



Entered on Docket  
February 28, 2008

Hon. Gregg W. Zive  
United States Bankruptcy Judge

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Attorneys for Debtors

E-Lodged 2-27-08

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEVADA

In re  
N.C.P. Marketing Group, Inc., et al.,  
  
Debtors.

N.C.P. MARKETING GROUP, INC.,  
Plaintiff,

v.

BILLY BLANKS; GAYLE BLANKS;  
and BG STAR PRODUCTIONS, INC.,  
Defendants.

Case No. BK- 04-51071-GWZ

Chapter 7

Adv. Pro. No. 06-05048

**ORDER DENYING TRUSTEE'S  
MOTION FOR ORDER APPROVING  
SETTLEMENT AND TRANSFER OF  
CERTAIN ASSETS FREE AND CLEAR OF  
LIENS, CLAIMS AND INTERESTS**

**Hearing Date: December 12, 2007**

**Hearing Time: 2:00 p.m.**

This matter came before the Court upon the motion of Jeri Knudson, chapter 7 trustee (“Trustee”) for an order approving the terms of an Agreement For Settlement And Transfer Of Certain Assets Free And Clear Of Liens, Claims and Interests (“Settlement”) with BG Star Productions, Inc., Billy Blanks and Gayle Blanks (collectively the “Blanks Parties”), in accordance with 11 U.S.C. § 363(b) and Federal Rules of Bankruptcy Procedure 6004, 9014 and 9019, together with the pleadings in support of the motion filed by the Trustee and the Blanks Parties, and the pleadings in opposition filed by N.C.P. Marketing Group, Inc. (“NCP”) and Tae Bo Retail Marketing, Inc. (“Tae Bo”), and Paul A. Monea (“Drew”) (collectively the “Objecting Parties”) and the Salans Law Firm (“Salans”).

This Court conducted hearings over two days to consider the arguments advanced by the Trustee, the Blanks Parties, the Objecting Parties and Salans. The Court has made oral findings of fact and conclusions of law, which are incorporated by reference in this Order. The Court finds that the offer made by the Objecting Parties in response to the proposed Settlement is in the best interests of creditors, and therefore denies approval of the Settlement, subject to the terms of this Order.

1. The Objecting Parties shall pay the sum of \$40,000 to the order of the Trustee no later than the end of the business day immediately after the date of entry of this Order.
2. The Objecting Parties shall indemnify the bankruptcy estate against: (1) any additional administrative expense arising from the pursuit of appellate proceedings in Case No. 05-17384, N.C.P. Marketing Group, Inc. v. Billy Blanks, et al., currently pending before the United States Court of Appeals for the Ninth Circuit; and (2) costs and attorney fees for administering the estate which arise due to a reversal on appeal. The Objecting Parties shall post a bond or other security reasonably acceptable to the Trustee in the amount of \$110,000 to secure

their indemnification obligations hereunder. Such bond shall be posted within 3 business days after the date of entry of this Order.

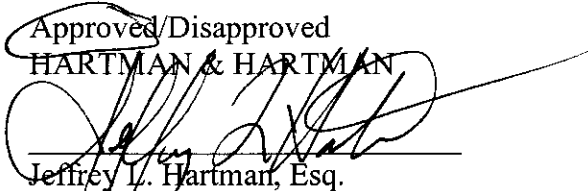
3. Counsel for the Objecting Parties shall pursue the appeal on behalf of the estate, and shall file an application with this Court to be retained as special counsel to the Trustee.

4. If the terms of the first two paragraphs of this Order are not met, this Court conditionally grants the motion, and approves the Settlement. The Blanks Parties shall pay \$35,000 to the Trustee not later than 24 hours after notice from the Trustee that NCP and Tae Bo have failed to comply with the terms of this Order. In that event, upon timely payment of said sum, the terms of the Settlement as set forth in the Trustee's motion shall be approved.

Submitted By:  
BAKER & HOSTETLER LLP

/S/ Brian Bash  
Attorneys for Debtor

Approved/Disapproved  
HARTMAN & HARTMAN

  
Jeffrey L. Hartman, Esq.  
Attorney for Trustee,  
Jeri Coppa-Knudson

Approved/Disapproved  
ALLEN, MATKIN, et al.

See attached faxed signature.  
Michael S. Greger, Esq.  
Attorney for The Blanks Parties

Approved/Disapproved  
WATSON ROUNDS

See attached faxed signature.  
Arthur Zorio, Esq.  
Attorney for Salans

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/s/ Brian Bash  
Attorneys for Debtor

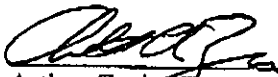
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