

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
COUDERT BROTHERS LLP,	:	Case No. 06-12226 (RDD)
Debtor.	:	

NOTICE OF SETTLEMENT OF CONTROVERSY

PLEASE TAKE NOTICE that Development Specialists, Inc. (the “Plan Administrator”), in its capacity as the exclusive representative of the estate of Coudert Brothers LLP (the “Debtor”), has filed its Motion seeking entry of an order pursuant to Rule 9019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) authorizing and approving a settlement agreement between the Plan Administrator and Marian M. Hagler (the “Motion”).

PLEASE TAKE FURTHER NOTICE the nature of the action and the terms of the settlement are as follows:

Nature of Action

Proposed Settlement

<p>The Plan Administrator has filed a complaint against Marian Hagler (the “<u>Hagler Action</u>”), a former partner of the Debtor, seeking recovery for breach of contract, fraudulent transfer and recovery of property in respect of alleged overdistributions and other transfers and for recovery on account of certain claims assigned by former Partners to the Plan Administrator. Previously, the Court appointed examiner determined that Hagler received avoidable transfers in the aggregate amount of \$7,570.54.</p> <p>Prior to the commencement of the Hagler Action, Hagler filed an arbitration action against the Debtor which seeks damages for wrongful termination, attorneys’ fees and other relief. In addition, Hagler filed a proof of claim against the Debtor for damages in the amount of \$2 million on account of these claims (collectively, the “<u>Discrimination Claims</u>”).</p>	<p>The Plan Administrator has entered into an agreement with Hagler pursuant to which the Plan Administrator will dismiss the Hagler Action in exchange for Hagler dismissing and withdrawing her Discrimination Claims.</p>
---	--