDATING TRUSTEE**

R. Alexander Pilmer, Esq.  
Kirkland & Ellis  
777 S. Figueroa, 34th Floor  
Los Angeles, CA 90017

**COUNSEL TO DEFENDANTS  
GEORGE W. MURGATROYD III  
and TRACY F. MURGATROYD**

George W. Murgatroyd III, Esq.  
12100 Wilshire Boulevard, Suite 950  
Los Angeles, CA 90025-7106

**COUNSEL TO  
LIQUIDATING TRUSTEE**

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



**SERVICE LIST**

**UNITED STATES TRUSTEE**

Brian Fittipaldi, Esq.  
Office of the U.S. Trustee  
128 East Carrillo Street  
Santa Barbara, CA 93101

**LIQUIDATING TRUSTEE**

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

**COUNSEL TO TRUST BOARD and  
SPECIAL LITIGATION COUNSEL TO  
LIQUIDATING TRUSTEE**

R. Alexander Pilmer, Esq.  
Kirkland & Ellis  
777 S. Figueroa, 34th Floor  
Los Angeles, CA 90017

**COUNSEL TO DEFENDANTS**

**GEORGE W. MURGATROYD III  
and TRACY F. MURGATROYD**

George W. Murgatroyd III, Esq.  
12100 Wilshire Boulevard, Suite 950  
Los Angeles, CA 90025-7106