

EXHIBIT 1

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13
14 UNITED STATES DISTRICT COURT
15 NORTHERN DISTRICT OF CALIFORNIA, SAN FRANCISCO DIVISION
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17 In re:

18 CROWN VANTAGE, INC.,

19 Debtor.

20 Employer I.D. #54-1752384

21 CROWN PAPER LIQUIDATING
22 TRUST,

23 Plaintiff,

24 v.

25 PRICEWATERHOUSECOOPERS LLP
f/k/a COOPERS & LYBRAND, et al.

26 Defendants.
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28 CROWN PAPER COMPANY; CROWN

Case Nos. C 02-3836 MMC
C 02-3838 MMC

**PROPOSED ORDER APPROVING
THE SETTLEMENT AGREEMENTS
BETWEEN CROWN AND FORT
JAMES AND CERTAIN
LIQUIDATING TRUST
DEFENDANTS**

Date: May 25, 2007

Time: 9:00 a.m.

Courtroom: 7 (19th Floor)

Judge: Hon. Maxine M. Chesney

1 VANTAGE, INC., JEFFREY H. BECK,
Liquidating Trustee; and CROWN PAPER
LIQUIDATING TRUST,

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3 Plaintiffs,

4 v.

5 FORT JAMES CORPORATION, f/k/a
JAMES RIVER CORPORATION OF
VIRGINIA; FORT JAMES OPERATING
6 COMPANY; FORT JAMES FIBER
COMPANY, f/k/a JAMES RIVER
7 TIMBER CORPORATION; and FORT
JAMES INTERNATIONAL HOLDINGS,
8 LTD., f/k/a JAMES RIVER
INTERNATIONAL HOLDINGS, LTD.,

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10 Defendants.

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12 On March 27, 2007, Plaintiffs Jeffrey H. Beck, Liquidating Trustee, the Crown Paper
13 Liquidating Trust (collectively, "Trustee"), Crown Paper Company, Crown Vantage, Inc. and
14 Defendants Fort James Corporation, Fort James International Holdings, Ltd. and Georgia Pacific
15 Consumer Products LP (f/k/a Fort James Operating Company) (collectively "Fort James"), filed in
16 the Bankruptcy Court the Agreed Motion Of Liquidating Trustee Of Crown Paper Liquidating Trust
17 For (1) Withdrawal Of The Reference With Respect To Motion To Approve Compromise Of
18 Controversy and (2) Assignment Of Motion To Approve Compromise Of Controversy To District
19 Court Presiding In Related Cases (the "Withdrawal Motion") with respect to the Settlement
20 Agreement signed by the Trustee and the Fort James Released Parties (as defined in the Fort James
21 Settlement Agreement), the Settlement Agreement signed by the Trustee and certain defendants in
22 *Crown Paper Liquidating Trust v. Coopers & Lybrand, et al.*, Case No. C-02-2836 (as defined in the
23 Liquidating Trust Settlement Agreement) and the Settlement Agreement between Credit Suisse
24 Securities (USA) and the Trustee which will be in the same form or substantially the same form as
25 Exhibit 7 attached to the Joint Motion of Liquidating Trustee of Crown Trust and Fort James
26 Pursuant to F.R.B.P. 9019 to Approve Compromise of Controversy, together the "Settlement
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1 Agreements”.¹ Pursuant to the Agreed Motion, the Trustee asked this Court to withdraw the
2 reference and to hear and determine the Joint Motion Of Liquidating Trustee Of Crown Trustee And
3 Fort James Pursuant To F.R.B.P. 9019 To Approve Compromise Of Controversy (the “Settlement
4 Motion”).

5 NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

6 1. The Court has jurisdiction over the subject matter of these actions and the Settlement
7 Agreements under 28 U.S.C. §§ 1334(b) and 157(d).

8 2. The Court finds that notice of the Settlement Agreements and proposed Approval
9 Order was good and sufficient under applicable law and rules. The Court further finds that notice
10 was reasonable and apprised all parties and creditors of the pendency of the Settlement Agreements
11 and Approval Order and afforded them the opportunity to present objections.

12 3. The Court finds that: (a) no oppositions have been filed to the Settlement Agreements
13 or the proposed Approval Order within the time allowed by law; (b) the Trustee has authority under
14 the Debtors' Second Amended Disclosure Statement and Joint Liquidating Plan of Reorganization,
15 which plan became effective as of March 1, 2002, to enter into the Settlement Agreements; and (c)
16 the Settlement Agreements are approved and adjudicated to be fair, reasonable and adequate with
17 respect to the Trustee, the Debtors, the Debtors' bankruptcy estates, the Fort James Released Parties,
18 and the Liquidating Trust Case Defendants. The Settlement Agreements, including the definitions
19 contained therein, are incorporated by reference in this Approval Order.

20 4. The Settlement Agreements are adjudicated to be Settlements entered into in good
21 faith.

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24 ¹ Defendants Fort James Corporation, Fort James International Holdings, Ltd., and Georgia-Pacific
25 Consumer Products LP (f/k/a Fort James Operating Company) (collectively, "Fort James") and
26 PricewaterhouseCoopers LLP, McGuireWoods LLP, Merrill Lynch & Co., Inc., Merrill Lynch,
27 Pierce, Fenner & Smith, Salomon Smith Barney, Inc., Clifford A Cutchins, Stephen E. Hare, Robert
28 C. Williams, Houlihan Lokey Howard & Zukin, E. Lee Showalter, William V. Daniel, Joseph T.
Piemont, and Ernest Leopold (collectively the “Liquidating Trust Case Defendants,” together and
with Fort James referred to as the “Fort James Released Parties”) were advised of and did not object
to the Withdrawal Motion.

1 5. The Court does hereby approve and grant the Settlement Motion and the compromise
2 therein and directs the Trustee, Fort James and Fort James Released Parties, the Trustee and the
3 Liquidating Trust Case Defendants and the Trustee and Credit Suisse Securities (USA) to
4 consummate their respective Settlement Agreements and all terms thereof.

5 6. Neither this Approval Order nor any term or provision of the Settlement Agreements
6 shall be offered or received against any Fort James Released Party, any settling party, the Crown
7 Paper Liquidating Trust Case Defendants, or the Trustee as evidence of, or construed as or deemed
8 to be evidence of, any presumption, concession or admission with respect to the truth of any fact
9 alleged in or the validity of any claim that was asserted or could have been asserted in these actions.

10 7. The Court authorizes the Trustee to disburse the SETTLEMENT AMOUNT to
11 persons or entities eligible to receive payment. The timing of such disbursement shall be consistent
12 with the terms contained in paragraph 2 of the Fort James Settlement Agreement.

13 8. Jurisdiction is retained over the parties and the Settlement Agreements for all matters
14 relating to the administration, interpretation, effectuation or enforcement of the Settlement
15 Agreements and this Approval Order under the principles set forth in *Kokkonen v. Guardian Life*
16 *Insurance Co.*, 511 U.S. 375 (1994).

17 DATED:

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20 Maxine M. Chesney
21 United States District Judge
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