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IN THE UNITED STATES DISTRICT COURT
FOR THE NORTHERN DISTRICT OF CALIFORNIA
SAN JOSE DIVISION

The Facebook, Inc., et al.,

NO. C 07-01389 JW

Plaintiffs,

v.

ConnectU, Inc., et al.,

Defendants.

**ORDER DENYING QUINN
EMMANUEL'S MOTION FOR ORDER
DISBURSING SETTLEMENT PROCEEDS
IN ACCORDANCE WITH ARBITRATION
AWARD**

Presently before the Court is Quinn Emanuel Urquhart & Sullivan LLP's ("Quinn Emanuel") Miscellaneous Administrative Request for an Order Disbursing Settlement Proceeds in Accordance with Arbitration Award. (hereafter, "Request," Docket Item No. 751.) On April 4, 2008, Quinn Emanuel filed a Notice of Attorney's Lien over any judgment, settlement, or any other recovery paid to Defendants in this action. (Docket Item No. 337.) On November 3, 2008, the Court declined Quinn Emanuel's request that any dispersal of settlement proceeds be made jointly in the name of Defendants and the law firm and ordered that the proceeds be delivered in trust to Defendants' counsel, Boies, Schiller & Flexner ("BSF"), for its clients and any lawful claimant. (See Docket Item Nos. 653, 654.) While the Court declined to take any action with respect to the lien by Quinn Emanuel at that time, nothing in the Court's Order was intended to affect Quinn Emanuel's right to assert its lien in the future. (Docket Item No. 653 at 6.)

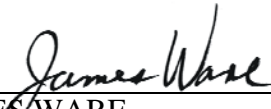
Quinn Emanuel represents that on August 25, 2010, an AAA arbitration panel entered a decision awarding Quinn Emanuel its attorney's fees and interest, to be paid from the escrowed settlement proceeds held by BSF. On November 8, 2010, the New York Supreme Court entered an order enforcing the arbitral award. (Request ¶¶ 4-5.) Based on that judgment, Quinn Emanuel now

1 requests that the Court enter an Order directing BSF to satisfy the arbitral award from the funds held
2 in trust within three days. (Id. ¶ 10.)

3 The Court finds that Quinn Emanuel’s request is premature because on December 9, 2010,
4 Defendants appealed the New York Supreme Court’s judgment enforcing the arbitral award. (Id. ¶
5 6.) Thus, there is still an issue as to whether Quinn Emanuel is a lawful claimant to the proceeds
6 being held in trust by BSF. Further, Quinn Emanuel has not taken any action that the Court is aware
7 of to foreclose on its lien, which was one reason why the proceeds were originally ordered to be
8 delivered in trust to BSF. (See Docket Item No. 653 at 6.)

9 Accordingly, the Court DENIES Quinn Emanuel’s Miscellaneous Administrative Request
10 for an Order Disbursing Settlement Proceeds in Accordance with Arbitration Award as premature.
11 Any future action in relation to a claim by Quinn Emanuel on the funds held in trust should be
12 accompanied by documentation which shows: (1) all appellate procedures connected with the
13 arbitral award have been exhausted and Quinn Emanuel is considered a lawful claimant to the funds
14 in trust; and (2) action has been taken on the part of Quinn Emanuel to foreclose on its lien.

15
16 Dated: December 21, 2010



JAMES WARE
United States District Judge

1 **THIS IS TO CERTIFY THAT COPIES OF THIS ORDER HAVE BEEN DELIVERED TO:**

- 2 Alison Paige Buchanan apb@hogefenton.com
- 3 Bruce Eric Van Dalsem brucevandalsem@quinnemanuel.com
- 4 Chester Wren-Ming Day cday@orrick.com
- 5 D. Michael Underhill Munderhill@BSFLLP.com
- 6 David A. Barrett dbarrett@bsflfp.com
- 7 Evan A. Parke eparke@bsflfp.com
- 8 George C. Fisher georgecfisher@gmail.com
- 9 George Hopkins Guy hopguy@orrick.com
- 10 Indra Neel Chatterjee nchatterjee@orrick.com
- 11 James Earl Towery jet@hogefenton.com
- 12 Jerome B. Falk jfalk@howardrice.com
- 13 John Phillip Duchemin jduchemin@howardrice.com
- 14 Jonathan M. Shaw jshaw@bsflfp.com
- 15 Kalama M. Lui-Kwan kml@severson.com
- 16 Mark A. Weissman mweissman@osheapartners.com
- 17 Mark Andrew Byrne markbyrne@byrnenixon.com
- 18 Monte M.F. Cooper mcooper@orrick.com
- 19 Rachel E. Matteo-Boehm rachel.matteo-boehm@hro.com
- 20 Randall Garteiser randy@sftrialattorneys.com
- 21 Roger Rex Myers roger.myers@hro.com
- 22 Scott Richard Mosko scott.mosko@finnegan.com
- 23 Sean Alan Lincoln slincoln@Orrick.com
- 24 Sean F. O'Shea soshea@osheapartners.com
- 25 Sean M. SeLegue sselegue@howardrice.com
- 26 Steven Christopher Holtzman sholtzman@bsflfp.com
- 27 Theresa Ann Sutton tsutton@orrick.com
- 28 Tyler Alexander Baker Tbaker@fenwick.com
- Valerie Margo Wagner vwagner@gcalaw.com
- Warrington S. Parker wparker@orrick.com
- Yvonne Penas Greer ygreer@orrick.com

18 **Dated: December 21, 2010**

Richard W. Wieking, Clerk

By: /s/ JW Chambers
Elizabeth Garcia
Courtroom Deputy