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9 Possession

10 **UNITED STATES BANKRUPTCY COURT**  
11 **CENTRAL DISTRICT OF CALIFORNIA**  
12 **SAN FERNANDO VALLEY DIVISION**

13 In re:  
14 **ESCOM, LLC,**

15 Debtor.

16 Case No.: 1:10-bk-13001-GM

17 Chapter 11

18 **STIPULATION BY AND AMONG ESCOM,**  
19 **LLC, DEBTOR AND DEBTOR IN**  
20 **POSSESSION, WASHINGTON**  
21 **TECHNOLOGY ASSOCIATES, LLC, DOM**  
22 **PARTNERS LLC, AND NUTHIN' BUT NET,**  
23 **LLC FOR WITHDRAWAL OF NUTHIN' BUT**  
24 **NET'S LIMITED OPPOSITION TO SALE**  
25 **APPROVAL MOTION**

26 **Current Hearing:**

27 Date: March 29, 2011

28 Time: 10:00 a.m.

Place: Courtroom 303  
21041 Burbank Blvd.

Woodland Hills, CA 91367

Judge: Hon. Geraldine Mund

1 This stipulation (the “Stipulation”) is entered into by and among Escom, LLC, debtor and  
2 debtor in possession (the “Debtor”), Washington Technology Associates, LLC (“WTA”), DOM  
3 Partners LLC (“DOM”), and Nuthin’ But Net, LLC (“NBN”), with reference to the following facts:

4 1. On October 18, 2010, the Debtor filed that certain *Motion for Order (I) Authorizing*  
5 *Debtor to Sell Assets Free and Clear of Liens, Claims, and Encumbrances, (II) Approving Asset*  
6 *Purchase Agreement with Successful Bidder Clover Holdings Limited, (III) Authorizing Payment of*  
7 *Sale Commissions From Sale Proceeds, and (IV) Granting Related Relief* (the “Sale Approval  
8 Motion”).

9  
10 2. On October 26, 2010, NBN filed its *Opposition to Motion for Order (I) Authorizing*  
11 *Debtor to Sell Assets Free and Clear of Liens, Claims, and Encumbrances, (II) Approving Asset*  
12 *Purchase Agreement with Successful Bidder Clover Holdings Limited, (III) Authorizing Payment of*  
13 *Sale Commissions From Sale Proceeds, and (IV) Granting Related Relief* and related declarations  
14 (the “NBN Objection”).

15  
16 3. In the NBN Objection, NBN objected to the distribution of default interest, late fees  
17 and collection costs, including attorney’s fees, to DOM and WTA (collectively the “Secured  
18 Lenders”) and contested the validity of iEntertainment Inc.’s secured lien. At a hearing held on  
19 October 27, 2010, the Court granted the Sale Approval Motion, authorized the closing of the  
20 underlying sale, and ordered the Debtor to pay non-disputed principal and non-default interest to the  
21 Secured Lenders. The Court requested further briefing on the matters raised in the NBN Opposition  
22 for a hearing to be held on December 22, 2010.<sup>1</sup>

23  
24 4. On November 29, 2010, NBN and the Secured Lenders filed briefs addressing the  
25 issues raised in NBN Objection. The parties, including the Debtor, also filed a Statement of  
26 Undisputed Facts and supporting exhibits. Additionally, NBN filed a motion for authority to pursue  
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<sup>1</sup> On a *sua sponte* basis, the Court rescheduled the hearing to January 5, 2011.

1 estate causes of action for breach of fiduciary duty against the Managers and to subordinate the  
2 remaining claims of the Secured Lenders (the "Estate Claims Motion"). On December 8, 2010,  
3 each of the parties hereto filed reply briefs with respect to these matters.

4 5. On February 7, 2011, the Court issued its Memorandum of Opinion Regarding Nuthin  
5 But Net LLC Objection to Sale and entered its Order Regarding Memorandum of Opinion (the  
6 "NBN Order"), denying NBN's Objection and Estate Claims Motion. . The Court further order the  
7 Secured Lenders to file an accounting and declarations supporting their fees and costs by February  
8 25, 2011 and NBN to file a list of specific objections thereto by March 11, 2011.

9 10 6. Thereafter, the Parties met and conferred respecting the Objection, the Estate Claims  
11 Motion and the Court's Order. As a result, NBN agreed to withdraw its NBN Objection and  
12 informed the Parties that it will not submit further pleadings respecting the claims of the Secured  
13 Lenders to default interest, late fees or collection costs, including attorney's fees.

14 15 7. Each of the attorneys executing this Stipulation expressly represents that he or she is  
16 duly authorized to execute the stipulation on behalf of his or her client(s) and that such client is  
17 bound by the terms of this Stipulation, upon approval by the Court, without further signature.

18 **WHEREFORE**, the parties hereby stipulate as follows:

19 A. The provisions contained in Recitals 1 through 7 above are incorporated herein by  
20 reference.

21 B. NBN withdraws the NBN Objection in its entirety and does not object to the payment  
22 of default interest, late fees or collection costs, including attorney's fees, to the Secured Lenders in  
23 accordance with the terms of the Sale Approval Motion, and will not file objections thereto.  
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Dated: February 17, 2011

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Dated: February \_\_, 2011

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Dated: February \_\_, 2011

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By \_\_\_\_\_  
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Attorneys for DOM Partners LLC

Dated: February \_\_, 2011

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Attorneys for Washington Technology Associates, LLC

**NOTE:** When using this form to indicate service of a proposed order, **DO NOT** list any person or entity in Category I. Proposed orders do not generate an NEF because only orders that have been entered are placed on the CM/ECF docket.

## PROOF OF SERVICE OF DOCUMENT

I am over the age of 18 and not a party to this bankruptcy case or adversary proceeding. My business address is:

PACHULSKI STANG ZIEHL & JONES LLP, 10100 Santa Monica Boulevard, Suite 1100, Los Angeles, CA 90067

A true and correct copy of the foregoing document described as **STIPULATION BY AND AMONG ESCOM, LLC, DEBTOR AND DEBTOR IN POSSESSION, WASHINGTON TECHNOLOGY ASSOCIATES, LLC, DOM PARTNERS LLC, AND NUTHIN' BUT NET, LLC FOR WITHDRAWAL OF NUTHIN' BUT NET'S LIMITED OPPOSITION TO SALE APPROVAL MOTION** will be served or was served (a) on the judge in chambers in the form and manner required by LBR 5005-2(d); and (b) in the manner indicated below:

**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING ("NEF")** – Pursuant to controlling General Order(s) and Local Bankruptcy Rule(s) ("LBR"), the foregoing document will be served by the court via NEF and hyperlink to the document. On **February 17, 2011**, I checked the CM/ECF docket for this bankruptcy case or adversary proceeding and determined that the following person(s) are on the Electronic Mail Notice List to receive NEF transmission at the email address(es) indicated below:

Service information continued on attached page

**II. SERVED BY U.S. MAIL OR OVERNIGHT MAIL** (indicate method for each person or entity served):

On **February 17, 2011**, I served the following person(s) and/or entity(ies) at the last known address(es) in this bankruptcy case or adversary proceeding by placing a true and correct copy thereof in a sealed envelope in the United States Mail, first class, postage prepaid, and/or with an overnight mail service addressed as follows. Listing the judge here constitutes a declaration that mailing to the judge will be completed no later than 24 hours after the document is filed.

### **JUDGE'S COURTESY COPY SERVED BY FEDERAL EXPRESS**

The Honorable Geraldine Mund  
United States Bankruptcy Court - Central District of California  
21041 Burbank Boulevard, Suite 342 / Courtroom 303  
Woodland Hills, CA 91367

Service information continued on attached page

**III. SERVED BY PERSONAL DELIVERY, FACSIMILE TRANSMISSION OR EMAIL** (indicate method for each person or entity served): Pursuant to F.R.Civ.P. 5 and/or controlling LBR, on \_\_\_\_\_, I served the following person(s) and/or entity(ies) by personal delivery, or (for those who consented in writing to such service method), by facsimile transmission and/or email as follows. Listing the judge here constitutes a declaration that personal delivery on the judge will be completed no later than 24 hours after the document is filed.

Service information continued on attached page

I declare under penalty of perjury under the laws of the United States of America that the foregoing is true and correct.

February 17, 2011

Date

Ann E. Mason

Type Name

/s/ Ann E. Mason

Signature



**I. TO BE SERVED BY THE COURT VIA NOTICE OF ELECTRONIC FILING (“NEF”)**

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