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IN THE UNITED STATES DISTRICT COURT
FOR THE CENTRAL DISTRICT OF CALIFORNIA
WESTERN DIVISION

SLEP-TONE ENTERTAINMENT CORPORATION,	)	Case No.: CV11-08305 ODW (PLAx)
)	
Plaintiff,	)	Hon. Otis D. Wright, II
)	
vs.	)	[PROPOSED] ORDER GRANTING
	)	MOTION BY DEFENDANTS
BACKSTAGE BAR AND GRILL, et al.,	)	KELLY C. SUGANO AND TAKA-O
	)	FOR CONTEMPT AND
Defendants.	)	SANCTIONS
	)	Hearing Date: March 25, 2013
	)	Time: 1:30 p.m.
	)	Courtroom: 11
)	

The motion of Defendants KELLY C. SUGANO and TAKA-O (“Defendants”) for an order seeking this Court’s finding that SLEP-TONE ENTERTAINMENT CORPORATION (“Slep-tone”) is in contempt of this Court’s order dated January 15, 2013 and seeking an award of sanctions came on for hearing before this Court, Alan C. Chen, Esq. appearing for Slep-tone and Craig McLaughlin, Esq. appearing for said Defendants. After consideration of the briefs

1 and arguments of counsel, and all other matters presented to the Court, I find that
2 Slep-tone has been given adequate opportunity to pay the amount of the award of
3 fees set forth in my order of January 15, 2013, that such amount was subsequently
4 demanded of Slep-tone by Defendants, and that Slep-tone has failed to comply
5 with my order. Accordingly, Slep-tone is hereby in contempt of said order.

6 **IT IS HEREBY ORDERED** that Defendants' motion for contempt is
7 GRANTED. By no later than 14 days from the date of this order, Slep-tone shall
8 pay Defendants the amount set forth in my order of January 15, 2013 (\$18,105)
9 and shall pay an additional amount of \$3,850 to them for expense incurred in
10 having brought the instant motion.

11 Slep-tone shall also pay a fine of \$1,000 per day to this Court for its
12 contemptuous conduct, for each day after entry of this order until the amount set
13 forth above is paid. This fine will be waived should full payment of the fees above
14 be made within the time period set forth above.

15 Additionally, should the payment of fees not be made as set forth above, a
16 representative most knowledgeable about Slep-tone's assets, liabilities and
17 finances, as well as Mr. Kurt J. Slep personally, shall appear in this Court for a
18 debtor's examination by Defendants' counsel within 30 days of this order and such
19 debtor's examination shall continue from day-to-day until Defendants' counsel is
20 satisfied. The dates of such examination shall be proposed by Slep-tone and
21 confirmed with Defendants' counsel. The witnesses should be prepared to answer
22 detailed questions in connection with the assets, liabilities, and finances of both
23 Slep-tone and Mr. Slep personally.

24 At least five court days prior to the scheduled examination, Slep-tone and
25 Mr. Slep shall provide to Defendants' counsel a written accounting which shall
26 identify each case number and court where Slep-tone has alleged infringement of
27 any of its Sound Choice trademarks, and for each case, the corresponding date the
28 action was filed and the current trial date, a list of all defendants who have

1 answered in the action (including full name and last known address of each
2 defendant), and for each such defendant, the amount of each settlement entered
3 into, if any, the amount Slep-tone has received in settlement thus far, and the dates
4 and amounts of the settlement income. The accounting shall also include the
5 identification (including full name and last known addresses) of all officers and
6 directors of Slep-tone, all current owners of Slep-tone and their respective interests
7 in shares, all previous owners of Slep-tone since January 1, 2008 and their
8 respective shares, and all persons and entities (including last known addresses) that
9 have made payments to Slep-tone since 2008 in connection with sales of its
10 karaoke products including the amounts and dates of such payments. The
11 accounting shall also include a list of all of Slep-tone's current accounts receivable
12 (including the identification of the owing party with address and amount owed), an
13 accounting of all income by date and amount received in connection with
14 *www.soundchoicestore.com* and all other web business portals since 2011, a list of
15 Slep-tone's current assets and liabilities including names and addresses and
16 account numbers of the asset or liability holders, a list of Mr. Slep's current assets
17 and liabilities including names and addresses and account numbers of the asset or
18 liability holders, a list of each financial institution where Slep-tone maintains
19 assets and the account numbers for each account, the identification of the assets in
20 the account and estimated current value of each asset, a list of each financial
21 institution where Mr. Slep maintains assets and the account numbers for each
22 account, the identification of the assets in the account and estimated current value
23 of each asset, a listing of each of Slep-tone's current liabilities including
24 identification of each person owed, account numbers and amount and schedule of
25 payments due if any, a listing of each of Mr. Slep's current liabilities including
26 identification of each person owed, account numbers and amount and schedule of
27 payments due if any. The accounting shall be supported at the same time by a
28 sworn declaration from Mr. Slep.

1 At least five court days prior to the scheduled debtor's examination, Slep-
2 tone shall also produce the following documents to Defendants' counsel: a copy of
3 each payment Slep-tone made to each of its shareholders since 2008 whether in the
4 form of a cashed check or otherwise, a copy of all stock transfers for the last five
5 years, a copy of the last five years of Slep-tone's income tax returns, a copy of all
6 loan applications and representations of income Slep-tone made over the past five
7 years, and a copy of all loan applications and representations of income Mr. Slep
8 made over the past five years and a copy of each listing of accounts receivable
9 generated by Slep-tone in the past 24 months.

10 **IT IS SO ORDERED**

11
12 Dated: March ____, 2013

By:

13 Otis D. Wright, II
14 United States District Judge
15 Central District of California
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Submitted by:

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