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At an ~~Open Court~~ ^{Special Term} Part of
the Supreme Court of the
State of New York, held
in and for the County of
Bronx at the Courthouse,
located at 851 Grand
Concourse, Bronx, NY on
the 6 day of February 2003.

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P R E S E N T:

HON. BERTRAM KATZ,
Justice

-----x
NADYA VERDESOTO, an infant, by her mother and
natural guardian, JACQUELINE VERDESOTO, and
JACQUELINE VERDESOTO, Individually,

Plaintiffs,

-against-

MARBLE REALTY CORP., and HELLER REALTY
LTD.,

Defendants.
-----x

**ORDER
OF
COMPROMISE**

Index #18585/99

FILED
FEB - 6 2003
BRONX COUNTY CLERK'S OFFICE

Upon reading and filing the annexed petition of
JACQUELINE VERDESOTO, the mother and natural guardian of the
infant, NADYA VERDESOTO, duly verified the 22nd day of November
2002; the affirmation of DENNIS BELLOVIN, duly affirmed the 22nd
day of November 2002; the medical report of Dr. Daniel Adler dated
November 9, 2001; and upon all the exhibits annexed hereto; and it
appearing that it is in the best interests of the infant plaintiff
to settle and compromise the cause of action herein;

AND, the infant plaintiff, NADYA VERDESOTO, and her

mother and natural guardian, JACQUELINE VERDESOTO, having appeared before this Court on the 6 day of February 2003, together with their attorneys, TROLMAN, GLASER & LICHTMAN, P.C.,

NOW, on motion of TROLMAN, GLASER & LICHTMAN, P.C., the attorneys for the plaintiffs, it is hereby

ORDERED, that JACQUELINE VERDESOTO, be and she hereby is authorized to settle and compromise the cause of action herein, now pending in the Supreme Court of New York, County of Bronx, as against the defendants, Heller Realty Ltd. and Marble Realty Corp., for the sum of SIX HUNDRED THOUSAND (\$600,000) DOLLARS; and it is further

ORDERED, that out of the settlement amount of \$600,000, the sum of \$198,084.40 be paid to TROLMAN, GLASER & LICHTMAN, P.C., the attorneys for the plaintiffs, as and for their fee, plus repayment of disbursements, in the amount of \$5,746.79, for a total sum of \$203,831.19 in accordance with the agreement of retainer herein; and it is further

ORDERED, that a portion of the settlement shall be paid to the infant plaintiff in the following manner:

GUARANTEED LUMP SUM PAYMENTS:

| | | |
|------------------------|-------|-------------|
| Payment on 11/17/2013: | ----- | \$75,000.00 |
| Payment on 11/17/2014: | ----- | \$75,000.00 |
| Payment on 11/17/2015: | ----- | \$75,000.00 |
| Payment on 11/17/2016: | ----- | \$75,000.00 |

LUMP SUM GUARANTTED PAYMENT:

| | | |
|--------------------------|-------|--------------|
| Payment on 11/17/2020: | ----- | \$597,854.00 |
| PRESENT VALUE/COST: | ----- | \$350,000.00 |
| TOTAL GUARANTEED PAYOUT: | ----- | \$897,854.00 |

And it is further

ORDERED, that the defendants, MARBLE REALTY CORP and HELLER REALTY LTD., by their insurer, LIBERTY MUTUAL INSURANCE COMPANY, may fund the aforesaid periodic payments by the purchase of an annuity policy under section 104 (a) (2) of the Internal Revenue Service which is to be written by THE TRAVELERS INSURANCE COMPANY, a life insurance company that is rated "A++, Class 15" by Best's current edition of "Agent's Guide to Life Insurance Companies" and is licensed in the State of New York, and a copy of the annuity policy is to be furnished to the attorneys for the infant plaintiff, and a copy filed with the clerk of the court, and it is further

ORDERED, that THE TRAVELERS INSURANCE COMPANY, may assign ownership and liability for future payments to THE TRAVLERS LIFE AND ANNUITY COMPANY, rated "A++, Class 9" by Best's current edition of "Agent's Guide to Life Insurance Companies" under section 130 (c) of the Internal Revenue Service Code; and it is further

ORDERED, that THE TRAVELERS LIFE AND ANNUITY COMPANY, as assignee, will be responsible for all future payments and THE TRAVLERS INSURANCE COMPANY, will issue a statement of irrevocable guarantee that guarantees the payment obligations of THE TRAVELERS LIFE AND ANNUITY COMPANY, and it is further

ORDERED, that in the event the infant plaintiff does not survive the expiration of the guaranteed period of payments as

set forth herein above, the payments will be made for the remainder of the guaranteed period to the infant's Estate; and it is further

ORDERED, that the plaintiff shall have no rights or incidence of ownership in said annuity policy; it being the intention herein to conform to and keep within the guidelines of in all respects and in good faith all applicable sections of the Internal Revenue Code and all guidelines and rulings of the Internal Revenue Service, and it is further

ORDERED, that the sum of \$2,000 shall be paid to the plaintiff, JACQUELINE VERDESOTO, for her derivative cause of action; and it is further,

ORDERED, that the balance of the settlement, to wit, the sum of \$44,168.81 be paid to JACQUELINE VERDESOTO, as mother and natural guardian of the infant, NADYA VERDESOTO, jointly with an officer of the following bank(s), to be deposited in the name of the mother, JACQULINE VERDESOTO, in an account yielding the highest rate of interest available as provided hereinafter to the credit of and for the sole use and benefit of the infant, NADYA VERDESOTO,

| BANK(S) | LOCATION | AMOUNT |
|------------------------|---------------------------------------|-------------|
| Apple Bank for Savings | 44 East 161 st , Bronx, NY | \$44,168.81 |

and it is further

ORDERED, that the funds shall be held for the account(s) of the infant, NADYA VERDESOTO, and shall be turned

over to the infant upon her reaching the age of eighteen (18) years, upon presentation of proper proof of age to said bank(s), and without further order of this Court; and it is further

ORDERED, that the time deposit or certificate of deposit account(s) shall be continuously renewed upon maturity at the highest rate of interest then available, except that the date of maturity shall not extend beyond the infant plaintiff's eighteenth (18th) birthday, and when no such time deposit or certificate of deposit account(s) is available, the accumulated funds shall then be placed in the bank's insured money market account(s); and it is further

ORDERED, THAT THERE SHALL BE NO RIGHT OF WITHDRAWAL FROM THE AFORESAID BANK ACCOUNT(S), INCLUDING ANY MONEY MARKET ACCOUNT(S) UNTIL THE INFANT PLAINTIFF'S EIGHTEENTH (18TH) BIRTHDAY, EXCEPT UPON THE FURTHER ORDER OF THIS COURT; and it is further

ORDERED, that said depository is authorized and directed to maintain at least 100% of said funds in the form of deposit in said depository yielding the highest dividend return to the infant, providing that said funds shall be in such a form that it will be all available to said infant upon attaining the age of 18 years; and it is further

ORDERED, that the said bank(s), upon presentation of the passbook and the infant's completed tax returns, issue drafts payable to the Internal Revenue Service and/or the New York State

Tax Commission, for payment of taxes owed by the infant, as a result of interest accrued on the guardian account(s); and it is further

ORDERED, THAT NO PARTIAL WITHDRAWALS WILL BE MADE UNLESS THE ORDER DIRECTING SAME BEARS THE RAISED SEAL OF THE COURT; and it is further

ORDERED, that conditioned upon compliance with the terms of this Order, JACQUELINE VERDESOTO, the mother and natural guardian of the infant, NADYA VERDESOTO, be and hereby is authorized and empowered to execute and deliver a general release and any other instruments necessary to effectuate the settlement herein; and it is further

ORDERED, that the necessity for the filing of a bond be and the same is hereby dispensed with.

E N T E R:



J.S.C.

Bertram Katz