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17 Attorneys for Plaintiff
18 UNITED STATES OF AMERICA

19 UNITED STATES DISTRICT COURT
20 FOR THE CENTRAL DISTRICT OF CALIFORNIA

21 UNITED STATES OF AMERICA,

22 Plaintiff,

23 v.

24 “THE WOLF OF WALL STREET”
25 MOTION PICTURE, INCLUDING ANY
26 RIGHTS TO PROFITS, ROYALTIES
27 AND DISTRIBUTION PROCEEDS
28 OWED TO RED GRANITE PICTURES,
INC. OR ITS AFFILIATES AND/OR

No. CV 16-05362-DSF(PLAx)

STIPULATION

1 ASSIGNS

2 Defendant.

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4
5 WHEREAS, on or about July 20, 2016, the United States of America (the “United
6 States,” or the “Government”) filed the above-captioned civil lawsuit in rem against
7 “The Wolf of Wall Street” motion picture, including any rights to profits, royalties and
8 distribution proceeds owed to Red Granite Pictures, Inc. or its affiliates and/or assigns
9 (the “Defendant In Rem”) seeking to forfeit the Defendant In Rem to the United States;

10 AND WHEREAS, on July 20, 2016, the United States filed in the above-
11 captioned case an *Ex Parte* Application seeking a restraining order related to the
12 Defendant In Rem, but now seeks to withdraw such Application and instead apply to this
13 Court for an Order consistent with the terms set forth in this Stipulation.

14 AND WHEREAS, the United States’ civil lawsuit was not filed against Red
15 Granite Pictures, Inc. or its affiliates and/or assigns, or any of its employees or agents
16 (collectively and individually, “Red Granite”)¹, or against any other motion picture
17 assets of Red Granite’s;

18 AND WHEREAS, Red Granite is party to an Amended and Restated Security
19 Agreement (the “Security Agreement”), dated as of May 15, 2015, wherein Red Granite
20

21 ¹ In this Stipulation (“Stipulation”), the term “Red Granite” includes, collectively
22 and individually: Red Granite Pictures, Inc.; Red Granite International, Inc.; Red Granite
23 Capital Ltd.; Red Granite Partners, Inc.; Red Granite Capital US, LLC; Red Granite
24 Music, LLC; Red Granite Investment Holdings, LLC; Red Granite Real Estate Holdings,
25 LLC; Red Granite Entertainment Holdings, LLC; Red Granite Entertainment, Inc.; RG
26 Productions Development, LLC; DDT Finance, LLC; RGDD2 Productions, LLC;
27 Dumb and Dumber To, LLC; TWOWS, LLC; The Papillon Project, LLC; Papillon
28 Movie LLC; Daddy’s Home, LLC; Daddy’s Home Finance, LLC; OOTF, LLC; The
Horns Project, Inc.; Victory or Death, LLC; The Horns Project Productions Ltd.; Blue
Box International LLC; Metropolis IX Capital Advisors, LLC (the foregoing,
collectively, the “Red Granite Entities”); and their employees or agents, including but
not limited to Riza Shahriz Bin Abdul Aziz and Christopher Joey McFarland.

1 granted to Comerica Bank (“Comerica”), in its capacity as agent for various lenders (the
2 “Lenders”), a security interest in certain of Red Granite’s assets, including all of Red
3 Granite’s right, title and interest into a motion picture entitled “The Wolf of Wall
4 Street,” to secure to the Lenders and to Comerica repayment of a loan evidenced by an
5 Amended and Restated Loan and Security Agreement (the “Loan Agreement”), dated as
6 of May 15, 2015, by and among the Lenders, Comerica, as agent for the Lenders, and
7 TWOWS, LLC and DDT Finance, LLC, as borrowers (each a “Borrower” and together,
8 the “Borrowers”), pursuant to which Comerica and the Lenders were granted a security
9 interest in, lien on, and right of set-off against all of the Borrowers’ right, title and
10 interest in and to all personal property assets of the Borrowers;

11 AND WHEREAS, Red Granite is party to a Collection Account Management
12 Agreement (the “CAMA”) dated as of October 10, 2014, by and among Fintage
13 Collection Account Management B.V. (“Fintage”); TWOWS, LLC; Red Granite
14 International Inc.; Red Granite Capital US, LLC; Sikelia Productions, Inc. f/s/o Martin
15 Scorsese; Birken Productions, Inc. f/s/o Leonardo DiCaprio; Film Finances, Inc.; Screen
16 Actors Guild-American Federation of Television and Radio Artists; Directors Guild of
17 America Inc.; and Writers Guild of America, West, Inc. for itself and on behalf of
18 Writers Guild of America, East, Inc. (each of which a “Party” and together the
19 “Parties”), pursuant to which Fintage was named as a collections account manager
20 responsible for receiving all revenues derived from “The Wolf of Wall Street” deposited
21 into a bank account (the “Collection Account”) at City National Bank (“CNB”) and for
22 administering, allocating and paying the same on behalf of the Parties, subject to the
23 terms of the Loan Agreement;

24 AND WHEREAS, pursuant to an Amended and Restated Blocked Account and
25 Sweep Agreement (“Sweep Agreement”), dated as of May 15, 2015, among CNB,
26 Fintage and Comerica, before Fintage may disburse any funds in the Collection Account
27 to the Parties, CNB remits to Comerica all funds deposited into the Collection Account,
28 for application to the Borrower’s obligations owing under the Loan Agreement until

1 those obligations are fully repaid;

2 AND WHEREAS, Fintage disburses proceeds of the film “The Wolf of Wall
3 Street” after the date that all monetary obligations owing to Comerica and the Lenders
4 under the Loan Agreement have been repaid in full and the commitment of the Lenders
5 to advance funds thereunder has terminated, whereupon Comerica’s and the Lenders’
6 rights under the Sweep Agreement terminate, to various third parties in accordance with
7 the CAMA;

8 AND WHEREAS, Red Granite is party to a Collection Account Management
9 Agreement (the “FWK CAMA”) dated as of March 14, 2012, by and among Fintage;
10 FWK, LLC; Cinetic Media, LLC; Red Granite International Inc.; Red Granite Capital
11 Ltd.; Film Finances, Inc.; Good Kitty Productions, Inc. f/s/o Megan Fox; Screen Actors
12 Guild, Inc.; Directors Guild of America Inc.; and Writers Guild of America, West, Inc.
13 for itself and on behalf of Writers Guild of America, East, Inc. pursuant to which Fintage
14 was named as a collections account manager responsible for receiving all revenues
15 derived from the motion picture “Friends With Kids” deposited into a bank account (the
16 “FWK Collection Account”) at CNB and for administering, allocating and paying the
17 same on behalf of the parties to the FWK CAMA;

18 AND WHEREAS, it is not the intention of the United States to deprive any third
19 party from proceeds owed to it under the CAMA, the Sweep Agreement, the Control
20 Agreement, the Security Agreement, the Loan Agreement, or the FWK CAMA, or to
21 prevent any third party, including but not limited to financial institutions, motion picture
22 studios or distributors, or trade vendors, from doing business with Red Granite, or to
23 otherwise interfere with Red Granite’s ordinary business operations;

24 IT IS HEREBY STIPULATED AND AGREED THAT:

25 1. Each of CNB and Fintage shall continue to disburse all proceeds of the film
26 “The Wolf of Wall Street” owed to, as the case may be, Comerica under the Sweep
27 Agreement, the Control Agreement, the Security Agreement and the Loan Agreement
28 and to the Parties under the CAMA from the Collection Account, provided, however,

1 after the date that all monetary obligations owing to Comerica and the Lenders under the
2 Loan Agreement have been repaid in full and the commitment of the Lenders to advance
3 funds thereunder has terminated, whereupon Comerica's and the Lenders' rights under
4 the Sweep Agreement terminate, any proceeds in the Collection Account specified in the
5 CAMA as being payable to Red Granite shall be held by Fintage in a segregated account
6 pending further agreement or order of the Court, and further provided that, except as
7 described in Paragraph 2, Fintage shall maintain such funds free and clear of any further
8 liens or encumbrances. For purposes of this stipulation, the "proceeds" of a motion
9 picture shall include any return of capital or investment, profits, return on investment, or
10 any other amounts due in connection with that motion picture.

11 2. Comerica and the Lenders shall not make any additional loans or advances
12 to the Borrowers under the Loan Agreement other than, in accordance with the terms and
13 conditions of the Loan Agreement, for the payments of interest, fees and costs owed to
14 Comerica and the Lenders, or to Fintage, and as necessary to compensate an individual,
15 entity, or group of individuals or entities (individually or collectively, the "Information
16 Agent") that may be appointed by and at the sole discretion of the Government to review
17 the accounting, books, and records of the Red Granite Entities. The Information Agent's
18 reasonable fees and expenses shall be paid within 21 days of the presentation of invoices
19 approved by the Government.

20 3. All third parties obligated to pay proceeds from "The Wolf of Wall Street"
21 into the Collection Account, including, but not limited to, Paramount Pictures
22 Corporation, Universal Pictures, a division of Universal City Studios LLC, or any taxing
23 authority, are expressly permitted to and shall continue to do so without interruption,
24 subject to the hold harmless provisions of paragraph 6, below.

25 4. Each of CNB and Fintage shall continue to disburse all proceeds of the film
26 "Friends With Kids" owed to the parties to the FWK CAMA from the FWK Collection
27 Account, provided, however, that any proceeds in the FWK Collection Account
28 specified in the FWK CAMA as being payable to Red Granite shall be held by Fintage in

1 a segregated account pending further agreement or order of the Court, and further
2 provided that Fintage shall maintain such funds free and clear of any further liens or
3 encumbrances.

4 5. For actions taken during the pendency of this Stipulation, all third parties
5 obligated to pay proceeds from “Friends With Kids” into the FWK Collection Account,
6 including, but not limited to, Lions Gate Films Inc. or any taxing authority, are expressly
7 permitted to and shall continue to do so without interruption, subject to the hold
8 harmless provisions of paragraph 6, below.

9 6. For actions taken during the pendency of this Stipulation, the United States
10 agrees to hold harmless for all purposes any financial institution in connection with
11 providing banking services (including, without limitation, providing access to or opening
12 deposit accounts, custodial accounts, check clearing or processing services, wire transfer
13 services, and secured or unsecured lending except as specifically prohibited in
14 paragraphs 1, 2, and 4 herein) to Red Granite. For the avoidance of doubt, for actions
15 taken during the pendency of this Stipulation, the United States agrees to hold harmless
16 under this paragraph any financial institution for engaging in secured or unsecured
17 lending agreements with Red Granite in connection with motion pictures currently under
18 development or in production, or that come under development or in production.

19 7. For actions taken during the pendency of this Stipulation, the United States
20 likewise agrees to hold harmless for all purposes any studio, distributor, trade vendor, or
21 any other person as a result of engaging in ordinary course business dealings with Red
22 Granite, including, for the avoidance of doubt, any motion picture studio or taxing
23 authority for remitting payment in accordance with paragraph 3 or 5.

24 8. Nothing in this Stipulation restrains any assets other than the Defendant In
25 Rem and the funds in the FWK CAMA. Except as specifically set forth herein, all third
26 parties are permitted to continue making payments to and doing business with Red
27 Granite under existing agreements. For the avoidance of doubt, any third parties,
28 including but not limited to Paramount Pictures, that are obligated to pay to Red Granite

1 or their assigns (including, without limitation, collateral assignees) the proceeds of
2 motion pictures other than “The Wolf of Wall Street” or “Friends With Kids” (including,
3 without limitation, “Dumb and Dumber To,” “Horns,” “Out of the Furnace,” and
4 “Daddy’s Home”) are expressly permitted to and shall continue to do so, subject to the
5 hold harmless provisions of paragraph 6, above, and Red Granite or its assigns
6 (including, without limitation, collateral assignees) is permitted to receive such proceeds.

7 9. Any financial institution that currently provides banking services to Red
8 Granite is directed to continue to do so, subject to the hold harmless provisions of
9 paragraph 6, above.

10 10. Nothing in this Stipulation is intended to relieve any financial institution of
11 any obligations to monitor transaction activity or to file Bank Secrecy Act reports, as
12 appropriate and in the ordinary course of that financial institution’s business, provided
13 however that no financial institution shall be required to file Bank Secrecy Act reports
14 for ordinary course transactions involving Red Granite or to otherwise file any Bank
15 Secrecy Act reports solely because Red Granite is a party to a transaction.

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DATED: August 1, 2016

Respectfully submitted,

EILEEN M. DECKER
United States Attorney

/s/John J. Kucera

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