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Attorneys for Executors, Petitioners
12 JOHN BRANCA and JOHN McCLAIN
13

14 SUPERIOR COURT OF CALIFORNIA
15 COUNTY OF LOS ANGELES
16 CENTRAL DISTRICT
17

18 Estate of

19 MICHAEL JOSEPH JACKSON,
20
21

22 Deceased.
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Case No. BP117321

**PETITION FOR ORDER
INSTRUCTING AND AUTHORIZING
EXECUTORS TO MAKE
PRELIMINARY DISTRIBUTION**

[Probate Code Sections 11620]

Date: September 28, 2011
Time: 1:30 p.m.
Dept: 5
Judge: Mitchell L. Beckloff

26 Petitioners John Branca and John McClain, the Executors under the Will of
27 Michael Joseph Jackson, respectfully submit this Petition for Order Instructing and Authorizing
28 Executors to Make Preliminary Distribution, and allege on information and belief as follows:

INTRODUCTION

1. As set forth in the First Account Current and Report of Status of Administration filed on February 17, 2011 (the "First Account"), as of December 31, 2010, the Estate assets had generated more than \$310 million in gross revenues. Since that date, the Estate assets have continued to generate additional income. The Executors have substantially reduced the Estate's secured debt obligations by more than \$90 million, including without limitation, eliminating the mortgage on the Hayvenhurst property and satisfying the liability owed to AEG in connection with the "This is It" concert. In addition, the Executors have refinanced the loans securing the Estate's interest in Michael Jackson's catalogue, Mijac, and Sony/ATV's publishing catalogue, at significantly lower interest rates and on terms more favorable to the Estate. Most of the significant creditors' claims have been resolved, paid or disposed of. For some time, the beneficiaries of the Michael Jackson Family Trust (including Michael Jackson's mother, the Guardian Ad Litem for Michael Jackson's minor children, and the California Attorney General on behalf of the unnamed charitable beneficiaries) have requested that the Executors make a preliminary distribution to the Michael Jackson Family Trust, the sole beneficiary of the Estate. Final distribution of the Estate cannot be made at this time due to, among other things, pending litigation and the estate tax return audit. However, in recognition of the request of the beneficiaries, the Executors bring this Petition for the purpose of seeking a Court order authorizing the Executors to make a preliminary distribution of \$30 million to the sole beneficiary of the Estate, the Michael Jackson Family Trust.

BACKGROUND FACTS

2. **Date of Death:** Michael Jackson died testate on June 25, 2009, a resident of the County of Los Angeles. Michael Jackson was not married at the time of his death. He was survived by his mother, Katherine Jackson ("Mrs. Jackson") and three minor children, namely, Michael Joseph Jackson, Jr., Paris-Michael Katherine Jackson, and Prince Michael Jackson II (collectively, the "Children").

3. **Will Admitted to Probate/Letters Issued:** Michael Jackson's Will dated July 7, 2002, was admitted to probate on August 3, 2009. Messrs. Branca and McClain are the duly

1 appointed Executors under the Will of Michael Jackson with the limited power to administer the
2 Estate under the Independent Administration of Estates Act. Letters Testamentary were issued
3 on November 12, 2009 and at all times since that date Messrs. Branca and McClain have been
4 and are now the duly qualified personal representatives of the Estate.

5 4. **Michael Jackson Family Trust is the Sole Beneficiary of the Estate:** Michael
6 Jackson's Will devises his entire estate to the Trustees of the Michael Jackson Family Trust (the
7 "Trust"). Messrs. Branca and McClain are the Co-Trustees of the Trust. The beneficiaries under
8 the Trust are the Children, Mrs. Jackson and unnamed charities.

9 5. **Legal Representatives of Michael Jackson's Minor Children:** Mrs. Jackson is
10 the Guardian of the Person of each of the Children. Margaret G. Lodise is the Guardian Ad
11 Litem for each of the Children.

12 **PROPOSED PRELIMINARY DISTRIBUTION**

13 6. **Proposed Distribution:** Since the commencement of the administration of the
14 Estate, the Estate assets have generated more than \$310 million of gross receipts. For some
15 time, Mrs. Jackson, the Guardian Ad Litem and the California Attorney General have been
16 requesting that the Executors make a preliminary distribution to the Trust. Accordingly, the
17 Executors propose to distribute \$30 million to the Trust, subject to a refunding agreement should
18 the Estate assets not be sufficient to cover the debts, expenses of administration and taxes, and
19 request that this Court authorize them to do so.

20 7. **Court May Authorize Executors to Make Preliminary Distribution:** More
21 than two months have elapsed since (a) the issuance of Letters Testamentary to the Executors and
22 (b) the Executors were granted general powers to administer the Estate. Therefore the Court may
23 order the Executors to make a preliminary distribution if the Court finds that the distribution can
24 be made without loss to the creditors or injury to any person interested in the estate. Probate
25 Code Section 10620.

26 8. **Estate not in a Condition to be Closed/Statutory Conditions are Satisfied:** For
27 a number of reasons, including without limitation, pending litigation and a pending estate tax
28 audit, the Estate is not yet in a condition to be closed. However, as set forth below, the proposed

1 distribution can be made without loss to the creditors or injury to any person interested in the
2 Estate.

3 **STATUS OF THE ESTATE**

4 9. **First Account Current and Report of Status of Administration.** The First
5 Account Current was approved by this Court on September 8, 2011. The cash on hand after
6 deducting reserves for fiduciary income taxes due for 2010 (which is payable on September 15,
7 2011) exceeds \$90 million.

8 10. **Inventory and Appraisals.** The Executors have filed the following Inventories
9 and Appraisals with the Court which reflect assets with a value as appraised by the court
10 appointed probate referee as of Michael Jackson's death as follows:

Inventory Number	Filing Date	Probate Referee Appraised Value as of July 25, 2009
Partial #1	September 22, 2010	\$4,465,000.00
Partial #2	September 22, 2010	444,260.00
Partial #3	September 22, 2010	195,000.00
Partial #4	February 3, 2011	11.00
Partial #5	February 3, 2011	1.00
Partial #6	September 22, 2010	676,317.00
Partial #8	February 14, 2011	77,500.00
Partial #9	August 23, 2011	29,272,949.00
Partial #10	August 23, 2011	967,270.17
Partial #11	July 1, 2011	12,799,172.00
Partial #12	August 23, 2011	523,000.00
	TOTAL CARRY	\$50,677,002.17
	VALUE:	

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26 11. **Nature of the Property** Michael Jackson was not married at the time of his death
27 and therefore the entire Estate is his separate property.

28 12. **Creditors' Claims:** Petitioners made a search of Michael Jackson's business,

1 financial and personal records, including mail and miscellaneous documents, unpaid bills and
2 any other records that Michael Jackson kept to determine the existence and whereabouts of
3 creditors. All such creditors who were located were mailed a Notice of Administration to
4 Creditors. Notice to creditors has been given as required by law and the time for filing claims
5 has expired. A compilation listing all Creditor's Claims filed in the Estate and the disposition or
6 current status of each is set forth on Exhibit "A" attached to this Petition and made a part hereof.
7 More than one year has passed since Michael Jackson's death. Therefore, further claims are
8 now time-barred pursuant to Code of Civil Procedure Section 366.2. All established claims have
9 been paid. Most of the significant creditors' claims have been resolved, paid or disposed of.
10 Michael Jackson's income tax obligations have been satisfied or provided for, or are subject to
11 applications for abatement, and all required returns have been filed or on extension. In addition,
12 the Executors have substantially reduced the Estate's secured debt obligations by more than \$90
13 million, including without limitation, eliminating the mortgage on the Hayvenhurst property,
14 satisfying the AEG liability, and reducing the debt on Michael Jackson's catalogue, Mijac, from
15 \$75 million to \$25 million. In addition, the Executors have reduced the Estate's debt service
16 obligations by refinancing the loans securing the Estate's interest in Michael Jackson's catalogue,
17 Mijac, and Sony/ATV's publishing catalogue, at significantly lower interest rates and on terms
18 more favorable to the Estate. A list of the creditors' claims remaining which have not been
19 finally disposed of (i.e., "finally disposed of" refers to claims where no action was taken by the
20 creditor within 90 days from the date the creditor was served with a Notice of Rejection of the
21 Creditor's Claim, or where the claim was paid or settled), is set forth on Exhibit B and
22 incorporated by this reference.

23 13. Notice to Medi-Cal. Compliance with Probate Code § 9202(a) was not required
24 because the Michael Jackson did not receive health care benefits under the provisions of
25 Chapter 7 or Chapter 8, Part III, Division 9 of the Welfare and Institutions Code. Michael
26 Jackson did not have a predeceased spouse receiving any benefits under the provisions of
27 Chapter 7 or Chapter 8, Part III, Division 9 of the Welfare and Institutions Code.

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14. **Notice to Direct of Victim Compensation and Government Claims Board.** In accordance with Probate Code § 9202(b), Petitioners allege that they have no reason to believe that an heir is confined to a prison or facility under the jurisdiction of the Department of Corrections or the Department of Youth Authority, or confined in any county or city jail, road camp, industrial farm, or other local correctional facility.

15. **Federal Estate Taxes.** A United States Estate Tax Return (Form 706) was filed for the Estate on September 27, 2010. An audit is pending. There are no unpaid estate taxes at this time based on the Estate Tax Return filed.

16. **Income Taxes.** All income taxes that the Executors are informed and believe are due and payable by the Estate will have been paid by the date of the hearing on this Petition. The Executors have sought abatement of penalties assessed in connection with individual income tax returns that were not filed timely by Michael Jackson, which applications are pending.

17. **Real Property Taxes** All real property taxes due by the Estate have been paid.

18. **California Franchise Tax Board Certificate.** There is no requirement for a California Income Tax Certificate to be obtained from the Franchise Tax Board in this Estate.

PRAAYER

WHEREFORE, the Executors pray for an Order of this Court that:

1. Instructs and authorizes the Executors to make a preliminary distribution in the amount of \$30 million to Messrs. Branca and McClain, as the Trustees of the Michael Jackson Family Trust, subject to the Trustees' agreement to refund to the Estate such amounts as may be necessary to pay debts, expenses of administration and taxes should the probate estate assets not be sufficient to cover all such amounts;

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2. Such other relief as the Court deems proper.

Dated September 13, 2011

HOFFMAN, SABBAN & WATENMAKER
A Professional Corporation

KINSELLA WEITZMAN ISER KUMP
& ALDISERT LLP

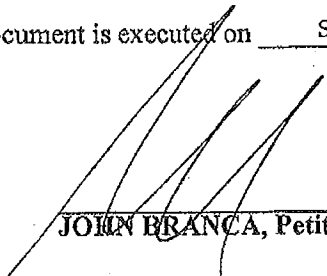
By: Paul Gordon Hoffman
PAUL GORDON HOFFMAN
Attorneys for John Branca and
John McClain, Executors of the Decedent's Estate

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VERIFICATION

I, John Branca, a party in the above-entitled matter, declare that I have read the foregoing Petition for Order Instructing and Authorizing Executors to Make Preliminary Distribution. It is true of my knowledge, except to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document is executed on September 12, 2011, at Los Angeles, California.



JOHN BRANCA, Petitioner

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VERIFICATION

I, John McClain, a party in the above-entitled matter, declare that I have read the Petition for Order Instructing and Authorizing Executors to Make Preliminary Distribution. It is true of my knowledge, except to those matters which are stated on information and belief, and as to those matters, I believe them to be true.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct and that this document is executed on September 13, 2011, at Los Angeles, California.


JOHN McCLAIN, Petitioner

EXHIBIT - A

CREDITORS' CLAIMS FILED AND DISPOSITION OF CLAIMS

Notice of Administration given on 12/22/2009 and last day to file claim was 2/22/2010.

CREDITOR	DATE FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
A4V Digital, Inc.	10/29/09	736,502.59	Settled.
Abrams, Michael L.	11/12/09	1,419.70	Allowed, paid in full.
Allgood Entertainment, Inc. and Allgood Concerts, LLC	2/11/10	300,000,000.00	Notice of Rejection served 4/9/2010 and filed 4/12/10. Relates to lawsuit filed by claimant, prior to Michael Jackson's death. U.S. District Court in New York dismissed the claim against the Estate pursuant to order granting Estate's summary judgment motion. Order granting MSJ on appeal.
Arnold & Porter LLP	11/16/09	£103,179.10	Counsel for Personal Representatives - Allowed, approved by the court and paid.
Atkins Thomson Solicitors	11/2/09	209,204.36	No action taken.
Ayscough & Marar	8/14/09	31,757.79	Allowed, paid in full. Additional interest payment of \$3,198.20
Bone, William	10/9/09	Undetermined	No action taken.
Bonner, Erle	4/22/10	1,109,000,503,600	Lawsuit dismissed.
Cannon & Company CPA's, LLP	10/22/09	56,582.00	No action taken.
Crowe Horwath, LLP	2/18/10	38,495.00	Allowed, paid in full.
Echols, Steven	9/22/09	261,169.00	Settled.
Franchise Tax Board	12/10/10	131,544.10	Application for abatement filed and pending.
Gross, Elisa	2/22/10	3,178.83	Allowed and paid.
Harris-Scott, Helen M.	10/9/09	50,000,000.00	Notice of Rejection served 4/9/10 and filed 4/12/2010. Lawsuit filed by claimant prior to Michael Jackson's death - dismissed pursuant to order granting summary judgment motion filed by the Estate. On appeal. (Harris-Scott v. MJJ SC089547.)
Iglesias, Aner	12/7/09	234,000.00+	Satisfaction and Withdrawal of Creditor's Claim filed 5/25/2011.
Irde, Avinash Bruno	2/8/10	8,300.00	Allowed, paid.
Jackson, Malachi	8/25/09	unknown	Notice of Rejection served 4/9/10 and filed 4/12/10.
Klein, MD, Arnold W.	1. 10/27/09 2. 2/19/10	1. 48,522.89 2. 10,000.00	1. No action taken. 2. Notice of Rejection served and filed 8/16/11.
Landis, John*	10/29/09	300,000.00+	Relates to lawsuit filed by claimant prior to Michael Jackson's death (Landis v. Optimum, et al. LASCW SC101514). Allowed in part; settlement negotiations ongoing.
Lanier, Sidney	10/19/09	3,000,000.00	Notice of Rejection served and filed on 8/16/11.
LaPointe, Richard	10/14/09	5,000,000.00	Notice of Settlement & Satisfaction of Creditor's Claim filed 4/29/11.
Levitsky Productions, Inc.*	10/29/09	1,000,000.00	Settled in part - relates to lawsuit filed by claimant prior to Michael Jackson's death (Levitsky Prod v. Optimum Prod, LASCW SC101420) Settlement negotiations ongoing.
Machine Management, LLC	1/22/10	285,000.00	Allowed in part, settled and paid.
Mareque, Jose T.	1/19/10	4,722.01	Allowed and paid.

CREDITORS' CLAIMS FILED AND DISPOSITION OF CLAIMS

Notice of Administration given on 12/22/2009 and last day to file claim was 2/22/2010.

CREDITOR	DATE FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Mayer M&J, Inc. dba Video & Audio Center	11/19/09	128,482.77	Allowed and paid. Total with interest paid on claim \$131,576.85
Mesereau & Yu, LLP	9/25/09	341,452.05	Allowed and paid.
Mundell, Odium & Haws, LLP	10/30/09	1,571,768.62	Allowed in part and paid - \$1,259,289.85; No action taken re \$312,28.77 - Settlement negotiations ongoing.
Parrish, Lynda L.	9/17/09 1/25/10	212,000.00	No action taken.
Ray, Ola	8/21/09	to be determined	Lawsuit filed by claimant prior to Michael Jackson's death. (LASCW Case SC102953) Settlement negotiations ongoing.
Research Video, Inc.	1/13/10	55,032.16	No action taken.
Rowe, Leonard	10/29/09	51,218.00	Allowed and paid.
Smith, Jr., LaVelle	10/22/09 C11/12/09	144,500.00	No action taken.
Stabler & Associates, Inc.	10/7/09 C1/20/10	193,500.00	Allowed and settled.
Stinky Films, Inc.*	10/29/09	1,000,000.00+	No action taken. Relates to lawsuit filed by claimant. Negotiations ongoing.
Tohme Tohme	11/12/09	2,300,000.00+	Settled in part - negotiations pending.
Universal Music Publishing Group	1/26/10	3,000.00	No action taken.

*The three Claimants marked by an asterisk are related claims.

Notice of Administration given on 1/20/2010 and last day to file claim was 3/21/2010.

CREDITOR	DATE FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Bain, Raymone	1. 4/16/10 2. 3/22/10	1. 360,000.00 2. 44,000,000+	Notice of Rejection served on 4/15/10 and filed 4/13/10. Relates to lawsuit filed by claimant prior to Michael Jackson's death which was dismissed and is currently on appeal.
Chase, Kai (Kai Chase Incorporated)	2/18/10	8,000.00	Allowed in part, settled and paid. Total paid on claim \$6,000.
Venable LLP	3/8/10	471,103.56	Counsel for personal representatives, subject to court approval.

CREDITORS CLAIMS FILED AND STATUS OF FILED CLAIMS

Notice of Administration given on 1/22/2010 and last day to file claim was 3/23/2010.

CREDITOR	DATE FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Bachus, Juergen	3/22/10	€ 5,000,000.00	Arbitration commenced and pending.
Dewey & Leboeuf, LLP	3/18/10	1,502,873.70	Settled - Subject to court approval.
Nederlander Presentations, Inc.	3/19/10	to be determined	Lawsuit filed by claimant on 6/17/2010, LASC Case No. BP439936.

Notice of Administration given on 2/2/2010 and last day to file claim was 4/3/2010.

CREDITOR	DATE FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Intermedia Productions Ltd.*	4/1/10	1,000,000.00+	No action taken.
Patel, Sharad Chandra*	4/1/10	1,000,000.00+	No action taken.

*The two Claimants marked by an asterisk are related claims.

Miscellaneous Filed Claims

CREDITOR	DATE FILED	AMOUNT OF CLAIM	DISPOSITION OF CLAIM
Alexander, Van	2/23/10	70,000.00	No action taken.
Boddicker, Michael	3/11/10	400,000.00+	No action taken.
Buxer, Bradley	2/9/10	47,839.73	Settled.
Cross, Teresa	2/19/10	42,000.00	No action taken.
Genesis Group International	6/22/10	4,580,000.00	No action taken.
Jackson, Nona Paris Lola Anghesenamun	2/19/10	Unlimited	Notice of Rejection served 4/9/10 and filed 4/12/2010.
Johnson, Craig A.	1/22/10	374,403.24	No action taken.
King, Adean Wells	2/22/10	180,000.00	Notice of Rejection served and filed 8/16/11
Kleinberg Lopez Lange Cuddy & Klein, LLP	2/18/10	628,713.00	No action taken.
McMillan, Claire C. & McCoy C. McMillan	1/8/2010 1/15/10	\$0 to \$2,002,000	Notice of Rejection served 4/9/10 and filed 4/12/2010.
Sheinberg, Jonathan	1/22/10	285,000.00	Allowed in part, settled and paid.
Signal Hill Capital Group, LLC	12/30/09	328,299.03	Settled and paid.
Vallejos, Jose Freddie	1. 1/6/10 2. 2/2/10	3,300,000.00 3.3M or acc to proof	Notice of Rejection served 4/9/10 and filed 4/12/2010. Lawsuit filed by claimant on 6/29/2010 (LASC Case No. BC 440626); Amended Complaint filed.
Williams, Diane Simmons	2/16/10	60,000.00	Notice of Rejection served and filed 8/16/11.
AQ Business Consultants	Pet. Filed 11/10	1,200,000.00	Filed late. Petition for Relief under 9103 pending before Court.
La Vie En Rose	2/7/11	328,299.03	Filed late. Notice of Rejection served and filed 8/16/11.

EXHIBIT - B

CREDITORS' CLAIMS REMAINING¹**1. ACTION PENDING/LITIGATION PENDING/SETTLEMENT NEGOTIATIONS ONGOING**

CREDITOR	REMAINING AMOUNT OF CLAIM	DISPOSITION OF PENDING CLAIM
1. Alexander, Van	70,000.00	Pending.
2. Atkins Thomson Solicitors	209,204.36	Pending.
3. Bachus, Juergen	€ 5,000,000.00	Arbitration commenced and pending.
4. Boddicker, Michael	400,000.00+	Pending.
5. Bone, William	Undetermined	Pending.
6. Cannon & Company CPA's, LLP	56,582.00	Pending.
7. Cross, Teresa	42,000.00	Pending.
8. Franchise Tax Board	131,544.10	Application for abatement filed and pending.
9. Genesis Group International	4,580,000.00	Pending.
10. Intermedia Productions Ltd.; and Patel, Sharad Chandra	1,000,000.00+	Pending.
11. Johnson, Craig A.	374,403.24	Pending.
12 Klein, MD, Arnold W.	48,522.89	Pending.
13. Kleinberg Lopez Lange Cuddy & Klein, LLP	628,713.00	Pending.
14. Landis, John Levitsky Productions, Inc. Stinky Films, Inc.	300,000.00	Substantially settled; relates to lawsuits filed by claimant prior to Michael Jackson's death (Landis v. Optimum, et al. LASCW SC101514 & Levetsky Prod v. Optimum Prod, LA SCW SC101420).
15. Mundell, Odlum & Haws, LLP	312,478.77	Allowed in part and paid - \$1,259,289.85; pending re remaining \$312,478.77 - Settlement negotiations ongoing.
16. Nederlander Presentations, Inc.	to be determined	Lawsuit filed by claimant on 6/17/2010, LASC Case No. BP439936.
17 Parrish, Lynda L.	212,000.00	Pending.
18. Ray, Ola	to be determined	Lawsuit filed by claimant prior to Michael Jackson's death. (LASCW Case SC102953) Settlement negotiations ongoing.
19. Research Video, Inc.	55,032.16	Pending.
20. Smith, Jr., LaVelle	144,500.00	Pending.
21. Tohme Tohme	2,300,000.00+	Pending.
22. Universal Music Publishing Group	3,000.00	Pending.
23. Venable LLP	471,103.56	Counsel for personal representatives, subject to court approval.

¹ Creditor's Claims which have not been "finally disposed of" (i.e. "finally disposed of" refers to claims where no action was taken by the creditor within 90 days from the date the creditor was served with a Notice of Rejection of the Creditor's Claim, or where a claim was paid or settled).

CREDITOR'S CLAIMS REMAINING (CONTINUED)**2. LITIGATION DISMISSED BY FEDERAL OR STATE COURT/
PLAINTIFF'S APPEAL PENDING**

CREDITOR	AMOUNT OF CLAIM	DISPOSITION OF PENDING CLAIM
1. Allgood Entertainment and Allgood Concerts, LLC	300,000,000.00	Pending.
2. Bain, Raymone	1. 360,000.00; 2. 44,000,000+	Pending.
3. Harris-Scott, Helen M.	50,000,000.00	Pending.

3. LITIGATION DISMISSED BY STATE COURT - FINAL - NO APPEAL

CREDITOR	AMOUNT OF CLAIM	DISPOSITION OF PENDING CLAIM
1. Bonner, Erle	1,109,000,503,600.00	On 8/4/10 Court dismissed action for lack of prosecution per 581a & 583.

4. CLAIMS REJECTED WITHIN THE LAST 90 DAYS

CREDITOR	AMOUNT OF CLAIM	DISPOSITION OF PENDING CLAIM
1. King, Adean Wells	\$180,000.00	Notice of Rejection filed and served 8/16/11.
2. Klein, MD, Arnold W.	10,000.00	Notice of Rejection filed and served 8/16/11.
3. La Vie En Rose	328,299.03	Notice of Rejection filed and served 8/16/11.
4. Lanier, Sidney	3,000,000.00	Notice of Rejection filed and served 8/16/11.
5. Williams, Diane Simmons	60,000.00	Notice of Rejection filed and served 8/16/11.

5. MISCELLANEOUS

CREDITOR	AMOUNT OF CLAIM	DISPOSITION OF PENDING CLAIM
1. AQ Business Consultants	1,200,000.00	Claim filed late. Petition for relief under 9103 pending before the Court.