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UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA

UNITED STATES OF AMERICA,
Plaintiff,

v.

"THE WOLF OF WALL STREET" MOTION
PICTURE, ETC.,
Defendant.

NO. CV 16-5362-DSF (PLAx)
NO. CV 17-4439-DSF (PLAx)

[PROPOSED]
CONSENT JUDGMENT OF FORFEITURE

UNITED STATES OF AMERICA,
Plaintiff,

v.

"DADDY'S HOME" AND "DUMB AND
DUMBER TO" MOTION PICTURES,
ETC.,
Defendants.

On July 20, 2016, Plaintiff United States of America ("Plaintiff," the "United States," or the "Government") commenced case number CV 16-5362-DSF (PLAx), and notice was given and published in accordance with law. On August 4, 2017, the Government filed a first amended complaint, and notice was given in accordance with law.

1 On September 9, 2016, Claimants Red Granite Pictures, Inc.; Red
2 Granite Capital, Ltd.; Red Granite Capital US, LLC; TWOWS, LLC; and
3 Red Granite International, Inc. (collectively, the "Red Granite
4 Claimants") filed claims to the original Complaint as to the
5 defendant asset any and all rights, presently-held and future, for
6 the motion picture "The Wolf of Wall Street" belonging to Red Granite
7 Pictures, Inc. ("Red Granite Pictures"), a film production company
8 located in Los Angeles, California, including copyright and
9 intellectual property rights, as well as the right to collect and
10 receive any revenue or receipts (whether gross or net), royalties,
11 and/or other proceeds resulting from the ownership by or interest of
12 Red Granite Pictures in connection with the role of Red Granite
13 Pictures in producing, distributing, or otherwise financing or
14 promoting the motion picture "The Wolf of Wall Street," as well as
15 any and all monies received or held by Red Granite Pictures, whether
16 as cash or held in any account in any financial institution, that
17 constitutes any and all proceeds, to include but not limited to any
18 revenue or receipts (whether gross or net), royalties, and/or other
19 proceeds resulting from the ownership by or interest of Red Granite
20 Pictures, whether in whole or part, in connection with the role of
21 Red Granite Pictures in producing, distributing, or otherwise
22 financing or promoting the motion picture "The Wolf of Wall Street,"
23 or related to or derived from same (hereinafter "TWOWS," as more
24 specifically described in Attachment A to the original Complaint in
25 case number CV 16-5362-DSF (PLAx)). On October 7, 2016, Claimants
26 Directors Guild of America, Inc., Screen Actors Guild-American
27 Federation of Television and Radio Artists, Writers Guild of America
28 West, Inc., and Motion Picture Industry Pension and Health Plans

1 (collectively, the "Union Entities," and with the Red Granite
2 Claimants, the "Claimants") filed claims to the original Complaint as
3 to TWOWS. No other claims or answers have been filed, and the time
4 for filing such claims and answers has expired. All Claimants would
5 have filed claims to the First Amended Complaint in case number CV
6 16-5362-DSF (PLAx) if a settlement had not been reached.

7 On June 15, 2017, Plaintiff commenced case number CV 17-4439-DSF
8 (PLAx), and notice was given and published in accordance with law.
9 Red Granite Pictures, Inc.; Red Granite Capital US, LLC; Red Granite
10 Capital, Ltd.; Red Granite International, Inc.; Red Granite
11 Entertainment Holdings, LLC; DDTto Finance, LLC; Dumb and Dumber To,
12 LLC; RGDD2 Productions, LLC; Daddy's Home LLC; the Union Entities;
13 and Paramount Pictures Corporation (collectively, the "Potential
14 Claimants") informed the Government that they had potential claims to
15 the defendant assets any and all rights, presently-held and future,
16 for the motion pictures "Daddy's Home" and "Dumb and Dumber To"
17 belonging to Red Granite Pictures, including copyright and
18 intellectual property rights, as well as the right to collect and
19 receive any revenue or receipts (whether gross or net), royalties,
20 and/or other proceeds resulting from the ownership by or interest of
21 Red Granite Pictures in connection with the role of Red Granite
22 Pictures in producing, distributing, or otherwise financing or
23 promoting the motion pictures "Daddy's Home" and "Dumb and Dumber
24 To," as well as any and all monies received or held by Red Granite
25 Pictures, whether as cash or held in any account in any financial
26 institution, that constitutes any and all proceeds, to include but
27 not limited to any revenue or receipts (whether gross or net),
28 royalties, and/or other proceeds resulting from the ownership by or

1 interest of Red Granite Pictures, whether in whole or part, in
2 connection with the role of Red Granite Pictures in producing,
3 distributing, or otherwise financing or promoting the motion pictures
4 "Daddy's Home" and "Dumb and Dumber To," or related to or derived
5 from same (hereinafter "DH/DDTO," as more specifically described in
6 Attachment A to the original Complaint in case number CV 17-4439-DSF
7 (PLAx), and together with TWOWS, the "Defendant Assets"). No other
8 claims or answers have been filed, and the time for filing such
9 claims and answers has expired. All Potential Claimants would have
10 filed claims to the Complaint in case number CV 17-4439-DSF (PLAx) if
11 a settlement had not been reached.

12 Now, the parties have reached an agreement that is dispositive
13 of the claims and potential claims to the Defendant Assets in case
14 numbers 16-cv-5362-DSF (PLAx) and 17-cv-04439-DSF (PLAx) (the
15 "Actions"). Based on the parties' Stipulation and Request for a
16 Consent Judgment (the "Agreement," a copy of which is annexed hereto
17 as Exhibit A), and for good cause shown, IT IS ORDERED, ADJUDGED AND
18 DECREED;

19 A. This Court has jurisdiction over this action pursuant to 28
20 U.S.C. §§ 1345 and 1355.

21 B. The operative Verified Complaints for Forfeiture In Rem in
22 the Actions (the "Complaints") assert claims pursuant to 18 U.S.C.
23 §§ 981(a)(1)(A) and (C).

24 C. Notice of the Actions has been given in accordance with
25 law. All potential claimants to the Defendant Assets other than
26 Claimants and Potential Claimants are deemed to have admitted the
27 allegations of the Complaints with respect to the Defendant Assets.

28

1 D. For purposes of this Consent Judgment, the term "Red
2 Granite" is defined to include, collectively and individually: Red
3 Granite Pictures, Inc.; Red Granite International, Inc.; Red Granite
4 Capital Ltd.; Red Granite Partners, Inc.; Red Granite Capital US,
5 LLC; Red Granite Music, LLC; Red Granite Investment Holdings, LLC;
6 Red Granite Real Estate Holdings, LLC; Red Granite Entertainment
7 Holdings, LLC; Red Granite Entertainment, Inc.; RG Productions
8 Development, LLC; DDT to Finance, LLC; RGDD2 Productions, LLC; Dumb and
9 Dumber To, LLC; TWOWS, LLC; The Papillon Project, LLC; Papillon Movie
10 LLC; Papillon Movie Finance LLC; Daddy's Home, LLC; Daddy's Home
11 Finance, LLC; OOTF, LLC; The Horns Project, Inc.; Victory or Death,
12 LLC; The Horns Project Productions Ltd.; Blue Box International LLC;
13 and Metropolis IX Capital Advisors, LLC, as well each of their
14 predecessors, successors, assigns, subsidiaries, parent companies,
15 and affiliated entities.

16 E. Nothing in this Consent Judgment or the Agreement
17 constitutes an admission of wrongdoing or liability on the part of
18 Red Granite, its Shareholders (as defined below), or the Union
19 Entities, nor can this Consent Judgment or the Agreement be
20 admissible against Red Granite, its Shareholders, or the Union
21 Entities in any proceeding as evidence of any of the allegations set
22 out in the operative complaints in the Actions.

23 Forfeiture Amount

24 1. Red Granite shall:

25 a. Pay the amount of \$60,000,000.00 as substitute *res* for
26 the Defendant Assets (the "Forfeiture Amount") in a manner consistent
27 with the terms of the Agreement, and agrees to forfeit to the
28 Government all rights, title, and interest in the Forfeiture Amount.

1 b. In connection with any and all funds Red Granite
2 intends to provide to satisfy any portion of the Forfeiture Amount,
3 Red Granite shall identify the source of those funds and provide to
4 the Government sufficient information to satisfy the Government as to
5 the legitimacy of any and all sources of such funds, other than funds
6 already in the possession of or held for the benefit of Red Granite
7 (e.g., the "Paramount Funds," as defined below).

8 c. Within ten [10] business days from the Court's entry
9 of the consent judgment, Paramount Pictures Corporation ("Paramount")
10 shall transfer to the Government, or cause to be transferred to the
11 Government, all funds in Paramount's possession or control on that
12 date that, as shown on the most recent participation statement issued
13 by Paramount, are due from Paramount to Red Granite Capital US, LLC
14 from the motion picture "Daddy's Home" (the "Paramount Funds"). The
15 Government shall hold the Paramount Funds in an interest-bearing
16 account, subject to paragraph 8(d)(i) of the Agreement.

17 d. Pursuant to paragraphs 39 and 42(c) of the Agreement,
18 Paramount shall pay directly to Red Granite Capital US, LLC, Red
19 Granite Pictures, Inc., or their assign, any funds that, as shown on
20 the quarterly or annual (as applicable) statements issued by
21 Paramount after the date of the transfer to the Government prescribed
22 in paragraph 8(c) of the Agreement, become due from Paramount to Red
23 Granite from the motion picture "Daddy's Home". Red Granite shall
24 hold, and not expend nor disburse, such funds, including as
25 Collateral (as that term is defined in paragraph 17 of the
26 Agreement), until such time as either (a) Red Granite satisfies the
27 entire Forfeiture Amount, or (b) the Government consents in writing
28 to Red Granite's use of such funds.

1 e. The Forfeiture Amount shall be payable as follows:

2 i. "First Payment": No later than 30 days after the
3 consent judgment is entered by the Court, subject to Paramount's
4 timely compliance with the requirements of Paragraph 8(c) of the
5 Agreement, Red Granite shall be deemed to have paid the Government an
6 amount equal to \$30 million (or more, at Red Granite's sole election)
7 from the Paramount Funds, which the Government may thereafter
8 transfer as it deems appropriate;

9 ii. "Second Payment": No later than 180 days after
10 the Government receives the payment of the \$30 million described in
11 the "First Payment," Red Granite shall pay to the United States an
12 additional \$20 million. In the event that Red Granite has chosen to
13 pre-pay any portion of the Forfeiture Amount as of the date that the
14 Second Payment is due, the Second Payment shall be in an amount such
15 that Red Granite has paid the Government a total of at least \$50
16 million, plus applicable interest as set forth below; and

17 iii. "Third Payment": No later than 180 days after
18 the Government receives the "Second Payment," Red Granite shall pay
19 to the United States an amount no less than \$10 million. In the
20 event that Red Granite has chosen to pre-pay any portion of the
21 Forfeiture Amount as of the date that the Third Payment is due, the
22 Third Payment shall be in an amount such that Red Granite has paid
23 the Government a total of \$60 million, plus applicable interest as
24 set forth below (*i.e.*, the entire Forfeiture Amount);

25 iv. From the date of the Court's entry of the consent
26 judgment, Red Granite shall pay the Government 2% interest per annum
27 on any unpaid portion of the Forfeiture Amount, which shall be
28 payable in addition to and at the same time as the payment schedules

1 in (i) - (iii) above. Thirty [30] days prior to the date that each
2 of the Second Payment and the Third Payment is due, the Government
3 and Red Granite shall calculate the amount of interest due and
4 confirm in writing the total amount due and owing for such payment.

5 v. For the avoidance of doubt, Red Granite may
6 prepay any portion of the Forfeiture Amount without accruing interest
7 thereon or incurring any other prepayment penalty.

8 2. Should Red Granite not make full payments in accordance
9 with the terms of the Agreement, the Government may declare an event
10 of default. Should the Government declare such a default, it shall
11 provide written notice to Red Granite, with a copy to the Union
12 Entities, and allow Red Granite seven [7] business days to cure any
13 such default. Following this seven-day period, should Red Granite
14 not fully cure the default, the Government may immediately accelerate
15 the payment schedule for the entire remainder of the Forfeiture
16 Amount not then paid.

17 3. Immediately following the First Payment (*i.e.*, the \$30
18 million payment to the Government from the Paramount Funds), the
19 Government shall cause \$3 million to be paid from the Paramount Funds
20 to Red Granite, to an account designated in writing by counsel to Red
21 Granite. In the Agreement, the amount of the Paramount Funds that
22 remains on deposit with the Government after (i) the First Payment
23 has been made to the Government and (ii) the initial \$3 million has
24 been distributed directly to Red Granite, is known as the "Remainder
25 Funds."

26 4. The Government and Red Granite intend that the \$3 million
27 from the Paramount Funds that is paid directly to Red Granite
28 pursuant to the preceding Paragraph is an amount roughly sufficient

1 to cover Red Granite's normal operating expenses and disclosed
2 obligations through the date that the Second Payment is due.
3 Notwithstanding Red Granite's best efforts to project that \$3 million
4 will be an amount sufficient to cover Red Granite's normal operating
5 expenses and disclosed obligations until the Second Payment is due,
6 within ten [10] business days upon written application by Red Granite
7 to a "Control Group" that the Government has specifically identified
8 and made known to Red Granite, the Government shall release to Red
9 Granite such portion of the Remainder Funds as are necessary to pay
10 for obligations incurred by Red Granite prior to the date of this
11 Agreement, and which have been disclosed to the Government.

12 5. Thirty [30] days prior to the due date of the Second
13 Payment, Red Granite may provide to the Government a schedule of
14 normal operating expenses and disclosed obligations that Red Granite
15 has undertaken to pay during the 180 day period following the Second
16 Payment, which the Government shall release as set forth in Paragraph
17 11 of the Agreement, *i.e.*, within ten [10] business days upon written
18 application by Red Granite to the "Control Group," the Government
19 shall release to Red Granite such portion of the Remainder Funds as
20 are necessary to pay for Red Granite's scheduled normal operating
21 expenses and disclosed obligations over the 180 days period following
22 the due date of the Second Payment. Notwithstanding the foregoing,
23 however, the Government shall have no obligation to release
24 additional Remainder Funds to Red Granite under this paragraph if (a)
25 Red Granite determines to raise funds to make the Second Payment by
26 selling or entering into a new borrowing agreement secured by the
27 Defendant Assets (a "Covered Transaction"), *and* (b) by the due date
28 of the Second Payment, Red Granite is unable to enter into a Covered

1 Transaction, and (c) Red Granite has not otherwise made the Second
2 Payment. If a Covered Transaction is scheduled to close, but has not
3 yet closed, at the time that the Second Payment is due (and Red
4 Granite has not otherwise made the Second Payment), the Government
5 shall release to Red Granite such portion of the Remainder Funds as
6 are necessary to pay for ordinary course obligations through two
7 weeks following the date of the scheduled closing of such Covered
8 Transaction. For purposes of this Agreement, Red Granite shall be
9 deemed unable to enter into a Covered Transaction if it has contacted
10 (or affirmatively declined to contact) customary lenders and buyers
11 in the market for motion picture assets or revenue streams, as well
12 as non-traditional buyers in the capital markets (such as hedge funds
13 or private equity funds), none of which has made a firm commitment to
14 enter into a Covered Transaction.

15 6. In addition, within ten [10] business days upon written
16 application by Red Granite, the Government may release to Red Granite
17 such portion of the Remainder Funds as are necessary to pay for other
18 ordinary course expenses or to fund transactions outside of Red
19 Granite's ordinary course, as defined below. The Government's
20 consent to release such funds may not be unreasonably withheld. To
21 the extent that there is a disagreement about whether any such
22 expense is appropriate, Red Granite and the Government shall meet and
23 confer, and any disputes shall be brought to the Court for decision.
24 Red Granite shall be responsible for the reasonable costs of any
25 professional services that the Government, in its sole discretion,
26 believes necessary for it to make a reasonably informed decision
27 concerning the release of Remainder Funds for any proposed non-
28 ordinary course transaction.

1 7. For the avoidance of doubt, non-ordinary course
2 transactions within the meaning of the previous paragraph include,
3 but are not limited to the following:

4 a. Sale or transfer of ownership interest in any Red
5 Granite entity or affiliate, except as set forth in Paragraphs 17-22
6 of the Agreement.

7 b. Payment of dividends or distributions to shareholders
8 other than salaries, *provided, however*, that Riza Aziz (the "Majority
9 Shareholder") shall continue to draw no salary (other than the
10 minimum required in order to ensure continuity of health insurance
11 coverage under Red Granite's plan) until the Forfeiture Amount has
12 been paid in full, as he has done voluntarily during the pendency of
13 these Actions.

14 c. Issuance or repurchase of equity shares, except as set
15 forth in Paragraphs 17-22 of the Agreement.

16 d. Entering into new loan facilities, except as set forth
17 in Paragraphs 17-22 of the Agreement.

18 e. Acquiring capital assets of a value greater than
19 \$50,000.00.

20 f. Selling or otherwise disposing of assets, except as
21 set forth in Paragraphs 17-22 of the Agreement.

22 8. At any time, and upon Red Granite's written notice to the
23 Government, Red Granite may apply all or part of the Remainder Funds
24 towards partial or full satisfaction of the Forfeiture Amount.

25 9. Following payment in full of the Forfeiture Amount, the
26 Government shall release to Red Granite that portion of the Remainder
27 Funds (and any interest earned thereon) not already distributed to
28 Red Granite or paid to the Government.

1 Security Interest

2 10. To secure the Forfeiture Amount, Red Granite shall grant to
3 the United States a General Business Security Interest and a pledge
4 of all copyrights and other after-acquired property, subordinated
5 only to existing valid, perfected security interests (the
6 "Collateral"), *provided, however,* that the Collateral shall not
7 include Red Granite's development assets, as identified to the
8 Government (the "Excluded Development Assets"), *provided further,*
9 *however,* that the Collateral shall include Red Granite's rights to
10 proceeds, in any form, from the Excluded Development Assets. The
11 Government and Red Granite shall insure that the security interest
12 granted to the United States under this Paragraph is consistent with
13 Red Granite's existing contractual obligations, including, but not
14 limited to, and in furtherance of Paragraph 33 of the Agreement,
15 customary Union Entity lien priority and inter-creditor arrangements
16 in connection with motion pictures produced or distributed by Red
17 Granite that are produced subject to Union Entity contracts,
18 including motion pictures derived from Excluded Development Assets.

19 11. Notwithstanding anything in this Consent Judgment or the
20 Agreement to the contrary, Red Granite may, in its sole discretion,
21 sell or borrow against the Collateral (in whole or in part) under the
22 following circumstances:

- 23 a. All proceeds from any such sale or borrowing shall be
24 paid to the Government in satisfaction of the
25 Forfeiture Amount, except
- 26 b. If and only if Red Granite has paid the first two
27 installments of the Forfeiture Amount (*i.e.*, a total
28 of \$50 million), Red Granite may retain the proceeds

1 of any such sale or borrowing in amount of no more
2 than \$5 million, to be used exclusively for
3 development and overhead. Any additional proceeds of
4 such sale or borrowing shall be paid to the Government
5 in satisfaction of the Forfeiture Amount, regardless
6 of whether such monies are due and owing under this
7 Agreement yet.

8 c. In the event that Red Granite retains any funds from a
9 sale of or borrowing against the Collateral pursuant
10 to paragraph 18(b) of the Agreement, Red Granite shall
11 grant to the United States an additional security
12 interest in Red Granite's rights to the proceeds from
13 any development asset financed with such funds.

14 12. Upon written consent of both the Government and Red
15 Granite, other assets may be substituted for some or all of the
16 Collateral.

17 13. The entirety of the Agreement shall be with recourse to the
18 Majority Shareholder in his personal capacity, and the Majority
19 Shareholder shall personally guarantee Red Granite's payment
20 obligations (described in Paragraphs 8-16 of the Agreement) and the
21 Majority Shareholder shall pledge all of his assets in whatever form
22 held, of any type, and wherever located (the "Majority Shareholder
23 Assets"), to the full satisfaction of Red Granite's obligation to pay
24 the Forfeiture Amount.

25 14. Red Granite and the Majority Shareholder shall execute such
26 documentation as may be reasonably necessary in order to effectuate
27 and perfect the security interests and pledge of the Majority
28 Shareholder Assets.

1 15. For the avoidance of doubt, and notwithstanding anything to
2 the contrary in this Consent Judgment or the Agreement, nothing in
3 this Consent Judgment or the Agreement shall entitle the Government
4 to any amount of money greater than the Forfeiture Amount (plus all
5 applicable interest).

6 Release of Property

7 16. In consideration for the payment of the Forfeiture Amount,
8 the United States agrees to abandon its claims to forfeit the
9 Defendant Assets.

10 Surrender of Rights

11 17. Upon full payment to the Government of the Forfeiture
12 Amount, any and all potential claimants who had standing to file
13 claims against the Defendant Assets but did not, including secured
14 creditors such as Aabar Investments PJS Limited, shall be deemed to
15 have surrendered all rights, title, and interest in the Defendant
16 Assets. For the avoidance of doubt, neither the Union Entities nor
17 Paramount have surrendered any right, title, or interest they may
18 have in the Defendant Assets, if any.

19 No Interference

20 18. Red Granite shall not file, or cause any other person or
21 entity to file, or assist any other person or entity in filing, any
22 claim to the Forfeiture Amount or the Defendant Assets, or in any way
23 interfere with or delay the forfeiture of the Forfeiture Amount.

24 19. Upon request of the Government, Red Granite shall
25 reasonably cooperate with the Government in connection with
26 responding to any claims asserted against the Forfeiture Amount or
27 the Defendant Assets. Nothing in this paragraph shall require Red
28 Granite to waive attorney-client privilege, the work product

1 doctrine, or any other privilege, immunity, or statutory or
2 constitutional right or protection.

3 No Admission of Liability/No Tax Refund

4 20. This Consent Judgment and the Agreement do not constitute
5 an admission of liability or fault on the part of Red Granite.

6 21. Notwithstanding any other provision of this Consent
7 Judgment or the Agreement, the payment of the Forfeiture Amount does
8 not constitute a fine, penalty, or punitive damages, *provided,*
9 *however,* that the Forfeiture Amount shall be forfeited in its
10 entirety to the Government, and shall not be claimed as a deduction
11 or write-off for tax purposes.

12 Release of Civil Claims

13 22. The Government and Red Granite hereby fully and finally
14 compromise, settle, release, and dispose of the following
15 (collectively, the "Settled Claims"):

- 16 a. Any and all civil claims, including under the asset
17 forfeiture or money laundering statutes, that the
18 Government has asserted or could assert in connection
19 with alleged violations arising out of the specified
20 unlawful activity alleged in the Complaints, or any
21 other offenses arising from or related to the events
22 and acts described in the Complaints, including any
23 offenses having to do with LMDB in any way (the
24 "Covered Conduct"), against any of the following
25 people, entities, or property:

- 26 i. Red Granite, as defined above.
27 ii. Red Granite's officers, directors, employees,
28 shareholders, and agents, who were employed by

1 Red Granite on or before September 14, 2017,
2 whose identities and roles were disclosed
3 explicitly to the Government prior to the
4 execution of this Agreement. The release
5 provided in this sub-paragraph is limited to such
6 people's work in connection with Red Granite, and
7 does not release such people in connection with
8 their work with or for any other entity or
9 person.

10 iii. Any ownership interest in Red Granite held by its
11 shareholders, which was held on or before
12 September 14, 2017, and which Red Granite
13 disclosed explicitly to the Government prior to
14 the execution of this Agreement, *provided,*
15 *however,* that the pledge of Majority Shareholder
16 Assets described in Paragraphs 20-21 of the
17 Agreement, shall include the Majority
18 Shareholder's ownership interests in Red Granite;

19 iv. Any property, real, personal, or intangible
20 (including intellectual property) in the custody,
21 control, or possession of Red Granite as of
22 September 14, 2017, and that Red Granite
23 disclosed explicitly to the Government prior to
24 the execution of the Agreement, and the proceeds
25 of such property;

26 v. Any property derived from Red Granite's
27 intellectual property, including future works
28 based on that intellectual property and the

1 proceeds payable from such works, that Red
2 Granite owned on or before September 14, 2017,
3 and disclosed explicitly to the Government prior
4 to the execution of the Agreement;

5 vi. Any property in the custody, control, or
6 possession of any other person or entity that was
7 received from Red Granite, including but not
8 limited to payments made pursuant to agreements
9 concerning motion picture proceeds, on or before
10 September 14, 2017, and disclosed explicitly to
11 the Government prior to the execution of the
12 Agreement.

13 vii. Current and future proceeds payable to Red
14 Granite from motion pictures, including but not
15 limited to "The Wolf of Wall Street," "Friends
16 With Kids," "Dumb and Dumber To," "Horns," "Out
17 of the Furnace," "Daddy's Home," and "Papillon,"
18 as well as any projects of any kind (motion
19 picture, television, or otherwise) under
20 development or which Red Granite may be involved
21 in developing in the future.

22 viii. For the avoidance of doubt, the releases provided
23 in the Agreement shall not include any asset that
24 is currently subject to a civil forfeiture claim
25 by the Government in any of the related cases
26 pending in this District, other than the
27 Defendant Assets.

28 b. Any and all claims or defenses that Red Granite may or

1 could assert against the Government, including its
2 agencies, agents, officers, employees and
3 representatives, including, without limitation, all
4 agents, officers, employees and representatives of the
5 Federal Bureau of Investigation, the Internal Revenue
6 Service, Criminal Investigation, as well as all
7 agents, officers, employees and representatives of any
8 state or local government or law enforcement agency
9 involved in the investigation of this matter, related
10 to the Covered Conduct or the Complaints, including
11 any claims for reimbursement of funds expended on the
12 Information Agent or Independent Operational
13 Fiduciary, as those terms have been defined in prior
14 orders of the Court.

15 23. Prior to the execution of the Agreement, Red Granite
16 provided to the Government a list of all assets to be released as
17 part of the Settled Claims. Any material asset not so identified
18 shall not be released.

19 24. With respect to the Settled Claims enumerated above and in
20 Paragraphs 29 and 30 of the Agreement, the Government and Red Granite
21 have acknowledged and agreed that the releases they give to each
22 other, subject and pursuant to Paragraphs 29 and 30 of the Agreement,
23 apply to all such claims known or unknown, foreseen, or patent or
24 latent which either party may have against the other, and each party
25 has thereby waived application of California Civil Code Section 1542,
26 as set forth more completely in Paragraph 31 of the Agreement.

27 25. Nothing in the Agreement shall be read to release any
28 potential criminal claims of any kind against any person or entity.

1 Union Entities Claims

2 26. Notwithstanding the foregoing, nothing in the Agreement
3 shall be construed to affect, release, or impair any existing or
4 future rights or claims that the Union Entities may have with respect
5 to motion pictures produced, distributed, or otherwise exploited by
6 Red Granite, which claims shall pass through unaffected by the
7 Agreement.

8 Hold Harmless

9 27. With regard to the Covered Conduct, the United States shall
10 hold harmless any financial institution, as defined under Title 31,
11 Section 5312(a)(2), in connection with providing ordinary-course
12 banking services to Red Granite, including, without limitation:
13 providing access to or opening deposit accounts, custodial accounts,
14 investment accounts, check clearing or processing services, wire
15 transfer services, and secured or unsecured lending. For the
16 avoidance of doubt, with regard to the Covered Conduct, the United
17 States shall hold harmless under this paragraph any such financial
18 institution, or any other entity in the business of extending credit
19 for motion pictures, for engaging in secured or unsecured lending
20 agreements with Red Granite in connection with motion pictures that
21 are under development or in production at the time of the Agreement,
22 or that come under development or enter into production in the
23 future. As used in this sub-paragraph, an entity is "in the business
24 of extending credit for motion pictures" if it has been in the
25 principle business of motion picture finance for at least the 36
26 months period preceding the date of any proposed transaction and has
27 an established history of financing motion pictures that were
28 released in the United States. With respect to any other potential

1 source of film financing (*i.e.*, from a source other than a financial
2 institution or an entity in the business of extending credit for
3 motion pictures, as defined herein), the Government may in its sole
4 discretion, upon request by either Red Granite or the potential
5 source of film financing, confirm that a financing transaction is
6 subject to the hold harmless provision of this sub-paragraph if Red
7 Granite identifies the source of those funds and provides to the
8 Government sufficient information to satisfy the Government as to the
9 legitimacy of any and all sources of such funds. For the avoidance
10 of doubt, neither Red Granite nor any potential financier is required
11 to seek such confirmation from the Government, but may do so at their
12 sole election.

13 28. With regard to the Covered Conduct, the United States
14 likewise shall hold harmless any studio, distributor, trade vendor,
15 Union Entity, professional firm, or any other person as a result of
16 engaging in ordinary-course business dealings with Red Granite. For
17 the avoidance of doubt, such ordinary-course business dealings
18 expressly includes but is not limited to the remittance of payments
19 by any motion picture studio or taxing authority in accordance with
20 the provisions below.

21 29. Notwithstanding any provision to the contrary, the hold
22 harmless provisions of the Agreement apply purely prospectively, and
23 do not release any individual or entity for historical conduct.

24 30. However, subject to Paragraph 38 of the Agreement, certain
25 financial institutions, studios, distributors, trade vendors, Union
26 Entities, professional firms, and other third parties that may have
27 relied upon the prior orders in the Actions holding them harmless in
28 connection with their business with Red Granite (*i.e.*, the

1 Collections Orders, as defined below) may continue to rely on those
2 orders, whose hold harmless provisions remain in full force and
3 effect.

4 31. For the avoidance of doubt, nothing in the Agreement
5 relieves any financial institution, as defined in Paragraph 34 of the
6 Agreement, of their obligation to monitor transaction activity in
7 accordance with their obligations under the Bank Secrecy Act, comply
8 with anti-money laundering laws (including 18 U.S.C. §§ 1956 and
9 1957), and file Bank Secrecy Act reports, as appropriate and in the
10 ordinary course of that financial institution's business. No
11 financial institution shall be required to file Bank Secrecy Act
12 reports for ordinary-course transactions involving Red Granite or its
13 Shareholders, or to otherwise file any Bank Secrecy Act reports,
14 solely because Red Granite or its Shareholders are a party to a
15 transaction.

16 Third Parties Permitted to do Business

17 32. All third parties are permitted to continue making payments
18 to, receiving payments from, and doing business with Red Granite
19 under any agreements that were executed on or before September 14,
20 2017, or which may be executed between September 14, 2017, and the
21 date on which Red Granite completes payment of the Forfeiture Amount,
22 and were disclosed explicitly to the Government, subject to the hold-
23 harmless provisions.

24 33. For the avoidance of doubt, and without limiting the scope
25 of either the above language or the language of the hold-harmless
26 provisions (*i.e.*, paragraphs 34-38 of the Agreement):

- 27 a. Any studio, distributor, trade vendor, professional firm,
28 or trade organization is permitted to make payments to and

1 do business with Red Granite, subject to the hold-harmless
2 provisions, including but not limited to Paramount;
3 Universal Pictures, a division of Universal City Studios
4 LLC; Sony Pictures Entertainment; Twentieth Century Fox
5 Film Corporation; Warner Bros. Entertainment Inc.; Lions
6 Gate Films Inc.; the Screen Actors Guild-American
7 Federation of Television and Radio Artists; the Directors
8 Guild of America, Inc.; the Writers Guild of America West,
9 Inc.; the Writers Guild of America East, Inc.; the
10 International Alliance of Theatrical Stage Employees; the
11 International Brotherhood of Teamsters Studio
12 Transportation Drivers; and the Motion Picture Industry
13 Pension and Health Plans;

14 b. Any financial institution, as defined in Paragraph 34 of
15 the Agreement, that provides banking services of any kind
16 to Red Granite or its Shareholders, in their corporate or
17 individual capacities, is expressly permitted to do so,
18 subject to the hold-harmless provisions.

19 34. Notwithstanding anything else in this Consent Judgment or
20 the Agreement, other than what is required by existing law or
21 regulations, the Agreement imposes absolutely no prohibition,
22 restriction, or limitation whatsoever on any third party's right or
23 ability to conduct business with Red Granite. Neither the Court nor
24 the Government have imposed any prohibition, restriction, or
25 limitation on Red Granite's business or the right or ability of third
26 parties to conduct business with Red Granite. No such prohibition,
27 restriction, or limitation should be implied from the Actions, the
28 Complaints, the Agreement, or this Consent Judgment.

1 Payments by Third Parties

2 35. For the avoidance of doubt, with regard to the Covered
3 Conduct:

4 a. All third parties obligated to pay proceeds from "The
5 Wolf of Wall Street" and "Dumb and Dumber To" into the
6 Collection Account (as defined in the Court's orders
7 dated August 16, 2016 [ECF No. 30], and July 7, 2017
8 [ECF No. 114] in case number 16-cv-5362-DSF (PLAx),
9 and the substantially identical order in case number
10 17-cv-4439-DSF (PLAx) (collectively, the "Collections
11 Order")) are expressly permitted and (subject to the
12 limits of this Court's jurisdiction) ordered to do so
13 without interruption, subject to the hold-harmless
14 provisions and the terms of the Agreement; such third
15 parties may include but are not limited to Paramount
16 Pictures Corporation; Universal Pictures, a division
17 of Universal City Studios LLC; and any taxing
18 authority.

19 b. All third parties obligated to pay proceeds from
20 "Friends With Kids" into the FWK Collection Account
21 (as defined in the Collections Order) are expressly
22 permitted and (subject to the limits of this Court's
23 jurisdiction) ordered to do so, subject to the hold-
24 harmless provisions and the terms of this Agreement;
25 such third parties may include but are not limited to
26 Lions Gate Films Inc.; and any taxing authority.

27 c. All third parties obligated to pay to Red Granite or
28 its assigns (including, without limitation, collateral

1 assignees) the proceeds of motion pictures other than
2 "The Wolf of Wall Street," "Dumb and Dumber To," or
3 "Friends With Kids" (including, without limitation,
4 "Horns," "Out of the Furnace," "Daddy's Home," and
5 "Papillon"), including but not limited to Paramount
6 Pictures Corporation, are expressly permitted and
7 (subject to the limits of this Court's jurisdiction)
8 ordered to do so subject to the hold-harmless
9 provisions and the terms of this Agreement, and Red
10 Granite or its assigns (including, without limitation,
11 collateral assignees) are permitted to receive such
12 proceeds.

13 36. Any restraints imposed by the Collections Order, including
14 with respect to the Collection Account and the FWK Collection Account
15 are dissolved. For the avoidance of doubt, Fintage Collection
16 Account Management B.V. may release any funds from the Collection
17 Account and the FWK Collection Account due to Red Granite, pursuant
18 to the terms of any applicable Collection Account Management
19 Agreement(s).

20 Binding Effect; Benefits

21 37. The Agreement and the Consent Judgment shall be binding
22 upon and inure to the benefit of each of the parties and their
23 successors and assigns.

24 Court Approval; Good Faith

25 38. Notwithstanding any provision to the contrary, the
26 Agreement is expressly subject to and contingent upon approval of the
27 Court. If the Agreement, or any portion thereof, is rejected by the
28 Court or is overturned or modified on appeal, the parties shall

1 negotiate in good faith to revise the terms of the Agreement such
2 that it can be approved.

3 39. During any period that the Agreement is not in force,
4 neither the Agreement nor any negotiations or writings in connection
5 therewith shall in any way be construed as or deemed to be evidence
6 of an admission on the part of any Party regarding any claim, right,
7 or defense that such Party may have against any other Party.

8 40. Notwithstanding the previous paragraph, any third party is
9 entitled to reasonably rely on the hold-harmless provisions for
10 actions taken while the Agreement is not in force.

11 Miscellaneous

12 41. This Consent Judgment shall be the final and complete
13 satisfaction of the claims asserted by the United States and Red
14 Granite. Red Granite shall, individually and jointly, not seek,
15 through any court proceeding or other process, the return of the
16 Forfeiture Amount except as otherwise provided herein. Except as
17 otherwise provided for in the Agreement, the parties' rights to
18 further litigate against each other their respective interests in the
19 Forfeiture Amount or to petition for remission or mitigation of the
20 settlement, releases, or forfeiture is waived.

21 42. All parties shall bear their own fees and costs. The
22 parties have waived any and all claims for attorney's fees and costs.
23 For the avoidance of doubt, notwithstanding the provisions of Title
24 28, United States Code, Section 2465, or any other "cost" or "fee-
25 shifting" statute or regulation, Red Granite expressly has waived any
26 right to seek any fees or expenses incurred by Red Granite related to
27 the seizure and/or forfeiture of the Defendant Assets.

28 43. Red Granite shall not, through present or future attorneys,

1 officers, directors, employees, agents or any other person authorized
2 to speak for Red Granite issue any press release contradicting or
3 that is inconsistent with this Consent Judgement or the Agreement.
4 At least 48 hours prior to any Red Granite press release related to
5 this Consent Judgment or the Agreement, Red Granite shall provide to
6 the Government an advance copy of such press release.

7 44. The Agreement, and any dispute arising thereunder, shall be
8 governed by the laws of the United States and the laws of the State
9 of California. This Court shall retain jurisdiction to enforce the
10 Agreement and this Consent Judgment.

11 45. In the event that any disputes arise about the
12 interpretation of or compliance with the terms of the Agreement or
13 this Consent Judgment, the parties shall endeavor in good faith to
14 resolve any such disputes between themselves before bringing it to
15 the Court for resolution. However, in the event of either a failure
16 by one of the parties to the Agreement to comply with its terms or an
17 act by one of the parties in violation of any provision hereof, the
18 parties may move this Court to impose any remedy authorized by law or
19 equity.

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1 46. There shall be no modification of the Agreement unless in
2 writing and signed by all the parties to the Agreement or their
3 authorized representatives, *provided, however,* that the signature of
4 a representative of the Union Entities and/or Paramount shall not be
5 necessary to modify the Agreement unless the proposed modification
6 would have the effect of impairing any rights the Union Entities
7 and/or Paramount may have or assert.

8
9 DATED: _____

UNITED STATES DISTRICT JUDGE

10
11
12 PRESENTED BY:

13 DEBORAH CONNOR, Acting Chief
14 Money Laundering and Asset Recovery Section (MLARS)
15 WOO S. LEE
16 JONATHAN BAUM
17 BARBARA LEVY
18 Criminal Division
19 U.S. Department of Justice

20 NICOLA T. HANNA
21 United States Attorney
22 LAWRENCE S. MIDDLETON
23 Assistant United States Attorney
24 Chief, Criminal Division
25 STEVEN R. WELK
26 Assistant United States Attorney
27 Chief, Asset Forfeiture Section

28 _____
/s/John J. Kucera

JOHN J. KUCERA
JONATHAN GALATZAN
Assistant United States Attorneys

Attorneys for Plaintiff
UNITED STATES OF AMERICA