

1 TO THE HONORABLE VINCENT P. ZURZOLO, UNITED STATES
 2 BANKRUPTCY JUDGE, THE DEBTORS¹, THE COMMITTEES, ALL CREDITORS OF
 3 THE DEBTORS, THE UNITED STATES TRUSTEE, ALL ENTITIES ASSERTING
 4 SECURITY OR OTHER INTERESTS IN THE ACQUIRED ASSETS, ALL PARTIES TO
 5 CONTRACTS, ALL PARTIES REQUESTING SPECIAL NOTICE, ALL PARTIES WHO
 6 SIGNED NON-DISCLOSURE AGREEMENTS, AND ALL OTHER PARTIES IN
 7 INTEREST:

8 PLEASE TAKE NOTICE that an Auction for the sale of substantially all of the recorded
 9 music business and music publishing business related assets (the "Acquired Assets") of the
 10 bankruptcy estate (the "DRR Estate") of Death Row Records, Inc. ("Death Row" or the "Debtor")²
 11 and the bankruptcy estate of Marion "Suge" Knight, Jr., Case 2:06-bk-11187-VZ (the "Knight
 12 Estate" and, together with the DRR Estate, the "Estates"), **is scheduled for January 15, 2009 at**
 13 **11:00 a.m.** before the Honorable Vincent P. Zurzolo, United States Bankruptcy Judge, in Courtroom
 14 1368, located at 255 E. Temple Street, Los Angeles, California 90012. Only Qualified Bidders may
 15 bid at the Auction. Pursuant to the Sale Procedures Order approved from the bench on October 28,
 16 2008, **Qualified Bid packages should be submitted to counsel for the Trustees by 4:00 p.m.,**
 17 **California time, on January 8, 2009.**

18 Parties interested in becoming Qualified Bidders should contact either counsel for R. Todd
 19 Neilson, the Chapter 11 Trustee (the "DRR Trustee") of the DRR Estate, or counsel for Richard K.
 20 Diamond, the Chapter 11 Trustee (the "Knight Trustee" and, collectively with the DRR Trustee, the
 21 "Trustees") for the Knight Estate as follows:

22 ***Counsel for the DRR Trustee***

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25 ***Counsel for the Knight Trustee***

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27 ¹ Capitalized terms not otherwise defined herein have the same meanings ascribed to them in
 28 the Motion.

² References to Death Row or the Debtor shall include Death Row Recordings, LLC ("DRR
 LLC").

1 assumption of the Assumed Liabilities (defined below), which may arise in connection with the sale
2 of the assets (collectively, the “Purchase Price”), substantially on the material terms set forth in the
3 form of APA filed on October 17, 2008 (Docket No. 674).⁴ Without limiting the terms stated in the
4 APA, to which interested parties should refer for a complete description of the terms of the Trustees’
5 proposed sale, the terms of the Trustees’ proposed sale are as follows:

6
7 **1. The Acquired Assets**

8 “Acquired Assets” shall mean substantially all of the Estates’ rights, title, and interest in the
9 assets relating to the recorded music and music publishing businesses of the Debtors. The Acquired
10 Assets shall include, without limitation, all of the Estates’ right, title and interest in and to all
11 trademarks, service marks, copyrights, inventory, accounts receivable pertaining to the Knight
12 Estate’s music publishing business assets after the closing date, videos, masters, compositions,
13 digital recording rights, merchandising rights, agreements (including the agreement, dated as of
14 September 29, 1998, between Interscope Records (“Interscope”) and Death Row Records, as
15 amended, in rights to certain Tupac Shakur master recordings (the “Interscope Agreement”)), and
16 also including artist agreements, licenses, publishing agreements, administration agreements, and
17 other contracts, but only to the extent specified by the Buyer as an Assigned Contract (as defined in
18 the APA), debit balances of artists who are parties to agreements with Death Row, works-in
19 progress, claims for damages based upon reasons, facts, or circumstances by way of past, present,
20 and future infringement of any of the intellectual property rights to the extent related to any of the
21 foregoing, databases, domain names, websites, computer software programs, or electronic or digital
22 files, and copies of the Debtors’ books and records to the extent related to any of the foregoing, but
23 shall not include the Excluded Assets.

24 Without limiting the generality of the foregoing, the Acquired Assets shall include all of the
25 DRR Estate’s right, title and interest to (1) those masters (including the copyrights and digital and
26 other distribution rights) and compositions (as applicable) embodied on the albums identified in a

27 _____
28 ⁴ Subject to footnote number 3.

1 schedule to the APA, (2) the unreleased masters (including the copyrights and digital and other
2 distribution rights) that are covered by Death Row's right to acquire same from Amaru
3 Entertainment ("Amaru"), successor to the estate of Tupac Shakur, pursuant to Section 8 of that
4 certain Settlement Agreement, dated as of June 30, 1997, by and among Death Row, Knight,
5 Interscope Records and the estate of Tupac Shakur (the "1997 Settlement"), and (3) any and all
6 masters (including the copyright and digital and other distribution and merchandising rights) and
7 compositions in which Death Row or Knight's interest was disputed in the adversary proceeding
8 captioned *R. Todd Neilson, Chapter 11 Trustee of Death Row Records, Inc. v. Digital Revolutions*
9 *Holdings, Inc., et al., Adv. Case No. LA 06-01911* (subject to the terms and provisions of the
10 settlement agreement (the "Hawkins Settlement") which was approved by the Bankruptcy Court
11 pursuant to an Order entered on January 30, 2008, Docket No. 388).

12 13 **2. Sale Free and Clear of Liens, Claims, and Other Interests**

14 The Buyer will acquire all of the Estates' rights, title, interests in and to the Acquired Assets
15 pursuant to Section 363(f) of the Bankruptcy Code free and clear of all liens (including purported
16 attachment liens, execution liens, and judgment liens), claims, encumbrances and other interests in
17 such Acquired Assets (including any unpaid royalty claims through and including the date of
18 closing), claims for returns of goods distributed pre-closing, any competing interests in and to the
19 Acquired Assets (including any claims of rescission), recoupment or setoff rights, any purported
20 rights of third parties including Koch, Eagle Rock Entertainment Limited ("Eagle Rock") and Ron
21 Winter Productions, Ltd. ("Ron Winter")) under Section 365(n) of the Bankruptcy Code, and
22 Remrylie Licensing, Inc. ("Remrylie") under the purported agreement between Dimples
23 Merchandising, Inc. and Remrylie dated October 18, 2005 (the "Remrylie Agreement") that was
24 assigned to the DRR Estate under the Hawkins Settlement (collectively, "Encumbrances"). Except
25 as otherwise provided in the Motion, all such liens, claims, and other interests shall be removed from
26 the Acquired Assets and, to the extent applicable, shall attach to a like amount of the net sales
27 proceeds, up to the amount of the net sale proceeds, with the same force, effect, validity and priority
28 that they have with respect to the Acquired Assets. Parties asserting liens, claims, encumbrances, or

1 other interests in the Acquired Assets are directed to the Motion for the specific treatment of their
2 purported lien, claim, encumbrance, or other interest.

3
4 **3. Acquired Assets Sold on an “As Is” and “Where Is” Basis**

5 The sale of the Acquired Assets will be on an “as-is, where-is” basis and without
6 representations or warranties of any kind, nature or description by the Estates or the Trustees other
7 than those set forth in Section 8(b) of the APA. Selection and acceptance by the Trustees of the
8 highest or best bid at the Auction shall be in accordance with the Sale Procedures Order.

9
10 **4. Excluded Assets**

11 The Acquired Assets shall not include the Debtors’ cash, bank and other deposits, cash
12 equivalents, distribution agreements (together with all audit, recoupment and other rights and claims
13 of the Estates relating thereto), including, but not limited to, the distribution agreements with Koch,
14 Eagle Rock, and Ron Winter, tangible personal property such as equipment, supplies, computers and
15 office equipment and furniture, leases relating to real or personal property, real property, accounts
16 receivable pertaining to Death Row’s recorded music business on or prior to the closing of the sale,
17 the Knight Estate’s accounts receivable pertaining to Knight’s music publishing business on or prior
18 to the closing of the sale, existing merchandise inventory, the Debtors’ books and records (to the
19 extent not related to the Acquired Assets), any rights to the CD and DVD that feature Tupac Shakur
20 performing at the House of Blues on or about July 4, 1996, claims for avoidance actions under the
21 Bankruptcy Code, of whatever kind or nature, as set forth in Sections 544 through 551, and 553 (but
22 only to the extent of the Debtors’ retained rights of setoff as specified in the Section 2 of the APA)
23 and any other applicable provisions of the Bankruptcy Code, postpetition claims arising through and
24 including the closing (including, without limitation, any claims related to the Trustees’ efforts to sell
25 the assets of the Estates), any claims owned by the Knight Estate to audit Warner-Chappell’s
26 administration of the Knight Estate’s publishing rights (together with all recoupment and other rights
27 and claims of the Knight Estate relating thereto) through and including the date of closing, any
28 claims owned by the DRR Estate to audit Koch, Eagle Rock, Ron Winter, or Interscope for any

1 amounts due on or accruing through and including the date of closing and all claims and rights
2 arising out of such audits, and any related claims and actions arising under such Bankruptcy Code
3 Sections by operation of law or otherwise, including any and all proceeds of the foregoing, any
4 inventory not owned by the Estates as of the closing date but acquired by a third party to the extent
5 the Estates are required to pay such third party for such inventory, the right of Trustees to receive an
6 accounting statement (and all supporting documentation) from Buyer with respect to any account
7 receivables or other amounts that are received or receivable by Buyer for amounts with respect to
8 transactions or occurrences on or prior to the Closing, and the right of the Trustees to audit Buyer
9 with respect to any account receivables or other amounts that are received by Buyer for amounts due
10 or accruing for pre-Closing transactions.

11 12 **5. Assumed Liabilities**

13 The Buyer will not assume, perform or be liable or in any way responsible for any liabilities
14 or obligations of the Estates (including liabilities for returns of products distributed by Koch, Eagle
15 Rock or Ron Winter), except for (i) any and all liabilities and obligations that arise specifically from
16 the Buyer's ownership and use of the Acquired Assets on or after the closing, and (ii) any and all
17 liabilities and obligations under the Assigned Contracts specifically incurred or arising on or after
18 the closing (it being understood and agreed by the Buyer and the Trustees that, notwithstanding
19 anything contained herein or in the APA that is arguably to the contrary, the Buyer shall not assume,
20 or in any way be responsible for, royalties or other amounts due to any obligee or counterparty on
21 account of sales or any other exploitation of the Debtors' recorded music business or music
22 publishing business related assets that occurred prior to the closing (whether or not an accounting on
23 account of such sales or other exploitation was rendered subsequent to the closing)) (each of (i) and
24 (ii) being referred to herein collectively as the "Assumed Liabilities").

25 The Buyer shall pay, perform and discharge the Assumed Liabilities in accordance with their
26 terms, subject to any defenses or offsets (including unrecouped advances to, and/or debit balances
27 of, Death Row's artists) asserted in good faith against the obligee to whom such liabilities or
28 obligations are owed that are not otherwise utilized by the Estates in the bankruptcy process. In

1 furtherance of the preceding sentence, the Buyer and the Trustees agree that (i) the Estates shall
2 retain the right to utilize such defenses and offsets as the Trustees deem necessary (in the exercise of
3 their fiduciary duties to the Estates) to reduce or eliminate their liabilities or obligations to any
4 creditor of the Estates that arose or were incurred prior to the closing, and (ii) the Buyer shall be
5 bound by the Bankruptcy Court's determination regarding the validity or amount of any such
6 defense or offset.

7
8 **6. The Designated Contracts**

9 The Interscope Agreement, the 1997 Settlement, and any other contract listed on Annex A to
10 Exhibit A to the APA shall be assigned to the Buyer. In addition, the Buyer shall have the right in
11 its sole discretion to designate those of the Debtors' artists agreements and publishing contracts, a
12 list of which is attached as Annex E to Exhibit A to the APA, which the Estates are to assign to the
13 Buyer (including the contracts on Annex A to the APA, the "Designated Contracts"). The contracts
14 listed on Annex A and Annex E to Exhibit A of the APA are referred to collectively herein as the
15 "Assigned Contracts." None of the Assigned Contracts are executory contracts.

16 **PLEASE TAKE FURTHER NOTICE** that the Trustees are requesting that the Court waive
17 the 10-day stays of Federal Rules of Bankruptcy Procedure 6004(h) so that the closing can take place
18 as quickly as possible.

19 **PLEASE TAKE FURTHER NOTICE** that the Motion is based upon this Notice, the
20 Motion and supporting declarations, any reply filed in further support of the Motion, the arguments
21 of counsel to be made at the hearing on the Motion, the documents on file with the Court in the case,
22 and such other and further evidence as the Court may consider at the hearing. Copies of the Motion
23 may be obtained from counsel to the DRR Trustee or through the Court's electronic filing service
24 located at ecf.cacb.uscourts.gov.

25 **PLEASE TAKE FURTHER NOTICE** that any response or opposition to the Motion shall
26 be in writing and, pursuant to the Sale Procedures Order, **filed on or before November 18, 2008**
27 **and served via email, facsimile, overnight mail, or personal delivery** as follows:
28

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The response or objection shall contain a brief, but complete, written statement setting forth all of the reasons for opposing the Motion, a memorandum of points and authorities, declarations, and all evidence on which the responding party intends to rely. Any response or objection not timely filed and served may be deemed by the Court to be consent to the granting of the Motion. If you do not have any objection to the motion, you do not need to take any further action.

Dated: December 8, 2008

KAYE SCHOLER LLP
Marc S. Cohen
Ashleigh A. Danker

By: /s/ Ashleigh A. Danker
Attorneys for R. Todd Neilson, Chapter 11
Trustee of Death Row Records, Inc.