Sidney Lanier, Esq. #119948 23110 Crenshaw Blvd., # A Torrance, CA 90505-3025 Phone: (310) 534-5888 Fax: (310) 534-1665 ORIGINAL FILED 2 JUL 25 2006 3 LOS ANGELES SUPERIOR COURT 4 Attorneys for: Plaintiff Ayscough & Marar 5 6 7 SUPERIOR COURT OF THE STATE OF CALIFORNIA 8 9 COUNTY OF LOS ANGELES - SOUTHWEST JUDICIAL DISTRICT 10 AYSCOUGH & MARAR Case No. YC052627 11 Assigned for all purposes to the Honorable Andrew C. Kaufiman 12 Plaintiff, 13 [Unlimited Civil] VS. 14 MICHAEL I. JACKSON, MJJ PRODUCTIONS, INC., a California Corporation, FIRE MOUNTAIN SERVICES, LLC., A Nevada Limited Liability Company, and DOES 1 TO 30, inclusive 15 DECLARATION OF BRENT AYSCOUGH IN SUPPORT OF APPLICATION FOR WRIT OF ATTACHMENT 16 17 inclusive, 18 Defendants. [Complaint filed: February 21, 2006] 19 [Motion to quash service on defendant Michael Jackson denied July 17, 2006 [Status Conference September 27, 2006] 20 21 22 23 I, Brent Ayscough, declare: 1. I am an attorney at law, licensed to practice in the State of California and in 24 25 certain federal courts, with California state license # 53083. The matters attested to herein are personally know to me. I am with plaintiff law firm Ayscough & Marar 26 27 ("A&M") which has its offices at 23110 Crenshaw Blvd, Suite A, Torrance, CA,

90505, and has had its offices there at all relevant times.

2. A&M performed legal services from February 3, 2005, for defendant Michael J. Jackson and his two companies, MJJ Productions, Inc., a California Corporation, and Fire Mountain Services, LLC, a Nevada Limited Liability Company. In each of the cases Michael J. Jackson was a party individually, and he is responsible for all legal services performed pursuant to a written retainer agreement, a true copy of which is attached as Exhibit "1". That retainer agreement contains these parts:

"If the retainer amount is reduced to \$2,000 through legal services and costs, Client will advance another sum as requested by Attorney. In the event that bills are incurred in excess of the retainer such bills will be paid within the month in which the bill is sent. Although bills are due and payable in the month they are sent, if for any reason they are not paid promptly, they bear interest at the rate of 10% per annum. Failure to provide the retainer and subsequent advances as requested by Attorney are a material breach of this agreement."

"In the event that any action is filed on this Retainer Agreement to enforce collection of attorney's fees, client also agrees to pay attorney's fees and cost of suit should such action be necessitated."

3. Pursuant to that written agreement, A&M did perform legal services and advanced costs for defendant Michael J. Jackson. By the summer of 2005, nearly all of my time was spent on Michael Jackson cases. When A&M was hired, criminal proceedings were pending against Mr. Jackson individually in Santa Barbara County, in the case of *People v. Jackson*, Santa Barbara Superior Court Case # 1133603. For assistance in the criminal case, A&M's tasks included obtaining orders sealing civil cases from the press and orders staying discovery while the criminal case was pending. The cases included those following hereafter. For the criminal case of *People v. Jackson*, Santa Barbara Superior Court Case # 1133603, orders sealing records and

staying discovery in pending civil cases so as not to allow prejudice to the criminal case, including a challenge by the news media entitled NBC Universal, Inc.; TV Broadcasting Inc.; Fox News Network L.L.C.; ABC, Inc.; Cable News Network LT, LLLP; USA Today; Court of Appeals Case # B182655. Services were provided in defending the case of Schaffel v. Jackson, et. al., Los Angeles Superior Court Case # SC083501. Services were provided in the case of Kamand v. Jackson, Los Angeles Superior Court Case # BC324733. Services were provided in the JAMS case of 50 133 T 00565 04, entitled Avram v. Jackson et. al. Services were provided in Alfredo Bowman and Dr. Sebi LLC. v. Michael Jackson, Los Angeles Superior Court Case # BC 322867. Services were provided a case in the United States District Court, Central District of California, Case # CV 04-10264 RSW, entitled I FILM, Inc., a California Corporation, Hamid Moslehi v. MJJ Productions, Inc., et al. Services were provided in a case entitled Kyman v. Jackson, Los Angeles Superior Court Case # LC071670. Services also included miscellaneous other legal services tangentially related to the above cases, and minor services not related to the cases. The above matters, including the criminal matter and the civil cases are concluded; with the exception of one civil case, Avram v. Jackson, which is still pending. A&M is no longer attorney of record in those cases or in any case for Mr. Jackson or for any of his wholly owned entities.

- 4. There has never been a complaint or disagreement regarding the services rendered or the bills provided by A&M for legal services and expenses incurred from any of the defendants or from any of defendants' business managers, accountants, general counsels, advisors, or from anyone else. Defendant Mr. Jackson simply has not paid his bills in material breach of the written contract with A&M. A&M resigned for non-payment of legal bills, and up to and including the last day I was asked to stay on by Susan Yu and to continue to provide further services.
- 5. There is sufficient overdue debt owed by defendant Michael J. Jackson to substantiate immediate pre-judgement attachment relief. Mr. Jackson is generally not

DECLARATION OF BRENT AYSCOUGH IN SUPPORT OF REQUEST FOR WRIT OF ATTACHMENT 3

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paying his debts as they become due. Among his creditors are a number of other attorneys. Former Attorney Zia Moddaber is owed \$400,000. Former Attorney Brian Oxman is owed over \$1,250,000. Former Texas attorney Michael Sydow is owed over \$1,000,000. A&M worked with Mr. Sydow and Mr. Oxman extensively last year in the Jackson civil cases, and also obtained minor assistance from Mr. Moddaber. I was asked by former general counsel Michael Abelson to approve services performed by Mr. Oxman in the Schaffel case. Former criminal defense attorney Bob Sanger is owed over \$1,200,000. Former Attorney Michael Abelson, who worked for Mr. Jackson in 2005, is owed over \$100,000. Mr. Jackson is a defendant in a civil case in New York, US District Court, Southern District, case # 05CV 6298, Judge Castle, entitled Prescient Acquisition Group, Inc., v. Michael J. Jackson, a claim of \$48,000,000. A true copy of the complaint is attached as Exhibit "2". Attorneys Wachtel & Masyr, LLP represent him in that case. Wachtel & Masyr, LLP has recently filed a motion in that case to be relieved as attorney of record for non-payment of its legal bill. A true copy of that motion (without the copies of the published cases that were attached) is attached as Exhibit "3". Century City attorneys Lavely & Singer are owed approximately \$100,000. David LeGrand of Las Vegas is owed money. These are all past due debts for services and are not subject to dispute.

6. There are other creditors besides lawyers. The largest is Fortress which is owed \$325,000,000. Michael Jackson also owes his brother Randy Jackson \$1,650,000, and Randy Jackson's assistant Tyuna ZiJke \$50,000. Mr. Jackson is sued by his ex wife Deborah Rowe Jackson, Los Angeles Superior Court case # BD 310276, In re Marriage of Deborah Rowe Jackson, claiming \$900,000 a year for five years plus damages and legal fees. Pending in Santa Monica is the case of Deiter Wiesner v. Michael Jackson, case # SC 087708, a claim of \$64,000,000. Stabler & Associates is owed over \$100,000 for business services. Mr. Jackson was behind on paying his staff at Neverland, and the State of California published a copy of a complaint it was going

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to file. (Exhibit "4"). Mr. Jackson then paid, pursuant to the claim over \$400,000 in back wages and penalties. CPA Allan I. Whitman of Fox, Bernstein, Whitman, Goldman, & Sloan is also owed considerable money for business management services. There are other creditors as well.

7. Itemized bills of A&M for legal services and costs were regularly sent to Mr. Jackson's designated business advisor, depending on who was supervising the bills. There was never a complaint about any bill. Payments were made on the account until about a year ago. The attorney's hourly rates of A&M are specified in the contract at \$300 per hour and defendants were billed at those rates. Attorneys Sydow and Oxman were charging \$450 per hour to Mr. Jackson at the same time. Defendants and their advisors always treated the bills as one and the same for each of the three defendants, and no distinction was ever made by the three defendants as to which of them was responsible for certain bills and which were not. Each defendant was responsible for the entire bill. As of about mid 2005, the legal bills were paid nearly up to date, but the then business advisor Ron Burkle quit and later Mesereau & Yu took over approving the payment of legal bills. That firm obtained \$2,600,000 for legal fees from Mr. Jackson on September 23, 2005, and paid the entire amount to itself, not disclosing the payment or sharing any of the monies with the other criminal defense counsel whose bills were long overdue, nor was any other law firm paid from the payment. I was unaware of the payment until the beginning of 2006. Prior to that, and as inducement to keep myself and A&M working, Susan Yu of Mesereau & Yu (the "general counsel" at the time) misrepresented to me on several occasions after September 23 that her firm had not been paid either, and asked A&M and myself to remain on representing Mr. Jackson, stating A&M would be paid later. Sometime after receiving the \$2,600,000, Mesereau & Yu resigned as "general counsel."

8. The following amounts were billed defendants on a monthly basis, and checks were received as indicated in the following accounting:

1	Date of Bill	Amount	Date of Payment	Amount Paid	Balance
2	3/11/05 4/7/05	\$20,933.18 \$30,039.17			\$ 20,933,18 \$ 50,972,35
4	5/4/05	\$51,380.36			\$102,822.71
5	6/9/05	\$ 6,868.66	5/25/05	\$ 7,500.00	
6			6/9/05 (credit)	\$ 1,001.59	\$101,189.78
7	7/5/05	\$11,106.20	6/23/05	\$10,000.00	\$102,295.98
8	8/12/05	\$28,971.04	8/11/05 8/11/05 8/12/05	\$ 7,628.41 \$12,371.59 \$20,000.00	\$ 91,267.02
10	9/13/05	\$56,817.33	8/19/05	\$ 2,440.76	
11			8/19/05 8/30/05	\$17,559.24 \$20,000.00 \$13,851.12	
12			9/13/05 9/13/05 9/13/05	\$ 6.148.88	
13			9/13/05 9/13/05 9/13/05	\$ 8,556.52 \$11,106.20 \$ 337.28	\$ 68,084.35
14	10/6/05	\$56,353.80	H15105	φ 557.20	\$124,438.15
15	11/03/05	\$42,741.79			\$167,179.94
16	12/05/05	\$18,600.64			4.21,4.77
17	1/6/06	\$31,056.43			
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19		Balan	ice owing before inte	erest and legal fees:	\$216,837.01
20	9. Mr. Jackson owns two real properties over which a writ of attachment is				
21	sought. Both are in California. Neither property is exempt from attachment. Attached				
22	hereto as Exhibit "5" is a true and correct copy of a Grant Deed for one of the				
23	properties. It is a home at the second of th				
24	the legal description is contained in the deed. It was recently re-financed for				
25	\$2,200,000, another debt of Mr. Jackson. The trust deed is attached as Exhibit "6."				
26	The other property is Mr. Jackson's Santa Barbara property				
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California. The legal description is attached as Exhibit "7." There is a deed of trust against the property as of only April of this year, attached as Exhibit "8." The trust deed states on page 4 that it secures a \$20,000,000 obligation. This is another \$20,000,000 debt of Mr. Jackson.

I declare under penalty of perjury the foregoing is true and correct.

Executed July 24, 2006, at Torrance, CA.

Brent Ayscough



EXHIBIT 1

Retainer Agreement

This Retainer Agreement is entered into this 4th day of February 2005 between Michael Jackson, MJJ Productions, Inc., a California Corporation, Fire Mountain Services, LLC, a Nevada Limited Liability Company, herein referred to as "Client", and Ayscough & Marar, herein referred to as "Attorney".

Client and attorney hereby agree to the terms set forth herein. Client retains Attorney and attorney agrees to provide legal services regarding a case filed in the Los Angeles County Superior Court entitled F. Marc Schaffel, individually and dba Neverland Valley Entertainment; F. Marc Schaffel Productions, LLC, a California limited liability company v. Michael Jackson; MJJ PRODUCTIONS, INC., a California corporation, FIRE MOUNTAIN SERVICES, LLC, a Nevada limited liability company, and DOES 1 through 10, case # SC083501 and related matters. Attorney will represent the defendants in that case, who are the "Client".

Client agrees to pay for attorney's time involved at the regular hourly rates charged by the attorneys employed at or working at Ayscough & Marar. The rates charged by attorneys at Ayscough & Marar are \$300.00 per hour. Legal time chargeable includes travel time, research, time in court and all time spent on the case. The attorneys working on the case will be Brent Ayscough, State Bar # 53083 and Sidney Lanier, State Bar # 119948.

Costs are also charged to Client. Costs consist of all cash outlays and all direct expenses associated with the matter. Examples of costs that are normally charged are expenses for filing fees, process servers, investigators, messengers, expert witness fees, fees to any independent or outside contractors, preparation of exhibits (pictures, etc.), long distance phone costs, legal database research charges, photocopying expenses at 25¢ per page, postage, jury fees, court reporters, travel expenses including airfare and lodging, patking, and all expenses related to the cause, matter, case, or task undertaken by Attorney. These expenses will be paid for in advance. If advanced for the Client, they will be included in the monthly bill, due and payable along with the regular monthly bill for attorney's fees.

Client will pay a retainer of \$10,000 for legal services. Bills will be sent to client monthly for attorney's fees and costs and will be deducted from the retainer. If the retainer amount is reduced to \$2,000 through legal services and costs, Client will advance another sum as requested by Attorney. In the event that bills are incurred in excess of the retainer such bills will be paid within the month

in which the bill is sent. Although bills are due and payable in the month they are sent, if for any reason they are not paid promptly, they bear interest at the rate of 10% per annum. Failure to provide the retainer and subsequent advances as requested by Attorney are a material broach of this Agreement.

In the event that the case involves using for any recovery of money or property, any fees and costs that are unpeid become a lien on any recovery that the client may at any time receive. In the event that any action is filed on this Retainer Agreement to enforce collection of attorney's fees, client also agrees to pay attorney's fees and costs of suft should such action be necessitated.

This agreement must be signed by the olients and the retainer provided before it is effective.

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By: Ercur Persongh,

Client: Marked Jackson

Dated: February 1, 2005

Dated: February 2, 2005

Dated: February 2, 2005

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