

Excerpts from November 1st, 2002, Court Hearing before
the Honorable Judge Mary F Walrath in the eToys
Bankruptcy case, 01-0706, DE, MFW, eToys Docket 2152

Excerpts from November 1st, 2002, concerning the striking of Releases and Injunctions which would Indemnify all parties in the eToys Bankruptcy Case from civil and/or criminal matters. Parties in these excerpts are Chief Federal Judge Mary F. Walrath and Robert K. Alber, eToys Shareholder.

Page 5, line 8 – 12

8 | THE COURT: Well, I do see a reference to your, in
9 | my notes, to the treatment of your claims, but that deal with
10 | Section 4.10. And I think the response to that was to modify
11 | the releases so that to the extent you had direct actions, they
12 | were not being affected.

(The remainder of this page intentionally left blank)

4 MR. ALBER: Okay. And we've also addressed in one of
5 our motions that some of the injunction clauses be taken out,
6 because we believe at some point that through some sort of
7 ongoing investigation, that there may be something that comes
8 from all that. So, we would like the injunction part be -- as
9 we refer to it, a get out of jail free card.

10 THE COURT: 7.2(b) or --

11 MR. ALBER: Right.

12 THE COURT: Or D.

13 MR. ALBER: I believe it's prenumbered 7.2(d), yes.

14 THE COURT: 7.2 is release of liens.

15 MR. ALBER: Now, it's C, now it's 7.2(c).

16 THE COURT: The injunction.

17 MR. ALBER: Yes.

18 THE COURT: Well, this is just what the bankruptcy
19 code provides.

20 MR. ALBER: Well, our motion was to respectfully
21 request the Court to strike that if at all possible because we
22 do believe that additional investigations will turn up
23 additional evidence that will -- because we're --

24 THE COURT: This is an injunction to prevent any
25 creditors or shareholders from pursuing claims against the

1 Debtor, other than as provided in the plan.

2 MR. ALBER: Okay. Then the civil actions and the
3 criminal actions will still be open to shareholders or
4 creditors at a later point.

5 THE COURT: Actions -- that the third parties have
6 direct actions against any other party, other than E-Toys, can
7 proceed.

8 MR. ALBER: Okay.

9 THE COURT: That doesn't affect your direct action.

Page 9, lines 4-11

4 THE COURT: If you're suggesting you want to file a
5 different plan, respectfully, it's too late. The Debtors plan
6 has been voted on, and I confirmed it, subject to making the
7 changes to the plan, deleting the releases.

8 MR. ALBER: Okay.

9 THE COURT: And reserving your rights, your direct
10 action claims and your right to any distribution after all
11 creditors are paid. And I think those changes were made.