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

Peter B. Inc., et al.,

NO. C 09-00360 JW

Plaintiffs,

**ORDER ADOPTING IN PART SPECIAL  
MASTER'S REPORT NUMBER TWO**

v.

Reid P. Schantz, et al.,

Defendants.

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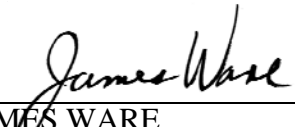
Presently before the Court is Special Master's Order Report Number Two. (See Docket Item No. 160.) On February 4, 2011, Plaintiffs' counsel filed a timely Objection. (See Docket Item No. 163.) On February 10, 2011, the Court issued an Order directing the parties to bring to the February 14 Further Case Management Conference all documentation needed to bring the Settlement to a close. (See Docket Item No. 166.) On February 14, 2011, the Court held a Further Case Management Conference regarding settlement. Counsel for both parties were present, as was Plaintiff's principal Mr. Ferguson. On the record at the hearing, the Court notified the parties and their counsel of its intent to enter an Order by the end of day adopting the Special Master's Report Number Two, and directing the Special Master to close the Settlement and to hold all proceedings until all disputes are settled between Plaintiffs and their counsel regarding fees. The Court invited the parties to file objections, if any, on the same day prior to 4 p.m. Plaintiffs' counsel filed an Objection to any order that mandates the parties submit themselves to the jurisdiction of this Court in order to resolve the fee dispute, however Plaintiffs' counsel does not object to the Settlement funds being held by the Special Master during the resolution of the dispute. (See Docket Item No.

1 168.)

2           Upon review and in light of the discussion at the hearing, the Court finds good cause to  
3 ADOPT in part Special Master's Report Two and direct the Special Master to proceed with all  
4 matters necessary to bring the Settlement to a close. In regards to any disbursement of funds, the Special  
5 Master shall hold all Settlement funds subject to further proceedings, until the parties so move to  
6 disburse the funds, through litigation or otherwise. All future payments to the Settlement shall be  
7 made payable to the Special Master.

8           The Court sets **March 14, 2011 at 10 a.m.** for a Further Case Management Conference on  
9 disbursement. On or before **March 4, 2010**, the parties shall either file a Stipulated Dismissal to bring  
10 this case to a close or a Joint Case Management Statement updating the Court on the status of the  
11 disbursement and any outstanding issues requiring resolution before the case can be closed.

12  
13 Dated: February 14, 2011

  
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JAMES WARE  
United States District Chief Judge

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

2 Donald James Pool donp@wcap.com  
3 Hal David Goldflam hgoldflam@frandzel.com  
4 Kevin John Mirch mirch@charterinternet.com  
5 Marie C. Mirch bobogriz@aol.com

6 **Dated: February 14, 2011**

**Richard W. Wieking, Clerk**

7 **By:           /s/ JW Chambers**  
8 **Elizabeth Garcia**  
9 **Courtroom Deputy**

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