

**COMMONWEALTH OF KENTUCKY  
FRANKLIN CIRCUIT COURT  
DIVISION II**

**CIVIL ACTION No. 21-CI-00645**

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**TIA TAYLOR, et al.**

**PLAINTIFFS**

**v.**

**KKR & CO., L.P., et al.**

**DEFENDANTS**

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**ORDER**

This matter is before the Court upon Plaintiffs’ *Motion to Modify the January 3 Order to Permit Consideration of their Motion Directing the KKR-Prisma Defendants to Return KRS Trust Funds, Plus Interest and Penalty, in a Total Exceeding \$807 Million; Plaintiffs’ Motion to Refer their Breach-of-Trust Case to Mediation; and Commonwealth of Kentucky ex rel. Attorney General Russell Coleman’s Motion for Leave to be Heard Pursuant to KRS 15.020 in Opposition to the Taylor Four Plaintiffs’ Motion to Reconsider January 3, 2025 Order Denying Request to Lift Stay.* This matter was called before the Court on Wednesday, February 12, 2025, at 10:00 a.m. Upon review of the parties’ briefs and papers, and after being sufficiently advised, the Court hereby **DENIES** Plaintiffs’ *Motion to Modify the January 3 Order to Permit Consideration of their Motion Directing the KKR-Prisma Defendants to Return KRS Trust Funds, Plus Interest and Penalty, in a Total Exceeding \$807 Million; GRANTS* Plaintiffs’ *Motion to Refer their Breach-of-Trust Case to Mediation; and DENIES* Commonwealth of Kentucky *ex rel. Attorney General Russell Coleman’s Motion for Leave to be Heard Pursuant to KRS 15.020 in Opposition*

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to the Taylor Four Plaintiffs' Motion to Reconsider January 3, 2025 Order Denying  
Request to Lift Stay.

**I. Plaintiffs' Motion to Modify the January 3 Order to Permit Consideration of their Motion Directing the KKR-Prisma Defendants to Return KRS Trust Funds, Plus Interest and Penalty, in a Total Exceeding \$807 Million**

By Order entered January 7, 2025, the Court denied Plaintiffs' *Motion to Lift the Stay and to Set Hearing and Briefing Schedule*. Essentially, the Court found because there are a litany of appeals pending before the Kentucky Court of Appeals and the Kentucky Supreme Court directly related to the validity of Plaintiffs' claims, lifting the stay would not be prudent. Sometime after the January 7, 2025, Order was entered, the Court was notified that the Commonwealth and certain Defendants had reached a settlement in Franklin Circuit Court Civil Action No. 20-CI-00590 *Commonwealth v. KKR & Co., Inc., et al.* and Franklin Circuit Court Civil Action No. 24-CI-00354 *Commonwealth v. KKR & Co., Inc., et al.* Upon request of the Commonwealth and settling Defendants in those actions, the Court entered an Order setting a briefing schedule for objections to the settlement, and responses, to be filed. Plaintiffs have filed an objection in those actions. Nonetheless, Plaintiffs urge the Court to lift the stay given the contents of the settlement, which they believe (and the settling Defendants appear to agree) extinguishes their claims in this action. Certain Defendants<sup>1</sup> have filed an response in opposition to lifting the stay, specifically mentioning the "Global Settlement," which is set to come before the Court on a separate date. The Court understands the urgency Plaintiffs have to prosecute their action

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<sup>1</sup> PAAMCO Prisma, LLC (formerly Pacific Alternative Asset Management Company, LLC), Prisma Capital Partners LP, and Blackstone Alternative Asset Management L.P., KKR Group Co. Inc. (formerly KKR & Co. L.P.), Henry Kravis, George Roberts, Jane Buchan, Girish Reddy, Michael Rudzik, Blackstone, Inc. (formerly The Blackstone Group Inc.), Stephen A. Schwartzman, and J. Tomilson Hill.

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and appreciate Plaintiffs abiding by the Court's stay. However, the stay must remain in place. There are still multiple appeals ongoing that require the Court to halt the prosecution of this action.<sup>2</sup> Accordingly, the Court must stand by its January 7, 2025, Order.

## II. Plaintiffs' Motion to Refer their Breach-of-Trust Case to Mediation

Plaintiffs have requested the Court refer this matter to mediation. Defendants PAAMCO Prisma, LLC (formerly Pacific Alternative Asset Management Company, LLC), Prisma Capital Partners LP, and Blackstone Alternative Asset Management L.P., KKR Group Co. Inc. (formerly KKR & Co. L.P.), Henry Kravis, George Roberts, Jane Buchan, Girish Reddy, Michael Rudzik, Blackstone, Inc. (formerly The Blackstone Group Inc.), Stephen A. Schwartzman, and J. Tomilson Hill object to mediation believing there is nothing to mediate given the pending "Global Settlement" in Franklin Circuit Court Civil Action Nos. 20-CI-00590 and 24-CI-00354. Despite Defendants' stance that there is nothing to mediate, the Court disagrees, so the Court will grant Plaintiffs' request for mediation.

Accordingly, the parties are directed to agree on a mediator and schedule mediation within fifteen (15) days from entry of this Order. If the parties are unable to agree on a mediator, the parties shall tender to the Court three (3) suggested mediators and the Court will select the mediator. The mediation shall be conducted by March 14, 2025, unless an extension is granted by the Court. Counsel and each party (or designated representative with full settlement authority) are directed to participate in the mediation process in good

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<sup>2</sup> The Court's January 7, 2025, Order noted that Plaintiffs' have the option of seeking a writ with the Kentucky Court of Appeals based on the Court's decision to stay this action. That option remains.

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faith, attending all session(s) scheduled with the mediator. The Court expects prompt notice of the mediation results.

Given the referral of this action to mediation, the Court notifies the parties that it will enter an Order in Franklin Circuit Court Civil Action Nos. 20-CI-00590 and 24-CI-00354 canceling the February 26, 2025, hearing and moving the hearing in that matter to March 26, 2025, at 10:00 a.m.

**III. Commonwealth of Kentucky *ex rel.* Attorney General Russell Coleman’s Motion for Leave to be Heard Pursuant to KRS 15.020 in Opposition to the Taylor Four Plaintiffs’ Motion to Reconsider January 3, 2025 Order Denying Request to Lift Stay**

On February 9, 2025, the Commonwealth filed the above motion seeking to share its opinion on lifting the stay in this action. Plaintiffs oppose the filing of the Commonwealth’s motion and assert that it was not timely filed, the Attorney General does not have the right to intervene in private actions, and the motion is legally and substantively baseless.

Plaintiffs have correctly noted that Franklin Circuit Court Local Rule 4.01 provides, in relevant part, “[p]arties shall file notice, motions, and copies with the Clerk at least five (5) business days before the date of a hearing.” FRANKLIN CIR. CT. R. 4.01. The Commonwealth’s motion was filed on February 9, 2025, which was not five (5) business days before the February 12, 2025, hearing. Although the Rule permits the Court “discretion to grant a party leave to file memoranda later than the date for filing,” the Court declines to exercise its discretion in this instance. *Id.* The Court has consistently invited the Commonwealth to move to intervene in this action, and the Commonwealth has declined the invitation. The underlying motion again does not seek intervention but still wishes to raise issues such as lack of standing—something Defendants have already raised, and this

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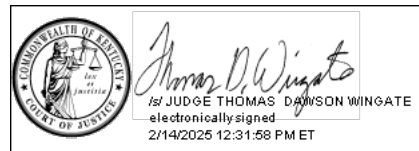
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Court has ruled upon. Therefore, the Court declines to consider the Commonwealth's motion.

**WHEREFORE**, Plaintiffs' *Motion to Modify the January 3 Order to Permit Consideration of their Motion Directing the KKR-Prisma Defendants to Return KRS Trust Funds, Plus Interest and Penalty, in a Total Exceeding \$807 Million* is **DENIED**; Plaintiffs' *Motion to Refer their Breach-of-Trust Case to Mediation* is **GRANTED**; and Commonwealth of Kentucky *ex rel. Attorney General Russell Coleman's Motion for Leave to be Heard Pursuant to KRS 15.020 in Opposition to the Taylor Four Plaintiffs' Motion to Reconsider January 3, 2025 Order Denying Request to Lift Stay* is **DENIED**.

**SO ORDERED**, this 14<sup>th</sup> day of February, 2025.




 /s/ JUDGE THOMAS DAWSON WINGATE  
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**THOMAS D. WINGATE**  
**Judge, Franklin Circuit Court**

Notice: All parties

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