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IN THE UNITED STATES BANKRUPTCY COURT FOR THE  
WESTERN DISTRICT OF WASHINGTON AT SEATTLE

In re:	)	Chapter 7
	)	Bankruptcy No. 06-14202
COURT REPORTING INSTITUTE, INC.,	)	
	)	DECLARATION OF JAMES RIGBY
Debtor(s).	)	APPENDING FLEISCHMAN
_____	)	SETTLEMENT AGREEMENT

The undersigned makes the following statement under penalty of perjury:

- I am over 18 years of age, am competent to testify to the statements herein and make the statements herein based on facts personally known to me.
- Attached hereto is a copy of the Settlement and Release Agreement between the CRI Trustee, the Janisch Trustee and the Flesichman Defendants.

DATED this 23<sup>rd</sup> day of September, 2008.

*/S/ James Rigby*

\_\_\_\_\_  
James Rigby

**SETTLEMENT AND RELEASE AGREEMENT**

This Agreement is dated as of September \_\_\_ 2008, by and among Michael B. McCarty as trustee for and acting on behalf of the bankruptcy estate of Court Reporting Institute, Inc. ["CRI Trustee"], in case no. 06-14202 [the "CRI Case"] pending in the United States Bankruptcy Court, W.D. Wash. at Seattle [the "Bankruptcy Court"]; Edmund J. Wood as trustee for and acting on behalf of the bankruptcy estate of Alen Janisch ["Janisch Trustee"], in case no. 07-15620 [the "Janisch Case"] pending in the Bankruptcy Court; Steve Fleischman ["Fleischman"]; Fleischman Family Limited Partnership ["FFLP"]; and Fleischman Center ["FC"] [Fleischman, FFLP and FC are jointly referred to as the "Fleischman Defendants"].

WHEREAS, CRI Trustee has commenced Adversary Proceeding No. 08-01131 in the Bankruptcy Court, against Fleischman and Bank of America, N.A., seeking turnover of \$62,000 plus accrued interest posted as cash collateral in connection with Bank of America letter of credit number 3053411 [the "Turnover Adversary"]. Fleischman has answered, asserting ownership of the funds at Bank of America, and brought a counterclaim and third-party complaint against Janisch Trustee for resolution of all competing claims and defenses relating to the funds at issue;

WHEREAS, CRI Trustee has commenced Adversary Proceeding No. 08-01167 in the Bankruptcy Court, against FFLP, seeking recovery of \$150,000 from FFLP as an alleged transferee, in January 2006, of an avoided transfer under 11 U.S.C. § 550(a)(2) [the "Transferee Adversary"]. FFLP has answered, asserting defenses, and FFLP and FC have brought a counterclaim and third-party complaint against Janisch Trustee, for resolution of all competing claims and defenses relating to the transaction;

WHEREAS, FFLP has filed a proof of claim for \$185,992.63 in the above-described Alen Janisch bankruptcy case, based on unpaid rent, various other charges, and damages based upon rejection/termination of a lease between FFLP and Janisch [the "Rent Claim"];

WHEREAS, the parties wish to settle, fully and finally, all litigation and claims by the CRI Trustee and/or the Janisch Trustee on one hand, and the Fleischman Defendants and affiliated entities on the other, except for the Rent Claim and, if any, the Janisch Trustee's defenses to the Rent Claim that are not based upon affirmative claims by the Janisch Trustee against the Fleischman Defendants (the latter being released under this Agreement);

NOW, THEREFORE, for good and valuable consideration the receipt of which is hereby acknowledged, the parties agree:

1. **Settlement Payment.** As soon as reasonably practicable, but in any event within 30 days, after the full execution of this Agreement and entry of Bankruptcy Court orders

approving this Agreement within the CRI Case and the Janisch Case, Fleischman shall deliver to James Rigby, as counsel for CRI Trustee, a total of \$92,000 [the "Settlement Payment"] in full and final settlement of the Turnover Adversary and the Transferee Adversary, and in exchange for the releases contained in this Agreement.

A. Of this total amount, \$62,000 shall be delivered from funds currently held by Fleischman on deposit with Bank of America. Fleischman, the CRI Trustee and the Janisch Trustee hereby consent and agree, conditioned upon the described Bankruptcy Court orders approving this Agreement, to the full release of all claims of the CRI Trustee and/or the Janisch Trustee, acting on behalf of the Court Reporting Institute bankruptcy estate and the Alen Janisch bankruptcy estate respectively, with respect to any and all funds the Fleischman Defendants, or any of them, may have on deposit with Bank of America. The CRI Trustee and Janisch Trustee shall take any additional steps necessary or helpful to facilitate the release of all such funds on deposit with Bank of America, to the sole control of the Fleischman Defendant depositors of such funds.

B. The remaining \$30,000 of the Settlement Payment shall be delivered by Fleischman from other funds, on behalf of the Fleischman Defendants, as the Fleischman Defendants may in their sole discretion agree among themselves.

C. The Settlement Payment shall be allocated among the bankruptcy estates in the CRI Case and the Janisch Case, as the CRI Trustee and Janisch Trustee shall agree among themselves or as determined consistent with Bankruptcy Court order(s) governing such allocation. This Agreement is not conditioned upon any particular allocation as between the estates, or upon approval of a specific allocation.

2. Release. Effective immediately upon Bankruptcy Court approval of this Agreement in the CRI Case and the Janisch Case, CRI Trustee and Janisch Trustee, on behalf of the bankruptcy estates in the CRI Case and Janisch Case respectively, each hereby release any and all claims, demands, rights, liens or rights to claim liens, causes of action or liabilities, of every nature and description whatsoever (including, without limitation, claims and causes of action under Chapter 5 of Title 11, U.S.C.), whether based in law or equity, on federal, state, local, statutory or common law, or any other law, rule or regulation, including claims both known and unknown, suspected or unsuspected, liquidated or unliquidated, contingent or non-contingent, secured or unsecured, which exist or are based upon facts existing as of the date of this Agreement ("Claims"), which Claims they or either of them may hold against Fleischman, FFLP, FC, entities affiliated with FFLP and FC, Richard V. Fleischman, Phyllis M. Fleischman, Richard N. Fleischman and Jennifer Price-Fleischman, and Jodi M. Fleischman, and their respective successors and assigns, provided that the following shall survive this release: (a) FFLP's Rent Claim and any defenses to the Rent Claim by the Janisch Trustee which are not based on or related to affirmative Claims released herein, shall be preserved and shall survive this release, and (b) the obligation of Fleischman to deliver the Settlement Payment, until delivered.

## SETTLEMENT AND RELEASE AGREEMENT - 2

3. Dismissal with Prejudice. As soon as practicable upon receipt of the Settlement Payment, the CRI Trustee and Janisch Trustee shall dismiss, with prejudice, the Turnover Adversary (including claims against Bank of America as well as Fleischman), and the Transferee Adversary, with each side to bear its own fees and expenses. The parties shall cooperate to strike or continue proceedings within the Turnover Adversary and Transferee Adversary pending approval of this Agreement so as to minimize attorneys fees and expenses.

4. Bankruptcy Court Approval. This Agreement is conditioned upon entry of Bankruptcy Court orders approving this Agreement, in both the CRI Case and the Janisch Case, in form reasonably satisfactory to the Fleischman Defendants, as soon as practicable but in any event, no later than November 14, 2008. The CRI Trustee and Janisch Trustee shall promptly seek such approval and shall take reasonable steps to support and obtain such approval. If such orders have not been entered in both the CRI Case and the Janisch Case by November 14, 2008, or if an order approving this Agreement is timely stayed pending appeal, this Agreement shall be deemed automatically terminated, null and void unless otherwise mutually agreed, in writing, among the CRI Trustee, Janisch Trustee, and Fleischman Defendants.

5. Miscellaneous. This Agreement is the voluntary act of each of the parties. Each of the parties acknowledges that it has had reasonable opportunity to consult with an attorney of its own choosing, prior to execution of this Agreement. This is the entire Agreement between the parties. No prior or contemporaneous agreements or understandings between the parties shall be valid or of any force and effect following execution of this Agreement. This Agreement may be amended only in writing executed by all parties hereto. This Agreement has been executed within the State of Washington and shall be governed by Washington law. This Agreement may be executed in counterparts and a signature sheet bearing the signature of a party faxed or e-mailed to the other parties shall constitute acceptable evidence of execution. This Agreement shall be binding upon each of the parties, their respective successors and assigns.

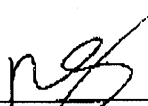
**ORAL AGREEMENTS OR ORAL COMMITMENTS TO LOAN MONEY, EXTEND CREDIT, OR TO FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.**

DATED: September 11, 2008

DATED: September \_\_, 2008

CRI Trustee

Janisch Trustee

  
 Michael B. McCarty, as trustee for and acting on behalf of the bankruptcy estate of Court Reporting Institute, Inc.

\_\_\_\_\_  
 Edmund J. Wood, as trustee for and acting on behalf of the bankruptcy estate of Alen Janisch

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DATED: September \_\_, 2008

DATED: September \_\_, 2008

CRI Trustee

Janisch Trustee

\_\_\_\_\_  
Michael B. McCarty, as trustee for and acting on behalf of the bankruptcy estate of Court Reporting Institute, Inc.

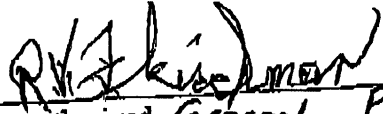
\_\_\_\_\_  
Edmund J. Wood, as trustee for and acting on behalf of the bankruptcy estate of Alen Janisch

DATED: September 11, 2008

  
Steve Fleischman

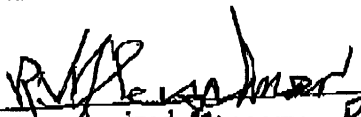
DATED: September 11, 2008

Fleischman Family Limited Partnership

by:   
its duly authorized General Partner

DATED: September 11, 2008

Fleischman Center

by:   
its duly authorized Managing Partner

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