

THE JACKSON KIDS

No one would have been surprised to find Prince and Paris Jackson a bundle of nerves as they waited backstage at the Grammys on Jan. 31. Only seven months ago the children stood on the very same stage at the Staples Center, sobbing and shell-shocked after an emotional public farewell to their father. But as they prepared to accept a Lifetime Achievement Award on behalf of Michael Jackson, the pair—in black suits with red armbands, an homage to their dad's style—shared laughs and smiles and acted oblivious to the fact that they were about to deliver a speech to 13,000 people sitting in the audience and 26.6 million TV viewers. "They were so excited, happy and proud," says a source close to the family. As their grandmother Katherine watched from the wings in tears, Prince movingly thanked God, his grandparents and his father's fans for their love and support. After Paris delivered a touching "We love you, Daddy," they walked off hand-in-hand, arms swinging, and gave the Grammy to their brother Blanket. "They called me as soon as they got off," grandpa Joe tells PEOPLE. "They said, 'Grandpa, did you see us?'"

Though many quickly questioned the Jackson family's decision to put the children back in the spotlight again, Katherine's lawyer Adam Streisand says it was the kids who came up with the idea of accepting the award. "They



Blanket (with Paris and Prince) avoided the stage because he's "a shy boy," says a family source. Grandma Katherine (below) "really listens to the kids," says her attorney.



LIFE AFTER MICHAEL

Seven months after their dad's death, Paris, Prince and Blanket are still grieving—but also thriving in their new life with Grandma



In addition to karate, the kids are interested in filmmaking, says Michael's old pal Bryan Michael Stoller.



Rwaramba (with Blanket) "does everything for the kids," says a close source.

wrote their speeches even before Katherine could say yes or no," he says. In the end Prince Michael I, 12, and Paris, 11—who spoke for Prince Michael II ("Blanket"), 7—not only honored their father but showed the world what friends have been saying for months: Though still grieving, Michael's kids are finding a way to live without him.

The three kids "are wonderful," longtime family friend Kathy Hilton tells PEOPLE. Confirms Streisand: "The kids are absolutely adjusting well to their new lives." The lion's share of credit goes to Jackson family matriarch and legal guardian Katherine, 79—not to mention nanny Grace Rwaramba, as well as aunts, uncles, cousins and Grandfather Joe, 81.

If it was Michael's dream to give his kids the childhood he never had, he would be thrilled with how they're being raised: They take karate, visit

the library, have family dinners (they live at Katherine's Encino, Calif., estate with cousins and other relatives) and attend their grandmother's church, a Jehovah's Witness Kingdom Hall, on Saturdays. "Katherine is giving them as normal a life as possible," says Streisand. (The kids are still homeschooled, and he says Prince and Paris "have jumped a grade.") Like typical tweens, they love *Twilight* (they attended the *New Moon* premiere in November) and, says one

source, spend their free time "iChatting, e-mailing, and acting like kids."

Not everything is perfect. The October release of *This Is It*—the documentary chronicling Michael's concert rehearsals and, as it turned out, his final weeks—was a painful reminder of their loss. "Paris believes her father was worked to death," adds the source. "She is angry and upset about it."

Still, friends are buoyed by the resilience they've shown. "Paris and Prince have become a lot more confident," says a source. Which makes complete sense to Joe. "I see a lot of Michael in those kids," he says. "They are strong like him."

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UPDATE: THE HOMICIDE CASE

The weekend Michael Jackson was honored at the Grammys, his personal physician Conrad Murray returned to L.A. from Houston (where he practices) knowing he might be arrested in connection with the singer's June 25 death. The L.A. District Attorney refuses to comment on reports that Murray will face involuntary manslaughter charges for his alleged misuse of the hospital-strength anesthetic propofol, found in lethal amounts in Jackson's body, according to the search warrant. But Murray has hired a California defense lawyer, and a rep for his lead attorney Ed Chernoff says Murray is "aware charges may be filed this week."