

IN THE UNITED STATES DISTRICT COURT  
FOR THE DISTRICT OF DELAWARE

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In re MARVEL ENTERTAINMENT GROUP,	:	
INC., et al.,	:	Case No. 97-638 (SLR)
	:	
Debtors	:	
-----X	:	
RONALD CANTOR, IVAN SNYDER and	:	
JAMES A. SCARPONE, as TRUSTEES OF	:	Civil Action No. 97-586 (SLR)
THE MAFCO LITIGATION TRUST,	:	
	:	
Plaintiffs,	:	
	:	
- against -	:	
	:	
RONALD O. PERELMAN,	:	
MAFCO HOLDINGS INC.,	:	
MacANDREWS & FORBES HOLDINGS INC.,	:	
ANDREWS GROUP INCORPORATED,	:	
WILLIAM C. BEVINS and	:	
DONALD G. DRAPKIN,	:	
	:	
Defendants.	:	
-----X	:	

**ORDER REGARDING IMPLEMENTATION OF SETTLEMENT AGREEMENT  
AND DISTRIBUTION OF SETTLEMENT PROCEEDS**

WHEREAS on September 16, 2008, the Court entered an Order approving, *inter alia*, the form and manner of distribution of the notice concerning the settlement of this action (the "Notice") (D.I. 531);

WHEREAS on October 28, 2008, the Court entered an Order Approving Settlement and Final Judgment (the "Settlement Order") of this action;

WHEREAS paragraph four (4) of the Settlement Order provides that the Court "shall retain jurisdiction with respect to the implementation of the Settlement Agreement;"

WHEREAS the MAFCO Litigation Trustees, upon their receipt of the full **Settlement Amount** (as that term is defined in the Settlement Agreement between the parties to this action dated as of June 16, 2008), shall pay expenses and make distributions to the **Beneficiaries** (as such term is defined in the MAFCO Litigation Trust Agreement) of the MAFCO Litigation Trust, all in accordance with the terms of the MAFCO Litigation Trust Agreement and this Order;

WHEREAS the Beneficiaries of the MAFCO Litigation Trust are holders of **Allowed Unsecured Claims, Allowed Class Securities Litigation Claims and Allowed Equity Interests**, as those terms are defined in the Fourth Amended Joint Plan of Reorganization (the "**Plan**") for Marvel Entertainment Group, Inc. ("**Marvel**") and its subsidiaries ("**Marvel Entities**"), confirmed by order of this Court dated July 31, 1998;

WHEREAS LaSalle Bank N.A. acts as Successor Indenture Trustee ("**LaSalle**") under three separate indentures (the "**Indentures**") relating to the issuances of notes (collectively, the "**Notes**") bearing CUSIP number 57383QAC3 and issued by Marvel Holdings, Inc. ("**Holdings**"), CUSIP number 573845AA2 and issued by Marvel (Parent) Holdings, Inc. ("**Parent**") and CUSIP number 573848AC2 and issued by Marvel III Holdings, Inc. ("**Marvel III**," and, together with Holdings and Parent, the "**Marvel Holding Companies**");

WHEREAS the Marvel Holding Companies pledged, *inter alia*, 47,258,703 shares of the common stock of Marvel to LaSalle under the respective Indentures (the "**LaSalle Pledged Shares**"), and LaSalle continues to have a lien on the LaSalle Pledged Shares;

WHEREAS for purposes of receiving distributions under the MAFCO Litigation Trust Agreement, LaSalle, in its capacity as Successor Indenture Trustee, and not in its individual

capacity, shall be deemed a Beneficiary of the MAFCO Litigation Trust as the holder of an Allowed Equity Interest in Marvel with respect to the LaSalle Pledged Shares;

WHEREAS LaSalle shall distribute certain amounts it receives from the MAFCO Litigation Trust to holders of the Notes in accordance with the terms of this Order and the Indentures to the extent not otherwise provided for in this Order;

WHEREAS due to the significant passage of time, the MAFCO Litigation Trustees, despite reasonable efforts, may not be able to identify or locate certain Beneficiaries of the MAFCO Litigation Trust, and certain distributions that the MAFCO Litigation Trustees might make to Beneficiaries may be returned as undeliverable or otherwise unclaimed;

WHEREAS due the significant passage of time, LaSalle, despite reasonable efforts, may not be able to identify or locate certain holders of the Notes, and certain distributions that LaSalle might make to holders of the Notes may be returned as undeliverable or otherwise unclaimed;

WHEREAS LaSalle and High River Limited Partnership ("**High River**") have entered into a certain Stipulation dated October 9, 2008 (the "**Stipulation**"), a copy of which is attached hereto as Exhibit 1;

WHEREAS the Court has heard from counsel and considered all submissions from the parties with respect to this Order;

IT IS HEREBY ORDERED AND ADJUDGED that:

1. After giving effect to the settlement concerning shares pledged under the Indentures (as reflected by the Amended Order dated March 17, 1998 (the "**March 17, 1998 Order**") and the Order dated April 9, 1998 entered by this Court in the action captioned, *In re Marvel Holdings, Inc. and Marvel (Parent) Holdings, Inc.*, Civil Action No. 98-81 (RRM)), (a)

the LaSalle Pledged Shares remain pledged to LaSalle under the Indentures and are subject to the lien of LaSalle under the Indentures, and (b) holders of those notes bearing CUSIP numbers 57383QAD1, 573845AB0, and 573848AD0 (which are no longer secured by the LaSalle Pledged Shares) and “**Electing Noteholders**,” as such term is defined in the March 17, 1998 Order, shall not be entitled to participate in or receive any distributions made to LaSalle as provided for in paragraph 3 below.

2. For the purposes of making distributions under the MAFCO Litigation Trust Agreement, LaSalle, in its capacity as Successor Indenture Trustee, and not in its individual capacity, shall be deemed a Beneficiary of the MAFCO Litigation Trust as the holder of an Allowed Equity Interest in Marvel with respect to the LaSalle Pledged Shares.

3. All distributions by the MAFCO Litigation Trustees with respect to the LaSalle Pledged Shares shall be made directly to LaSalle by wire transfer to an account to be designated by LaSalle, in accordance with instructions to be provided by LaSalle. Prior to making any such transfer, the MAFCO Litigation Trustees shall provide notice to counsel for LaSalle of the amount and intended time of transfer.

4. For purposes of effecting initial distributions (including the “**Initial Distribution**” to LaSalle as that term is defined in paragraph 5 of the Stipulation) as provided for in paragraph 5 hereof to holders of Allowed Equity Interests and Allowed Class Securities Litigation Claims, the MAFCO Litigation Trustees shall calculate pro rata distributions based upon a total of 102,176,065 Marvel shares.

5. The MAFCO Litigation Trustees shall use commercially reasonable efforts to make initial distributions to Beneficiaries for whom the Trustees have current address and contact information (which shall include the Initial Distribution to LaSalle and initial

distributions to other Beneficiaries who have provided current contact and address information to the MAFCO Litigation Trustees in accordance with the MAFCO Litigation Trust Agreement) within ten (10) business days of receiving the full Settlement Amount, but in no event shall such initial distributions (including the Initial Distribution to LaSalle) be made more than thirty (30) days after the MAFCO Litigation Trustees receive the full Settlement Amount. As to the remaining Beneficiaries, the MAFCO Litigation Trustees shall undertake the efforts set forth in paragraph 6 below to locate such Beneficiaries and to make initial distributions to them.

6. To the extent that there are Beneficiaries (collectively, “**Unidentified Beneficiaries**”) whose current address and contact information is not reflected in the records of the MAFCO Litigation Trustees, including the records provided to the MAFCO Litigation Trustees by (x) Epiq Systems (“**Epiq**”), the successor in interest to the claims administrator for the Marvel Entities’ bankruptcies, (y) FTI Consulting (“**FTI**”), the successor in interest to the distribution agent for the Avoidance Litigation Trustee (as that term is defined in the Plan), or (z) Depository Trust Company or its designated nominee (“**DTC**”), the Court finds that:

(i) the acts of the MAFCO Litigation Trustees in: (a) relying upon the files of Epiq, FTI and DTC provided to them; (b) distributing the Notice; and (c) causing a notice to be published in the national edition of *The Wall Street Journal* on December 10, 2008 and January 12, 2009 and on its web posting for thirty (30) days from December 15, 2008 to January 14, 2009 advising of the Settlement and the availability of Distributable Proceeds for the beneficiaries and requesting that Beneficiaries contact the MAFCO Litigation Trustees and, as applicable, provide documentation of status as a Beneficiary and current contact and address information so that it is received by the MAFCO Litigation Trustees no later than 5:00 p.m. (New York time) on January 31, 2009, constitute reasonable, proper and sufficient efforts by the

MAFCO Litigation Trustees to provide notice to Beneficiaries advising of the Settlement and the availability of Distributable Proceeds, to maintain the **Beneficiary List** (as that term is defined in Section 13.03 of the MAFCO Litigation Trust Agreement), and to obtain the identity and contact and address information for Unidentified Beneficiaries entitled to share in Distributable Proceeds; and

(ii) the MAFCO Litigation Trustees shall be under no obligation to make any distributions to any Unidentified Beneficiary or its heirs, estate, successors or assigns for whom the MAFCO Litigation Trustees do not have current contact and address information (and where necessary, documentation of their status as a Beneficiary) as of February 28, 2009; and as of that date, Unidentified Beneficiaries shall no longer have any claim or interest in amounts that otherwise would have been distributed to them; and such amounts shall revert to or remain in the MAFCO Litigation Trust and shall be redistributed to the applicable Beneficiaries in accordance with the MAFCO Litigation Trust Agreement.

7. LaSalle shall determine the amount of all distributions received from the MAFCO Litigation Trust allocable to (i) the DTC in its capacity as a registered holder of the Notes based on a "Security Position Report" that LaSalle will request to be provided by the DTC to LaSalle reflecting the DTC's position in each of the Note issues as of the date of the entry of the Settlement Order (the "**DTC Holder Allocation**") and (ii) registered holders other than the DTC based on the amount remaining after determining the DTC Holder Allocation with respect to any distribution to be made (the "**Non-DTC Holder Allocation**"). The determination of the amount of the DTC Holder Allocation and the Non-DTC Holder Allocation are subject to the terms of the Stipulation. Within thirty (30) days after each date LaSalle receives good funds from the MAFCO Litigation Trust, LaSalle shall distribute the DTC Holder Allocation to the DTC subject

to the terms of the Stipulation. LaSalle shall have no obligations or responsibilities with respect to distributions attributable to the Marvel shares held or owned by the Electing Noteholders.

8. Subject to paragraph 10, in the event any distribution to a holder of the Notes is returned to LaSalle as undeliverable (an “**Undeliverable LaSalle Distribution**”), LaSalle shall make no further distributions of any amounts received from the MAFCO Litigation Trust, no matter when such amounts are received by LaSalle, to such holder or its heirs, estate, successors or assigns (a “**LaSalle Undeliverable Holder**”). To the extent any Undeliverable LaSalle Distribution is a check, upon LaSalle’s receipt of the Undeliverable LaSalle Distribution, such check shall be deemed cancelled and void and any amounts represented by such voided check shall revert to LaSalle for redistribution pursuant to this Order.

9. Subject to paragraph 10, in the event any distribution to a holder of the Notes, to the extent such distribution is made by check with LaSalle as payor, is not cashed within ninety (90) days after the date of issuance stated on such check (an “**Uncashed LaSalle Check**”), then any such check shall be deemed void as of such date and no longer payable (and, at such time, any amounts represented by such Uncashed LaSalle Check shall revert to LaSalle for redistribution pursuant to this Order) and LaSalle shall make no further distributions of any proceeds received from the MAFCO Litigation Trust, no matter when such proceeds are received by LaSalle, to such holder or its heirs, estate, successors or assigns (a “**LaSalle Non-Claiming Holder**”).

10. To the extent there are holders of Notes still secured by the LaSalle Pledged Shares bearing CUSIP numbers 57383QAC3, 573845AA2 and 573848AC2 and “**Declining Noteholders**,” as such term is defined in the March 17, 1998 Order, that, as of November 10, 2008, either (a) are unknown or unidentified to LaSalle or (b) have failed to provide LaSalle with

the updated contact and holdings information requested in its letter dated September 30, 2008 and in the notice published in the *Wall Street Journal* so that LaSalle can adequately verify the identity of such holders and their respective Note holdings and contact information (collectively, “**Unidentified Holders**”) the Court finds that:

(i) the acts of LaSalle by (x) transmitting letters dated August 19, 2008 and September 30, 2008 to its most recent list of registered holders (including the DTC) advising such holders of the settlement of this action, transmitting the Notice to Beneficiaries of the MAFCO Litigation Trust approved by this Court to such holders, and requesting current contact and holdings information from such holders, (y) causing a notice to be published in the national edition of *The Wall Street Journal* on October 20 and October 22, 2008 and on its web posting for thirty (30) days from October 11 to November 8, 2008 requesting holders of Notes to contact LaSalle (or their bank or brokerage house if the holder is a beneficial owner) and provide LaSalle with the information requested therein so that such information is received by LaSalle by no later than 5:00 p.m. (Chicago time) on November 10, 2008, and (z) transmitting a copy of this Order to its most recent list of registered holders, constitute reasonable notice and efforts by LaSalle to obtain the identity, contact and holdings information of Unidentified Holders; and

(ii) LaSalle shall be under no obligation to make any distribution of any proceeds received from the MAFCO Litigation Trust, no matter when such proceeds are received, to any Unidentified Holder or its heirs, estate, successors or assigns that has not provided LaSalle with the updated contact and holdings information referenced above by no later than February 28, 2009.

11. On the date that is one hundred (100) days after February 28, 2009 and each subsequent date LaSalle receives good funds from the MAFCO Litigation Trustees, then, with

respect to each distribution received from the MAFCO Litigation Trustees and with respect to each Note issue the (x) Non-DTC Holder Allocation allocable to Unidentified Holders and (y) the amount of any funds available for redistribution as a result of any Undeliverable LaSalle Distributions or Uncashed LaSalle Checks (collectively, “**Undeliverable LaSalle Funds**”) in the possession of LaSalle at that time shall revert to LaSalle and LaSalle shall redistribute such proceeds, subject to any fees and expenses of LaSalle payable consistent with Paragraph 20 hereof to the DTC and other identified registered holders *pro rata* for each Note issue based on the sum of the DTC Holder Allocation and the amount of Notes held by such other identified registered holders entitled to receive a distribution under this Order.

12. All Unidentified Beneficiaries, Unidentified Holders, LaSalle Undeliverable Holders and LaSalle Non-Claiming Holders, and their heirs, estates, successors and assigns, and any nominee, custodian, bank or brokerage house acting on their behalves, shall be forever barred and permanently enjoined from asserting any right, claim or cause of action against:

(i) the MAFCO Litigation Trustees, both individually and in their capacities as the Mafco Litigation Trustees, or LaSalle, in both its individual capacity and in its capacity as Successor Indenture Trustee, or any of their respective representatives and counsel for any and all actions of the MAFCO Litigation Trustees or LaSalle or such representatives and counsel in connection with (a) any distributions made or to be made to Beneficiaries of the MAFCO Litigation Trust (including LaSalle); (b) any distribution, payment and application of any proceeds received by the MAFCO Litigation Trust or by LaSalle from the MAFCO Litigation Trust, including compliance with any of the procedures concerning the distribution proceeds or the redistribution of Undeliverable LaSalle Funds or other proceeds as provided for herein; (c) the allocation and payment of LaSalle’s fees and expenses as provided for in the Stipulation; (d)

the negotiation and implementation of this Order; (e) the negotiation and implementation of the Stipulation; and (f) all notices provided by LaSalle or the MAFCO Litigation Trustees;

(ii) all Beneficiaries or holders of Notes receiving a distribution from the MAFCO Litigation Trust or LaSalle, as well as their respective affiliates, representatives, beneficiaries, and attorneys, including, without limitation, beneficial holders, custodians, nominees, DTC participants and the DTC or their counsel on account of any distributions or redistributions of proceeds from the settlement of this action by the MAFCO Litigation Trustees or distributions or redistributions by LaSalle of any proceeds received from the MAFCO Litigation Trust;

(iii) any of the parties identified in clauses (i) and (ii) of this paragraph for any right, claim, demand or entitlement to any proceeds received by LaSalle from the MAFCO Litigation Trust or any Undeliverable LaSalle Funds.

13. All Unidentified Beneficiaries, Unidentified Holders, LaSalle Non-Claiming Holders and LaSalle Undeliverable Holders, Beneficiaries of the MAFCO Litigation Trust or beneficial owners of Notes (i.e., hold their Notes through a bank or brokerage house that is a DTC participant) shall be subject to the conditions, injunction and bar set forth in the prior paragraph.

14. The Court finds that the Trustees of the MAFCO Litigation Trust have acted prudently and properly under the MAFCO Litigation Trust Agreement and applicable law in their representation of the rights and interests of the Beneficiaries of the MAFCO Litigation Trust, including Unidentified Beneficiaries, in connection with their negotiation and support of this Order and the procedures with respect to the distributions and redistributions from the MAFCO Litigation Trust contemplated thereby.

15. The distribution procedures with respect to Beneficiaries of the MAFCO Litigation Trust set forth in this Order, the Stipulation and, the manner of notice utilized to attempt to identify Unidentified Beneficiaries, (i) are proper and appropriate under the circumstances and are in the best interests of the MAFCO Litigation Trustees and the Beneficiaries of the MAFCO Litigation Trust, (ii) are fair and equitable under the circumstances, and (iii) are a reasonable exercise of the powers and duties of the MAFCO Litigation Trustees under the MAFCO Litigation Trust Agreement and applicable law. The MAFCO Litigation Trustees are hereby authorized to take all actions, and to refrain from taking any and all actions, which may be necessary or appropriate to consummate and implement the terms of this Order without further Order of this Court.

16. The Court finds that LaSalle has acted prudently and properly under the Indentures and applicable law in its representation of the rights and interests of the holders of the Notes, including Unidentified Holders, LaSalle Undeliverable Holders and LaSalle Non-Claiming Holders, in connection with its negotiation and support of this Order, the Stipulation, and the procedures with respect to the distribution of proceeds from the MAFCO Litigation Trust and redistribution of Undeliverable LaSalle Funds contemplated thereby.

17. The distribution procedures with respect to registered holders of the Notes set forth in this Order, the Stipulation, the manner of notice utilized to attempt to identify Unidentified Holders, the procedures to redistribute any Undeliverable LaSalle Funds, and the provisions in the Stipulation and herein relating to the allocation and payment of LaSalle's fees and expenses (i) are proper and appropriate under the circumstances and are in the best interests of LaSalle and the holders of the Notes, (ii) are fair and equitable under the circumstances, and (iii) are a reasonable exercise of the powers and duties of LaSalle under the Indentures and

applicable law. LaSalle is hereby authorized to take all actions, and to refrain from taking any and all actions, which may be necessary or appropriate to consummate and implement the terms of this Order and the Stipulation without further Order of this Court.

18. Any custodian, nominee, bank, or brokerage house acting on behalf of a Beneficiary or a beneficial owner of the Notes is hereby authorized and directed, upon receipt from the MAFCO Litigation Trustees or LaSalle, to transmit a copy of this Order as well as any distributions from the MAFCO Litigation Trustees or LaSalle to its respective Beneficiary or beneficial holders.

19. Neither the MAFCO Litigation Trustees nor the MAFCO Litigation Trust or any of their representatives or counsel shall have any liability for making any of the distributions in respect of the LaSalle Pledged Shares directly to LaSalle as provided for in this Order.

20. The Court hereby approves the Stipulation in all respects including, without limitation, the provisions regarding the amount of the High River Note holdings, distributions to the DTC and the allocation and payment of LaSalle's fees and expenses as provided therein. Nothing in this Order is intended to modify, alter or amend any of the rights of the parties to the Stipulation. All of the parties' respective rights thereunder remain fully reserved and not waived as a result of the entry of this Order. Notwithstanding the foregoing, in the event LaSalle's fees and expenses payable out of the Mafco Fee Reserve (as defined in the Stipulation) exceed \$200,000, then LaSalle shall provide notice of the amount and details of the nature of such fees and expenses that aggregate in excess of \$200,000 to High River c/o Legal Department, 767 Fifth Avenue, 47<sup>th</sup> Floor, New York, NY 10153, and High River shall have fifteen (15) business days after receipt of such notice to file an application with the Court objecting to the payment of

such fees and expenses in excess of \$200,000, otherwise LaSalle as Trustee shall be entitled to pay such fees and expenses in excess of \$200,000.

21. Except as explicitly provided for herein, nothing in this Order is intended to modify, alter or amend any of the rights or obligations of the MAFCO Litigation Trustees or the Beneficiaries under the MAFCO Litigation Trust Agreement.

22. The terms of this Order shall be binding on any heirs, estates, successors and assigns of any Beneficiary, holder of the Notes, Unidentified Beneficiary, Unidentified Holder, LaSalle Undeliverable Holder or LaSalle Non-Claiming Holder and any nominee, custodian, bank or brokerage house acting on their behalves.

23. The Court finds that (i) the funds and proceeds received by the MAFCO Litigation Trust and LaSalle for distribution and redistribution pursuant to the terms of this Order do not constitute and shall not be deemed abandoned or unclaimed property under any federal or state statute or common law regarding the disposition of abandoned property, escheat, or similar treatment or disposition of unclaimed funds (“**Abandoned Property Law**”), and any such funds or proceeds distributed by the MAFCO Litigation Trust or LaSalle shall likewise never be considered abandoned property or unclaimed property, and if such funds or proceeds cannot be distributed to the beneficial owner thereof they shall be returned by the recipient to the MAFCO Litigation Trust or LaSalle as the case may be for redistribution in accordance with the terms hereof, *provided however*, that the MAFCO Litigation Trust and LaSalle shall have no obligation whatsoever to recover or attempt to recover any such undistributable funds from any recipient including, without limitation, the DTC or any nominee, bank, brokerage house or custodian, and shall further not have any liability or other obligations resulting from the failure of any recipient of funds to comply with this provision; and (ii) the provisions of this Order shall supercede and

preempt the applicability and enforceability of any provision in the MAFCO Litigation Trust Agreement, the Indentures and any applicable Abandoned Property Law with respect to the Undeliverable LaSalle Funds and the redistribution of the same as provided for in this Order.

24. The Court finds that, due to the significant passage of time, the most reasonably practicable and fair method to distribute and redistribute undeliverable settlement proceeds, including the Undeliverable LaSalle Funds, and to implement the distribution provisions of the MAFCO Litigation Trust Agreement, is as set forth in this Order.

25. This Court has exclusive jurisdiction under the Plan, the related confirmation order dated July 31, 1998 and the Settlement Order to hear, consider, authorize and approve the distribution procedures and other relief requested in this Order. The Court shall further retain jurisdiction to hear and determine any matters, issues or disputes which may arise under or in connection with the execution, interpretation, enforcement or implementation of or compliance with this Order.

SO ORDERED.

Date: November 13, 2008

Enter:   
United States District Judge