

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

Hearing Date: October 6, 2016 at 10:00 a.m. E.T.
Objection Deadline: September 29, 2016 at 4:00 p.m. E.T.

DEBTORS' MOTION FOR AN ORDER (I) APPROVING THE DISCLOSURE STATEMENT; (II) SCHEDULING CONFIRMATION HEARING; (III) APPROVING FORM AND MANNER OF NOTICE OF CONFIRMATION HEARING; (IV) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF VOTES TO ACCEPT OR REJECT PLAN, INCLUDING (A) APPROVING FORM AND CONTENT OF SOLICITATION PACKAGE; (B) ESTABLISHING VOTING RECORD DATE AND APPROVING PROCEDURES FOR DISTRIBUTION OF SOLICITATION PACKAGES; (C) APPROVING FORMS OF BALLOTS; (D) ESTABLISHING VOTING DEADLINE FOR RECEIPT OF BALLOTS; AND (E) APPROVING PROCEDURES FOR VOTE TABULATIONS; (V) ESTABLISHING DEADLINE AND PROCEDURES FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN; AND (VI) GRANTING RELATED RELIEF

Arctic Sentinel, Inc., f/k/a Fuhu, Inc., *et al.*, the above-captioned debtors and debtors in possession (the "Debtors"), pursuant to Sections 1125 and 1126 of Title 11 of the United States Code, 11 U.S.C. §§ 101 *et seq.* (the "Bankruptcy Code"), Rules 2002, 3016, 3017, 3020 and 9006 of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and Del. Bankr. L.R. 3017-1(a) and 3017-1(b), hereby move for the entry of an order: (i) approving the Disclosure Statement (as defined below); (ii) scheduling the Confirmation Hearing (as defined

¹ The Debtors, together with the last four digits of each Debtor's tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors' headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.



below); (iii) approving the form and manner of notice of the Confirmation Hearing; (iv) establishing procedures for solicitation and tabulation of votes to accept or reject the *Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* dated September 1, 2016, filed by the Debtors (including all exhibits thereto and as amended, modified or supplemented from time to time, the “Plan”),² including (A) establishing a Voting Record Date and approving procedures for distributing solicitation packages; (B) approving the form and content of the Debtors’ proposed solicitation package, including ballots; (C) establishing a voting deadline for receipt of ballots; and (D) approving procedures for tabulating acceptances and rejections of the Plan; (v) establishing the deadline and procedures for filing objections to confirmation of the Plan; and (vi) granting related relief. In support of this Motion, the Debtors respectfully state as follows:

Jurisdiction

1. This Court has jurisdiction to consider this Motion pursuant to 28 U.S.C. §§ 157 and 1334. This is a core proceeding pursuant to 28 U.S.C. § 157(b). The statutory predicates for the relief requested herein are Sections 1125 and 1126 of the Bankruptcy Code, Bankruptcy Rules 2002, 3016, 3017, 3020 and 9006 and Del. Bankr. L.R. 3017-1(a) and 3017-1(b).

² Unless otherwise defined in this Motion, all capitalized terms used herein shall have the respective meanings ascribed to them in the Plan.

Background

A. The Debtors' Chapter 11 Cases

2. On December 7, 2015, with respect to Debtors Arctic Sentinel, Inc., f/k/a Fuhu, Inc., and Arctic Sentinel Holdings, Inc., f/k/a Fuhu Holdings, Inc., and on December 11, 2015, with respect to Debtors Arctic Sentinel Direct, f/k/a Fuhu Direct, Inc., and Sentinel Arctic, Inc. f/k/a Nabi, Inc. (collectively, the "Petition Date"), the Debtors each filed with this Court a voluntary petition for relief under Chapter 11 of the Bankruptcy Code. On December 9, 2015, and December 15, 2015, respectively, the Court entered orders [D.I. 37, 112] authorizing the joint administration and procedural consolidation of the Chapter 11 cases pursuant to Bankruptcy Rule 1015(b).

3. On December 16, 2015, the United States Trustee for Region 3 (Delaware) appointed a statutory committee of unsecured creditors in these Chapter 11 cases pursuant to Bankruptcy Code Section 1102 (the "Committee") [D.I. 119].

4. The factual background regarding the Debtors, including their current and historical business operations and the Debtors' view of the events precipitating the Chapter 11 filing, is set forth in detail in the *Declaration of James Mitchell in Support of First-Day Motions* (the "First Day Declaration") filed on December 7, 2015 and fully incorporated herein by reference.

5. On January 22, 2016, the Court entered an order approving the sale of substantially all of the Debtors' assets to Mattel, Inc. or its designee [D.I. 345]. That transaction closed on January 29, 2016. The Debtors are continuing to administer their estates for the benefit of their creditors.

6. On April 25, 2016, the Court entered its order [D.I. 531] establishing June 28, 2016, as the deadline for filing claims against the Debtors that arose prior to the Petition Date, including claims of governmental units (the “Claims Bar Date”).

B. Plan Terms

7. The Plan is a plan of liquidation which, among other things, provides for a Liquidating Trustee to liquidate or otherwise dispose of the Estates’ remaining assets, and to distribute all net proceeds to creditors generally in accordance with the priority scheme under the Bankruptcy Code.

8. As required by the Bankruptcy Code, the Plan classifies certain claims and interests in various classes according to their right to priority. The Plan states whether each class of claims or interests is impaired or unimpaired and provides the treatment each class will receive.

9. Under the Plan, there are three (3) classes of claims and one (1) class of equity security holders. Class 1 (Priority Claims) is the only class that is Unimpaired under the Plan. Classes 2 through 4 are Impaired. Holders of Claims in Classes 2 and 3 are permitted to vote to accept or reject the Plan and are permitted to opt out of the release in favor of the Released parties as set forth in Section VII.E of the Plan (the “Release”). Holders of Equity Interests in Class 4 are deemed to reject the Plan. A summary of the status and voting rights of each class is as follows:

Class	Status	Voting Rights
Class 1 – Priority Claims	Unimpaired	Not entitled to Vote
Class 2 – Secured Claims	Impaired	Entitled to Vote
Class 3 – Unsecured Claims	Impaired	Entitled to Vote
Class 4 – Equity Interests	Impaired	Not entitled to Vote

Relief Requested

10. By this Motion, the Debtors request entry of an order: (i) approving the Disclosure Statement; (ii) scheduling the Confirmation Hearing; (iii) approving the form and manner of notice of the Confirmation Hearing; (iv) establishing procedures for solicitation and tabulation of votes to accept or reject the Plan, including (A) approving the form and content of the Debtors' proposed solicitation package relating to the Plan and the accompanying Disclosure Statement; (B) establishing a Voting Record Date and approving procedures for distributing solicitation packages; (C) approving the form of ballots; (D) establishing a voting deadline for the receipt of ballots; and (E) approving procedures for tabulating acceptances and rejections of the Plan; (v) establishing the deadline and procedures for filing objections to confirmation of the Plan; and (vi) granting related relief.

Basis for Relief Requested

A. Approval of the Disclosure Statement

11. Section 1125 of the Bankruptcy Code requires a bankruptcy court to approve a written disclosure statement prior to allowing a party to solicit acceptances for a Chapter 11 plan. *See* 11 U.S.C. § 1125(b). To approve a disclosure statement, a court must find that the disclosure statement contains “adequate information,” which is defined as “information of a kind, and in sufficient detail . . . that would enable a hypothetical reasonable investor typical of holders of claims or interests . . . to make an informed judgment about the plan.” 11 U.S.C. § 1125(a)(1).

12. The primary purpose of a disclosure statement is to provide creditors and equity interest holders affected by a proposed plan with all material information needed to make an informed decision whether to vote for the plan. *See, e.g., Century Glove, Inc. v. First Amer. Bank of New York*, 860 F.2d 94, 100 (3d Cir. 1988) (stating that Section 1125 “seeks to guarantee a minimum amount of information to the creditor asked for its vote”); *Prudential Ins. Co. of Amer. v. Monnier (In re Monnier Bros.)*, 755 F.2d 1336, 1342 (8th Cir. 1985); *In re Phoenix Petroleum, Co.*, 278 B.R. 385, 392 (Bankr. E.D. Pa. 2001). Congress intended that such informed judgments would be needed to both negotiate the terms of, and vote on, a plan of reorganization. *Century Glove*, 860 F.2d at 100.

13. In evaluating whether a disclosure statement provides “adequate information,” the Bankruptcy Court is given wide discretion to make a determination based upon the facts of the particular case. *See Oneida Motor Freight, Inc. v. United Jersey Bank*, 848 F.2d

414, 417 (3d Cir. 1988) (“From the legislative history of § 1125 we discern that adequate information will be determined by the facts and circumstances of each case.”).

14. Courts within the Third Circuit and elsewhere acknowledge that determining what constitutes “adequate information” for the purpose of satisfying Section 1125 resides within the sound discretion of the court. *See, e.g., Texas Extrusion Corp. v. Lockheed Corp. (In re Texas Extrusion Corp.)*, 844 F.2d 1142, 1157 (5th Cir. 1988) (“The determination of what is adequate information is subjective and made on a case by case basis. This determination is largely within the discretion of the bankruptcy court.”); *Cadle Co. II, Inc. v. PC Liquidation Corp. (In re PC Liquidation Corp.)*, 383 B.R. 856, 865 (E.D.N.Y. 2008) (“The standard for disclosure is, thus, flexible and what constitutes ‘adequate information’ in any particular situation is determined on a case-by-case basis, with the determination being largely in the discretion of the bankruptcy court.” (citation omitted)); *In re River Village Assocs.*, 181 B.R. 795, 804 (E.D. Pa. 1995) (same); *Phoenix Petroleum*, 278 B.R. at 393 (same).

15. In the instant cases, the Disclosure Statement contains, among other things, information concerning (i) the business and background of the Debtors; (ii) significant events that have occurred in these Chapter 11 cases; (iii) treatment of creditors under the Plan; (iv) which parties in interest are entitled to vote; (v) selected historical information; (vi) means for implementation of the Plan; (vii) how distributions under the Plan will be made; (viii) certain factors creditors should consider before voting; (ix) procedures for confirming the Plan; (x) a liquidation analysis; and (xi) certain tax consequences. The Debtors will continue to review the Disclosure Statement, and based upon their ongoing review and further material developments in

these Chapter 11 cases, may make additional changes and disclosures prior to the hearing on the Disclosure Statement. Any such additional disclosures would increase the amount of information being provided to parties in interest, and consequently, would further substantiate that the Disclosure Statement contains adequate information.

16. Accordingly, the Debtors submit that the Disclosure Statement contains “adequate information” as that phrase is defined in Section 1125(a)(1) of the Bankruptcy Code. The Debtors believe that the Disclosure Statement should be approved.

B. Scheduling a Confirmation Hearing

17. Section 1128(a) of the Bankruptcy Code provides that “[a]fter notice, the court shall hold a hearing on confirmation of a plan.” 11 U.S.C. § 1128(a). Bankruptcy Rule 3017(c) provides that “[o]n or before approval of the disclosure statement, the court . . . may fix a date for the hearing on confirmation.” Fed. R. Bankr. P. 3017(c). Additionally, Bankruptcy Rule 2002(b) requires 28 days’ notice of any hearing to consider approval of a disclosure statement or confirmation of a plan. In accordance with the provisions of Section 1128(a) of the Bankruptcy Code and Bankruptcy Rules 2002 and 3017, the Debtors hereby request entry of an order setting a date for the confirmation hearing on the Plan (the “Confirmation Hearing”).

18. The Debtors request that the Confirmation Hearing be held at least forty-five (45) days after the hearing on the Disclosure Statement, subject to the Court’s availability. The Debtors also request that the Confirmation Hearing may be adjourned from time to time by announcing such continuance in open court or otherwise, without further notice to parties in interest.

C. Approval of Form and Manner of Solicitation Packages

19. The Bankruptcy Rules provide that copies of a plan (or court-approved summary of a plan), court-approved disclosure statement, and notice of voting deadline be provided to all creditors, equity security holders, and the United States trustee, unless the Court orders otherwise. Fed. R. Bankr. P. 3017(d).

20. The Debtors propose to transmit or cause to be transmitted via U.S. Mail or international courier, as applicable, to holders of Claims in Classes 2 and 3, the only classes entitled to vote on the Plan (the "Voting Classes"), a solicitation package containing the following:

- (a) a notice in substantially the form attached hereto as Exhibit A (the "Confirmation Hearing Notice") of: (i) the order approving the Disclosure Statement, (ii) the commencement date of the Confirmation Hearing, (iii) the deadline and procedures for filing objections to confirmation of the Plan, (iv) the deadline for receipt of ballots to accept or reject the Plan, and (v) voting procedures;
- (b) the Disclosure Statement (together with the exhibits thereto, including the Plan, that have been filed with the Court before the date of the mailing);
- (c) a ballot (the "Ballot"), proposed form of which is annexed hereto as Exhibit C, and a Ballot return envelope;
- (d) a letter from the Committee indicating its support of the Plan, which shall be filed with the Court at least ten (10) days prior to the deadline to object to the Disclosure Statement; and
- (e) such other materials as the Court may direct (collectively, the "Solicitation Package").

To avoid duplication and reduce expenses, the Debtors propose that creditors who have more than one claim shall receive only one Solicitation Package and one Ballot for each class of claim.

For the avoidance of doubt, the Debtors specifically request authority to transmit only one

Solicitation Package and one Ballot to creditors who have filed substantially identical claims against multiple Debtors. The Debtors also request authority to provide the Solicitation Package in the form of a CD-ROM or other electronic means, as appropriate. The Debtors submit that such materials and manner of service satisfy the requirements of Bankruptcy Rule 3017(d).

21. Pursuant to Section 1126(f) of the Bankruptcy Code, creditors holding claims in Class 1 (Priority Claims), which is unimpaired, are deemed to have accepted the Plan, and are not entitled to vote. Class 4, Equity Interest Holders, are deemed to have rejected the Plan and are not entitled to vote. Accordingly, the Debtors propose that they should not be required to transmit a Solicitation Package to holders of claims in Class 1 and holders of equity interests in Class 4 of the Plan (each a “Non-Voting Class”). The Debtors propose to mail or cause to be mailed (or to send by international courier or electronic transmission, as applicable) to each such Holder of Claims or Equity Interests in the Non-Voting Classes a notice substantially in the form attached hereto as Exhibit B (the “Non-Voting Class Notice”), which sets forth: (i) the Non-Voting Class; (ii) a summary of the Plan; (iii) the date and time of the Confirmation Hearing; and (iv) the deadline and procedures for filing objections to the Plan. The Non-Voting Class Notice will indicate that a member of a Non-Voting Class is entitled to receive a copy of the Plan and Disclosure Statement, in electronic format unless specifically requested otherwise, at the expense of the Debtors, upon making a written request to counsel for the Debtors.

D. Approval of Form and Manner of Notice of the Confirmation Hearing Notice

22. Bankruptcy Rule 2002(b) requires at least 28 days' notice by mail to all creditors and indenture trustees of the time set for filing objections to confirmation of a Chapter 11 plan and the hearing to consider confirmation of a Chapter 11 plan. Bankruptcy Rule 2002(d) requires that equity security holders be given notice of the foregoing in the manner and the form directed by the Court.

23. The Debtors propose that if the Court approves the Disclosure Statement and grants the relief requested by this Motion, the Confirmation Hearing Notice in substantially the form attached hereto as Exhibit A be served as part of the Solicitation Package via first-class mail or international courier, as applicable, to holders of Claims in the Voting Classes. The Debtors further propose that, with respect to the Non-Voting Classes, service by first-class mail of the Non-Voting Class Notice be deemed adequate and sufficient notice of the Confirmation Hearing and deadline to object to confirmation of the Plan

24. The Debtors will mail a copy of the Confirmation Hearing Notice to all creditors appearing on the Debtors' creditor matrix, to the extent such creditor is not receiving a Solicitation Package or Non-Voting Class Notice, including (a) the Securities & Exchange Commission; (b) the Internal Revenue Service; (c) the Office of the United States Trustee; and (d) those parties that have requested service under Bankruptcy Rule 2002. The Debtors will also post the Confirmation Hearing Notice along with the Plan and Disclosure Statement on the website maintained by the Debtors' claims agent, Kurtzman Carson Consultants LLC ("KCC").

25. In order to provide broad and appropriate notice to potential creditors, the Debtors propose to publish the Confirmation Hearing Notice in the national edition of *USA Today* or a similar paper of national circulation. The Debtors believe that this proposed publication provides more than adequate notice of the hearings and deadlines related to the confirmation of the Plan.

E. Establishment of Voting Record Date and Approval of Procedures for Distribution of Solicitation Packages

26. The Debtors propose that the Court establish the date of the hearing to approve the Disclosure Statement as the record date (the “Voting Record Date”) for purposes of determining the creditors and equity interest holders who are entitled to receive a Solicitation Package or a Non-Voting Class Notice.

27. The Debtors further request, consistent with the Debtors’ retention of KCC, that KCC be permitted to serve the Solicitation Package; to inspect, monitor, and supervise the solicitation process; to serve as the tabulator of the ballots; and to certify to the Court the results of the balloting (in such capacity, KCC shall be referred to as the “Solicitation Agent”).

28. The Solicitation Agent will transmit the Solicitation Package to the known holders of Claims in the Voting Classes based upon names and addresses in the proofs of claim filed by the claimants, or the Debtors’ schedules if no proof of claim was filed. Each Holder of an Allowed Claim in the Voting Classes will be required to return a properly executed ballot so that it is received by the Solicitation Agent prior to the Voting Deadline (as defined below) in order for that Holder’s ballot to be counted.

29. Substantially contemporaneously with the filing of this Motion, KCC mailed a notice of the Disclosure Statement hearing to all known creditors and holders of equity interests. The Debtors expect that certain of such notices will be returned by the United States Postal Service as undeliverable.³ The Debtors believe that it would be costly and wasteful to mail Solicitation Packages or Non-Voting Class Notices to the same addresses from which notices of the Disclosure Statement hearing are returned as undeliverable. Therefore, the Debtors seek the Court's approval to dispense with mailings to such addresses unless the Debtors are provided with an accurate address. The Debtors further propose that they may, but shall not be required to, attempt to locate the correct address and resend prior to the Voting Deadline (as defined below) the Solicitation Packages that are returned as undeliverable. The Debtors also propose that, to the extent any Solicitation Packages are returned as undeliverable and are re-sent, the initial mailing date shall be the date of service for the purpose of calculating notice.

F. Approval of Forms of Ballots

30. Bankruptcy Rule 3017(d) requires that ballots for accepting or rejecting the Plan should substantially conform to Official Form No. 14. The Debtors propose to use the ballots (the "Ballots") substantially in the form annexed hereto as Exhibit C. The Ballots are based on Official Form No. 14, but have been modified to address the particular requirements of the Debtors' Chapter 11 cases and the Plan. The Debtors propose that the Ballots be distributed

³ Upon the return of an undeliverable notice, the Debtors, through KCC, will perform a review of the notice address with the address set forth on the proofs of claim filed with the Court to confirm that the Debtors' notice address conforms to the creditor's address set forth in the proofs of claim. To the extent any errors occur, such creditor will be mailed the Solicitation Package or Non-Voting Class Notice, as applicable. Further, the Debtors, through KCC, will incorporate into the creditor address database all change of address notices received from creditors.

only to holders of Claims in the Voting Classes, as these are the only Classes entitled to vote to accept or reject the Plan.

G. Voting Deadline for Receipt of Ballots

31. Pursuant to Bankruptcy Rule 3017(c), at the time of or before approval of the Disclosure Statement, “the court shall fix a time within which the holders of claims and interests may accept or reject a plan.” Fed. R. Bankr. P. 3017(c). The Debtors respectfully request that the Court establish a date **twenty-eight (28) days** after service of the Confirmation Hearing Notice as the voting deadline (the “Voting Deadline”), which shall serve as the deadline by which all Ballots accepting or rejecting the Plan must be received by the Solicitation Agent, unless extended by the Debtors in writing. The Debtors request that to be counted as votes to accept or reject the Plan, all Ballots must be properly executed, completed, and delivered to the Solicitation Agent by: (a) first-class mail, (b) overnight courier, or (c) personal delivery by no later than the Voting Deadline.

32. The Solicitation Agent shall file with the Bankruptcy Court, no later than **three (3) business days** prior to the Confirmation Hearing, an affidavit regarding the results of the tabulation of the Ballots received on the Plan.

H. Procedures for Vote Tabulation

33. The Bankruptcy Code provides:

A class of claims has accepted a plan if such plan has been accepted by creditors . . . that hold at least two-thirds in amount and more than one-half in number of the allowed claims of such class held by creditors . . . that have accepted or rejected such plan.

11 U.S.C. § 1126(c). Further, the Bankruptcy Rules provide that “the court after notice and hearing may temporarily allow a claim in an amount which the court deems proper for the purpose of accepting or rejecting a plan.” Fed. R. Bankr. P. 3018(a).

34. With respect to Claims, and solely for purposes of voting on the Plan, the Debtors propose the following:

- a. If an objection to a Claim has not been filed, the amount of such Claim for voting purposes shall be the non-contingent, liquidated, and undisputed Claim amount contained on a timely filed Proof of Claim or, if no timely filed Proof of Claim was filed, the non-contingent, liquidated, and undisputed amount of such Claim listed in the Debtors’ Schedules of Assets and Liabilities;
- b. If a Claim for which a Proof of Claim has been timely filed is wholly contingent, unliquidated, disputed, undetermined, or unknown in amount, such Claim shall be temporarily allowed in the amount of \$1.00 for voting purposes only, but not for purposes of allowance or distribution;
- c. If a Claim is partially liquidated and partially unliquidated, such Claim shall be allowed for voting purposes only in the liquidated amount;
- d. If a holder of a Claim in a Voting Class casts a Ballot with respect to a claim that is the subject of an objection filed no later than **twenty-one (21) days** prior to the Confirmation Hearing, the Debtors request, in accordance with Bankruptcy Rule 3018, that the party’s Ballot not be counted, unless the Court temporarily allows such claim for purposes of voting to accept or reject the Plan, and that such creditor be required to file a motion for such relief (the “Rule 3018 Motion”) no later than a date that is **fourteen (14) days** before the Confirmation Hearing, and that the Court schedule a hearing on such motion for a date on or prior to the Confirmation Hearing. Notwithstanding the foregoing, if the Debtors file an objection to a claim and request that such claim be allowed in a specific amount, such creditor’s ballot shall be counted in such specified amount;
- e. Holders of Proofs of Claim filed for \$0.00 are not entitled to vote;
- f. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased one or more duplicate Claims within the same Class against more than one Debtor shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims;

- g. If a Claim is the subject of an amended Proof of Claim, the originally filed Proof of Claim shall be deemed superseded by the later filed amended Proof of Claim, regardless of whether or not the Debtors have objected to such Claim, and only the amended Proof of Claim shall be used for the purpose of determining voting eligibility in accordance with the provisions herein;
- h. For purposes of the numerosity requirement of § 1126(c), separate Claims held by a single Creditor in a particular Class shall be aggregated as if such Creditor held one Claim against the Debtors in such Class, and the votes related to such Claims shall be treated as a single vote to accept or reject the Plan;
- i. If a Claim has been disallowed by agreement of the applicable creditor or order of the Court at any time before the Voting Deadline, such Claim shall also be disallowed for voting purposes; and
- j. If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution.

35. Additionally, the Debtors propose that the following voting procedures and standard assumptions be used in tabulating the Ballots:

- a. Except to the extent the Debtors otherwise determine, which determination shall be made in consultation with the Committee, or as permitted by the Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the confirmation of the Plan;
- b. Claims shall not be split for purposes of voting; thus, each Creditor must vote the full amount of its Claim(s) within each class to either accept or reject the Plan. If a creditor attempts to split such vote on its Ballot, such Ballot will not be counted for voting purposes;
- c. Any executed Ballot that does not indicate an acceptance or rejection shall not be counted;
- d. Any executed Ballot that indicates both an acceptance and rejection of the Plan shall not be counted;
- e. Votes cast pursuant to a Ballot that is not signed or does not contain an original signature shall not be counted, unless the Court orders otherwise;
- f. Parties holding Claims in more than one Class under the Plan may receive more than one Ballot coded for each different Class;

- g. The method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each Holder of a Claim, but such delivery will be deemed made only when the original, executed Ballot is actually received by the Solicitation Agent;
- h. Delivery of the original executed Ballot to the Solicitation Agent on or before the Voting Deadline is required. Delivery of a Ballot by facsimile, email, or any other electronic means will not be accepted unless otherwise ordered by the Court;
- i. No Ballot sent to the Debtors, or the Debtors' financial or legal advisors, shall be accepted or counted;
- j. The Debtors expressly reserve the right, subject to the consent of the Court, to amend at any time and from time to time the terms of the Plan (subject to compliance with Section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification). If the Debtors make material changes in the terms of the Plan, the Debtors will disseminate additional solicitation materials and will extend the solicitation, in each case to the extent directed by the Court;
- k. If multiple Ballots are received from or on behalf of an individual holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last properly completed Ballot timely received will be deemed to reflect the voter's intent and to supersede and revoke any prior Ballot;
- l. If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested by the Debtors, must submit proper evidence, satisfactory to the Debtors, of such person's authority to so act in such capacity;
- m. The Debtors, in consultation with the Committee, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Except as otherwise provided herein, the Debtors may, in their discretion and in consultation with the Committee, reject such defective Ballot as invalid and, therefore, not count it in connection with confirmation of the Plan;
- n. Unless otherwise ordered by the Court, all questions as to the validity, eligibility (including time of receipt) and revocation or withdrawal of Ballots will be determined by the Debtors, in consultation with the Committee, which determination shall be final and binding;
- o. If designation of a Claim is requested under § 1126(e), any vote to accept or reject the Plan cast with respect to such Claim will not be counted for

purposes of determining whether the Plan has been accepted or rejected, unless the Court orders otherwise;

- p. Any Holder of a Claim that has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a);
- q. Unless waived or as otherwise ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not been cured or waived by the Voting Deadline) will not be counted;
- r. Neither the Debtors nor any other person or entity will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots, nor will any of them incur any liability for failure to provide such notification;
- s. No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting Ballots to accept the Plan;
- t. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan and to opt out of the Release; and
- u. The Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim or Equity Interest.

36. Finally, if no Holder of a Claim eligible to vote in a particular Class timely

votes to accept or reject the Plan, the Debtors may seek to have the Plan deemed **accepted** by the Holders of such Claims in such Class for purposes of Section 1129(b) of the Bankruptcy Code.

I. Establishment of Deadline and Procedures for Filing any Objections to Confirmation of the Plan and the Confirmation Brief

37. Bankruptcy Rule 3020(b) provides that objections to the confirmation of a proposed Chapter 11 plan must be filed with the bankruptcy court and served on the debtor, the trustee, any committee appointed under the Bankruptcy Code, and on any other entity designated by the bankruptcy court, within a time specified by the bankruptcy court. Bankruptcy Rules

2002(b) and 2002(d) require 28 days' notice of the Confirmation Hearing and the deadline to object to confirmation of the Plan.

38. To comply with the 28-day notice requirement of Bankruptcy Rules 2002(b) and 2002(d) and the solicitation schedule described above, and to permit the Debtors adequate time to respond to any objections prior to the Confirmation Hearing, the Debtors respectfully request that the Court establish a date that is **twenty-eight (28) days** after the date of service of the Confirmation Hearing Notice as the date (the "Confirmation Objection Deadline") by which any objection, comment or response to confirmation of the Plan (including any supporting memoranda) must be filed with the Court and served on the parties identified below, together with proof of service.

39. The Debtors further propose that objections, if any, to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the claim or interest of such party, including the amount of the claim or number of shares of stock held; and (c) state with particularity the basis and nature of any objection to the confirmation of the Plan. Any such objection must be filed with the Court and served so that it is received by the following parties on or before the Confirmation Objection Deadline: (a) counsel to the Debtors, (i) Bryan Cave LLP, 211 N. Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian C. Walsh, Esq., and (ii) Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, Attn: Colin Robinson, Esq.; (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.; and (c) counsel to the Official Committee of Unsecured Creditors, (i) Cooley LLP, 1114

Avenue of the Americas, New York, NY 10036, Attn: Jay Indyke, Esq.; and (ii) Ballard Spahr LLP, 919 N. Market Street, 11th Floor, Wilmington, DE 19801, Attn: Leslie C. Heilman, Esq.

40. The Debtors request that the Court establish a date that is **three (3)** **business days** before the Confirmation Hearing as the date by which the Debtors must file with the Court a brief supporting confirmation of the Plan (including any supporting memoranda) and replying to any objections or responses. The Debtors shall serve the brief on the parties that filed objections or responses to the Plan, the Office of the United States Trustee, and all parties who have requested notice in these cases pursuant to Bankruptcy Rule 2002.

41. The Debtors submit that the foregoing procedures for providing notice of the Confirmation Hearing, the Confirmation Objection Deadline and related matters fully comply with Bankruptcy Rules 2002 and 3017. Accordingly, the Debtors request that the Court approve the proposed procedures as appropriate and in compliance with the requirements of the Bankruptcy Code, the Bankruptcy Rules, and the Local Rules.

Notice

42. Notice of this Motion has been provided to the U.S. Trustee and those parties who have requested notice in these cases. In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is required.

WHEREFORE, the Debtors respectfully request that the Court enter an order, in substantially the form attached hereto: (i) approving the Disclosure Statement; (ii) scheduling the Confirmation Hearing; (iii) approving the form and manner of notice of the Confirmation Hearing; (iv) establishing procedures for solicitation and tabulation of votes to accept or reject the Plan, including (A) establishing a Voting Record Date and approving procedures for distributing solicitation packages; (B) approving the form and content of the solicitation package, including the form of ballots; (C) establishing a voting deadline for the receipt of ballots; and (D) approving procedures for tabulating acceptances and rejections of the Plan; (v) establishing the deadline and procedures for filing objections to confirmation of the Plan; and (vi) granting related relief.

Dated: September 1, 2016

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Jeffrey N. Pomerantz (CA Bar No.143717)
Ira Kharasch (CA Bar No. 109084)
Michael R. Seidl (DE Bar No. 3889)
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laura.hughes@bryancave.com

Counsel for the Debtors and Debtors in Possession

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:) Chapter 11
)
ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],) Case No. 15-12465 (CSS)
et al.,¹)
) (Jointly Administered)
Debtors.

Objection Deadline: September 29, 2016, at 4:00 p.m. (ET)
Hearing Date: October 6, 2016 at 10:00 a.m. (ET)

NOTICE OF MOTION

PLEASE TAKE NOTICE that on September 1, 2016, the above-captioned debtors and debtors-in-possession (the “Debtors”), filed the *Debtors’ Motion for an Order (I) Approving the Disclosure Statement; (II) Scheduling Confirmation Hearing; (III) Approving Form and Manner of Notice of Confirmation Hearing; (IV) Establishing Procedures for Solicitation and Tabulation of Votes to Accept or Reject Plan, Including (A) Approving Form and Content of Solicitation Package; (B) Establishing Voting Record Date and Approving Procedures for Distribution of Solicitation Packages; (C) Approving Forms of Ballots; (D) Establishing Voting Deadline for Receipt of Ballots; and (E) Approving Procedures for Vote Tabulations; (V) Establishing Deadline and Procedures for Filing Objections to Confirmation of Plan; and (VI) Granting Related Relief* (the “Motion”) with the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 3rd Floor, Wilmington, Delaware 19801 (the “Bankruptcy Court”). A copy of the Motion is attached hereto.

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors’ headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

PLEASE TAKE FURTHER NOTICE that objections and responses to the relief requested in the Motion, if any, must be in writing and filed with the Bankruptcy Court on or before **September 29, 2016, at 4:00 p.m. prevailing Eastern time.**

PLEASE TAKE FURTHER NOTICE that at the same time, you must also serve a copy of the response or objection upon: (a) counsel to the Debtors, (i) Bryan Cave LLP, One Metropolitan Square, 211 N. Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian C. Walsh, Esquire, (ii) Pachulski Stang Ziehl & Jones LLP, 10100 Santa Monica Blvd., 13th Floor, Los Angeles, CA 90067, Attn: Jeffrey N. Pomerantz, Esquire, and (iii) Pachulski Stang Ziehl & Jones LLP, 919 North Market Street, 17th Floor, P.O. Box 8705, Wilmington, DE 19899-8705, Attn: Colin R. Robinson, Esquire; (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esquire; and (c) counsel to the Official Committee of Unsecured Creditors, (i) Cooley LLP, The Grace Building, 1114 Avenue of the Americas, New York, NY 10036-7798, Attn: Jay Indyke, Esq., and (ii) Ballard Spahr LLP, 919 North Market Street, 11th Floor, Wilmington, DE 19801, Attn: Tobey Daluz, Esq.

PLEASE TAKE FURTHER NOTICE THAT IF YOU FAIL TO RESPOND IN ACCORDANCE WITH THIS NOTICE, THE COURT MAY GRANT THE RELIEF REQUESTED BY THE MOTION WITHOUT FURTHER NOTICE OR HEARING.

PLEASE TAKE FURTHER NOTICE THAT, IF RESPONSES OR OBJECTIONS ARE RECEIVED, A HEARING TO CONSIDER THE RELIEF SOUGHT IN THE MOTION WILL BE HELD ON **OCTOBER 6, 2016, AT 10:00 A.M. EASTERN TIME BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI AT THE UNITED STATES BANKRUPTCY COURT, 824 NORTH MARKET STREET, 5TH FLOOR, COURTROOM NO. 6, WILMINGTON, DELAWARE 19801.**

Dated: September 1, 2016

PACHULSKI STANG ZIEHL & JONES LLP

/s/ Colin R. Robinson

Jeffrey N. Pomerantz (CA Bar No.143717)

Michael R. Seidl (DE Bar No. 3889)

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Counsel for the Debtors and Debtors in Possession

EXHIBIT A

Confirmation Hearing Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

Voting Deadline: _____, 2016 at 4:00 p.m. P.T.
Objection Deadline: _____, 2016 at 4:00 p.m. E.T.
Confirmation Hearing: _____, 2016 at _____.m. E.T.

NOTICE OF: (I) ENTRY OF ORDER APPROVING DISCLOSURE STATEMENT; (II) HEARING TO CONFIRM PLAN OF LIQUIDATION; AND (III) RELATED IMPORTANT DATES

PLEASE TAKE NOTICE THAT:

1. By order entered on _____, 2016 (the “Disclosure Statement Order”), the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”) approved the *Disclosure Statement with Respect to Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (the “Disclosure Statement”), relating to the *Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (the “Plan”), as providing adequate information for holders of claims against and interests in the above-captioned debtors and debtors in possession (the “Debtors”) to make a decision as to whether to accept or reject the Plan.

2. In addition to establishing the above-noted deadlines, the Disclosure Statement Order also approved certain voting procedures to be used in connection with the Plan (the “Voting Procedures”). Creditors should review the Voting Procedures carefully. The deadline by which votes to accept or reject the Plan must be actually received by Kurtzman Carson Consultants LLC (the “Solicitation Agent”) is 4:00 p.m., prevailing Pacific Time, on _____, 2016 (the “Voting Deadline”). The deadline by which objections to the confirmation of the Plan must be filed with the Bankruptcy Court is 4:00 p.m., prevailing Eastern Time, on _____, 2016 (the “Objection Deadline”). Objections not timely filed and received in the manner set forth herein shall not be considered by the Bankruptcy Court. Objections to the confirmation of, or proposed modifications to, the Plan, if any, must (i) be in writing; (ii) state the name and address of the objection party and the nature of the claim or interest of such party,

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors’ headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

including the amount of the claim or number of shares of stock held; and (iii) state with particularity the basis and nature of any objection to the confirmation of the Plan. Any such objection must be filed with the Court and served so that it is received by the following parties on or before the Confirmation Objection Deadline: (a) counsel to the Debtors, (i) Bryan Cave LLP, 211 N. Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian Walsh, Esq., and (ii) Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, Attn: Colin Robinson, Esq.; (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.; and (c) counsel to the Official Committee of Unsecured Creditors, (i) Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036, Attn: Jay Indyke, Esq.; and (ii) Ballard Spahr LLP, 919 N. Market Street, 11th Floor, Wilmington, DE 19801, Attn: Leslie C. Heilman, Esq.

3. Holders of claims classified in Class 1 (Priority Claims) are not being sent a ballot to vote to accept or reject the Plan because Class 1 claims are not impaired under the Plan. Holders of equity interests in any of the Debtors classified in Class 4 (Equity Security Interests) are not being sent a ballot to vote to accept or reject the Plan because such interest holders are deemed to have rejected the Plan.

4. The Plan provides the following release, injunction, and limitation of liability provisions, which may affect your rights:

(a) Each Person or Entity participating in Distributions under the Plan or pursuant to the Plan, for itself and its respective successors, assigns, transferees, current and former officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives, in each case in their capacity as such, who affirmatively votes to accept the Plan and who does not elect to “opt-out” by marking the appropriate box on their respective ballot, shall, by virtue of Sections 1126(c) and 1141(a) of the Bankruptcy Code, be deemed to have released any and all Claims and Causes of Action against the Released Parties and their respective property; *provided, however*, that for the avoidance of doubt, any Claims or Causes of Action against the officers and directors of the Debtors related to the period prior to the Petition Date shall not be released and are fully preserved, unless otherwise released as part of the Sale Agreement.

(b) In implementation of the Plan, except as otherwise expressly provided in the Confirmation Order or the Plan, and except in connection with the enforcement of the terms of the Plan or any documents provided for or contemplated in the Plan, all entities who have held, hold or may hold Claims against or Interests in the Debtors, the Liquidating Trust, or the Estates that arose prior to the Effective Date are permanently enjoined from: (a) commencing or continuing in any manner, directly or indirectly, any action or other proceeding of any kind against the Debtors, the Estates, the Liquidating Trust, or any property of the Liquidating Trust, the Debtors, or the Estates with respect to any such Claim or Interest; (b) the enforcement, attachment, collection, or recovery by any manner or means, directly or

indirectly, of any judgment, award, decree, or order against the Debtors, the Estates, the Liquidating Trust, or any property of the Liquidating Trust, the Debtors, or the Estate with respect to any such Claim or Interest; (c) creating, perfecting, or enforcing, directly or indirectly, any Lien or encumbrance of any kind against the Debtors, the Estates, or the Liquidating Trust, or any property of the Liquidating Trust, the Debtors, or the Estates with respect to any such Claim or Interest; and (d) any act, in any manner, in any place whatsoever, that does not conform to or comply with the provisions of the Plan with respect to such Claim or Interest. Nothing contained in this Section shall prohibit the Holder of a timely-filed Proof of Claim from litigating its right to seek to have such Claim declared an Allowed Claim and paid in accordance with the distribution provisions of this Plan, or enjoin or prohibit the interpretation or enforcement by the Claimant of any of the obligations of the Debtors or the Liquidating Trust under this Plan.

(c) The Debtors, the Committee and each of their respective officers, directors, shareholders, members, managers, employees, agents, advisors, accountants, attorneys, and representatives and their respective property (collectively, the “Exculpated Parties”), will neither have nor incur any liability to any entity for any action in good faith taken or omitted to be taken after the Petition Date in connection with or related to the Chapter 11 Cases or the formulation, preparation, dissemination, implementation, Confirmation, or Consummation of the Plan, the Disclosure Statement, or any agreement created or entered into in connection with the Plan; *provided, however*, that this limitation will not affect or modify the obligations created under this Plan, or the rights of any Holder of an Allowed Claim to enforce its rights under the Plan, and shall not release any action (or inaction) constituting willful misconduct, fraud, or gross negligence (in each case subject to determination of such by final order of a court of competent jurisdiction); *provided* that any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan, and such reasonable reliance shall form an absolute defense to any such claim, cause of action, or liability. Without limiting the generality of the foregoing, each Exculpated Party shall be entitled to and granted the protections of Section 1125(e) of the Bankruptcy Code. Except as specifically set forth in Section 8(E)(1)(a) below, no provision of this Plan or the Disclosure Statement shall be deemed to act to or release any claims, Causes of Action, Litigation claims or rights, or liabilities that the Liquidating Trust or the Estates may have against any Entity or person for any act, omission, or failure to act that occurred prior to the Petition Date, nor shall any provision of this Plan be deemed to act to release any Causes of Action, Litigation, or Litigation claims.

5. A hearing (the “Confirmation Hearing”) to consider the confirmation of the Plan will be held on _____, 2016 at _____, prevailing Eastern Time, before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge for the District of

Delaware, at the United States Bankruptcy Court located at 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time without further notice other than the announcement by the Debtors of the adjourned date(s) at the Confirmation Hearing or any continued hearing. The Plan may be modified, if necessary, pursuant to 11 U.S.C. § 1127 prior to, during, or as a result of the Confirmation Hearing, without further notice to interested parties other than by filing such modifications with the Court prior to the Confirmation Hearing or announcing any such modifications at the Confirmation Hearing.

6. For any vote to accept or reject the Plan to be counted, a Ballot must be actually received by the Solicitation Agent by the Voting Deadline. In accordance with the Voting Procedures, all ballots are to be returned by mail, overnight delivery, or courier to: Fuhu, Inc. Processing Center, c/o KCC, 2335 Alaska Avenue, El Segundo, California 90245. Any party in interest wishing to obtain (i) information about the Voting Procedures, or (i) copies of the Disclosure Statement, the Plan, or the Disclosure Statement Order, may contact the Solicitation Agent at the foregoing address or by telephone at (888) 733-1431.

7. All documents that are filed with the Bankruptcy Court may be reviewed during regular business hours (8:00 a.m. to 4:00 p.m. weekdays, except legal holidays) at the United States Bankruptcy Court for the District of Delaware, 824 N. Market Street, 3rd Floor, Wilmington, Delaware 19801, as well as at the Debtors' website, www.kccllc.net/fuhu.

Dated: October __, 2016

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717)
Ira Kharasch (CA Bar No. 109084)
Michael R. Seidl (DE Bar No. 3889)
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Counsel for the Debtors and Debtors in Possession

EXHIBIT B

Non-Voting Class Notice

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

**NOTICE OF NON-VOTING STATUS WITH RESPECT TO CLASSES DEEMED
TO ACCEPT OR REJECT DEBTORS' CHAPTER 11 PLAN OF LIQUIDATION**

**TO: HOLDERS OF CLAIMS IN CLASS 1 (PRIORITY CLAIMS) AND
CLASS 4 (EQUITY INTERESTS)**

PLEASE TAKE NOTICE that on _____, 2016, Arctic Sentinel, Inc., f/k/a Fuhu, Inc., et al., the debtors and debtors in possession in the above-captioned cases (the "Debtors"), filed the Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (including all exhibits thereto and as amended, modified or supplemented from time to time, the "Plan").

PLEASE TAKE FURTHER NOTICE that on _____, 2016, the United States Bankruptcy Court for the District of Delaware entered an order (the "Disclosure Statement Order") approving the adequacy of the Disclosure Statement with Respect to Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code (the "Disclosure Statement") and establishing procedures for soliciting votes under the Plan.

PLEASE TAKE FURTHER NOTICE that, in accordance with the terms of the Plan, Class 1 (Priority Claims) is unimpaired and, pursuant to Section 1126(f) of the Bankruptcy Code, the holders of claims in Class 1 are conclusively presumed to have accepted the Plan, and are not entitled to vote on the Plan. Class 4 (Equity Interests) is deemed to reject the Plan and is not entitled to vote on the Plan. You have been sent this notice because you have been identified as a holder of a claim in Class 1 or an equity interest in Class 4.

PLEASE TAKE FURTHER NOTICE that a hearing to consider the confirmation of the Plan will be held on _____, 2016 commencing at _____, prevailing Eastern Time (the "Confirmation Hearing") before the Honorable Christopher S. Sontchi, United States Bankruptcy

¹ The Debtors, together with the last four digits of each Debtor's tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors' headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

Judge for the District of Delaware, at the United States Bankruptcy Court located at 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801. The Confirmation Hearing may be continued from time to time without further notice except for (i) an announcement made at the Confirmation Hearing or any adjourned confirmation hearing, or (ii) a written notice filed with the Bankruptcy Court and served on all parties who have filed objections to confirmation of the Plan, the United States Trustee, and all parties who have requested notice in these Chapter 11 cases pursuant to Bankruptcy Rule 2002.

PLEASE TAKE FURTHER NOTICE that objections to the confirmation of, or proposed modifications to, the Plan, if any, must (i) be in writing; (ii) state the name and address of the objection party and the nature of the claim or interest of such party, including the amount of the claim or number of shares of stock held; and (iii) state with particularity the basis and nature of any objection to the confirmation of the Plan. Any such objection must be filed with the Court and served so that it is received by the following parties on or before the Confirmation Objection Deadline: (a) counsel to the Debtors, (i) Bryan Cave LLP, 211 N. Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian C. Walsh, Esq., and (ii) Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, Attn: Colin Robinson, Esq.; (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.; and (c) counsel to the Official Committee of Unsecured Creditors, (i) Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036, Attn: Jay Indyke, Esq.; and (ii) Ballard Spahr LLP, 919 N. Market Street, 11th Floor, Wilmington, DE 19801, Attn: Leslie C. Heilman, Esq.

PLEASE TAKE FURTHER NOTICE that this notice is provided to you for informational purposes only. Any party in interest wishing to obtain copies of the Disclosure Statement or the Plan may do so by (i) calling KCC, the Solicitation Agent, at 888-733-1431, or (ii) viewing such documents by accessing the Notice and Balloting Agent's website free of charge at <https://www.kccllc.net/fuhu>, or the Court's website, www.deb.uscourts.gov. Please note that a PACER login and password are required to access the documents on the Court's website.

Dated: October ____, 2016

PACHULSKI STANG ZIEHL & JONES LLP

Jeffrey N. Pomerantz (CA Bar No.143717)
Ira Kharasch (CA Bar No. 109084)
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Counsel for the Debtors and Debtors in Possession

EXHIBIT C

Ballots

IN THE UNITED STATES BANKRUPTCY COURT

FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

BALLOT TO ACCEPT OR REJECT PLAN OF LIQUIDATION

CLASS 2: CREDITORS HOLDING SECURED CLAIMS

THIS BALLOT IS TO BE USED BY OR ON BEHALF OF HOLDERS OF CLASS 2 SECURED CLAIMS AGAINST ARCTIC SENTINEL, INC., F/K/A FUHU, INC., ET AL. PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE PROMPTLY. IF THE SOLICITATION AGENT HAS NOT RECEIVED THIS BALLOT BY 4:00 P.M., PREVAILING PACIFIC TIME, ON _____, 2016 (THE “VOTING DEADLINE”), UNLESS EXTENDED BY THE DEBTORS, IN CONSULTATION WITH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, IT WILL NOT BE COUNTED. FACSIMILE AND EMAIL BALLOTS WILL NOT BE ACCEPTED.

This ballot (the “Ballot”) is submitted to you to solicit your vote to accept or reject the *Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D. I. ____] filed by Arctic Sentinel, Inc., f/k/a Fuhu, Inc., *et al.*, the debtors and debtors in possession (the “Debtors”) (including all exhibits thereto and as amended, modified or supplemented from time to time, the “Plan”). The Plan is described in the related Disclosure Statement with Respect to Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code [D. I. ____] approved by order of the United States Bankruptcy Court for the District of Delaware (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the classification and treatment of your claim(s) under the Plan.

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors’ headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

The Plan can be confirmed by the Bankruptcy Court and therefore made binding on you if it is accepted by the holders of at least one-half in number and two-thirds in amount of the claims in each of Classes 2 and 3 who vote on the Plan and if the Plan otherwise satisfies applicable legal requirements.

IF YOU HAVE RECEIVED A DAMAGED BALLOT OR IF YOU LOSE YOUR BALLOT, OF IF YOU HAVE ANY QUESTIONS CONCERNING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE SOLICITATION AGENT AT (888) 733-1431 OR WWW.KCCLLC.NET/FUHU.

PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS BALLOT.

PLEASE COMPLETE ITEM 1. IF NEITHER THE "ACCEPT" NOR "REJECT" LINE IS CHECKED IN ITEM 1, THIS BALLOT WILL NOT BE COUNTED AS HAVING BEEN CAST. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

Item 1. Class Vote. The undersigned, the holder of a Class 2 Secured Claim against Arctic Sentinel, Inc. f/k/a Fuhu, Inc., *et al.*, hereby votes, in the amount set forth below, as follows (check one):

_____ Accepts the Plan _____ Rejects the Plan

Amount of Claim \$ _____

Item 2. Release. The undersigned, the holder of a Class 2 Secured Claim against Arctic Sentinel, Inc. f/k/a Fuhu, Inc., *et al.*, hereby elects to opt out of the Release set forth in the Plan, and further described in the Voting Information and Instructions for Completing the Ballot, below (check if applicable):

_____ Opts Out of the Release Provisions

Item 3. Acknowledgements. By signing this Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant and make the other elections set forth in this Ballot. The undersigned understands that, if this Ballot is validly executed but does not indicate either acceptance or rejection of the Plan, this Ballot will not be counted.

Name of Creditor

Federal Tax I.D. No. (Optional)

Signature

Date Completed

If by Authorized Agent, Name and Title

Street Address

Telephone Number

VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT

1. On the lines provided in Item 1 of the Ballot, please indicate acceptance or rejection of the Plan. Complete the Ballot by providing all the information requested and sign, date, and return the Ballot by mail, overnight delivery, or courier to the Solicitation Agent at the following address:

Fuhu, Inc. Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, California 90245

Ballots must be received by the Solicitation Agent by 4:00 p.m., prevailing Pacific Time, on _____, 2016 (the “Voting Deadline”). If a Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Solicitation Agent is enclosed for your convenience. ***Ballots submitted by facsimile or email will not be accepted.***

2. In Item 2, you may elect to opt out of the Release set forth in Section VII.E of the Plan, copied here:

“Each Person or Entity participating in Distributions under the Plan or pursuant to the Plan, for itself and its respective successors, assigns, transferees, current and former officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives, in each case in their capacity as such, who affirmatively votes to accept the Plan and who does not elect to “opt-out” by marking the appropriate box on their respective ballot, shall, by virtue of Sections 1126(c) and 1141(a) of the Bankruptcy Code, be deemed to have released any and all Claims and Causes of Action against the Released Parties and their respective property; provided, however, that for the avoidance of doubt, any Claims or Causes of Action against the officers and directors of the Debtors related to the period prior to the Petition Date shall not be released and are fully preserved, unless otherwise released as part of the Sale Agreement.”

“Release Parties” means, collectively, (a) the Debtors, (b) the Committee and the individual members thereof in their capacity as such, and (c) with respect to their service in such capacity after the Petition Date, the Debtors’ and the Committee’s officers, directors, employees, advisors, attorneys, professionals, accountants, investment bankers, financial advisors, consultants, and agents; provided, however, that for the avoidance of doubt, that any Claims or Causes of Action against the current and/or former officers and current and/or former directors of the Debtors related to the period prior to the Petition Date shall not be released and are fully preserved, unless otherwise released as part of the Sale Agreement.

3. Please sign and date your Ballot as required in Item 3. Your signature is required in order for your Ballot to be counted.

4. If your claim has not been previously allowed by order of the Bankruptcy Court, your claim will be deemed to be temporarily allowed, solely for purposes of voting on the Plan, unless there is an objection to your claim pending as of _____, 2016. The temporary allowance of your claim for voting purposes does not constitute an allowance of your claim for purposes of distribution under the Plan and is without prejudice to the rights of the Debtors, or any other party in interest, in any other context (e.g., the right to contest the amount or validity of any claim for purposes of allowance under the Plan). If your claim is subject to an objection that was filed by _____, 2016, in accordance with Bankruptcy Rule 3018, your Ballot will not be counted unless the Court temporarily allows your claim for purposes of voting to accept or reject the Plan. In order for a claim subject to a timely-filed objection to be temporarily allowed for voting purposes only, you are required to file a motion with the Bankruptcy Court seeking such relief by no later than _____, 2016. Notwithstanding the foregoing, if the Debtors file a timely objection to your claim and request that your claim be allowed in a specific amount, and you file a timely and valid Ballot, your Ballot shall be counted in such specified amount.

5. The following voting procedures apply to your Ballot:

- a. Except to the extent the Debtors otherwise determine, which determination shall be made in consultation with the Committee, or as permitted by the Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the confirmation of the Plan;
- b. Claims shall not be split for purposes of voting; thus, each Creditor must vote the full amount of its Claim(s) within each class to either accept or reject the Plan. If a creditor attempts to split such vote on its Ballot, such Ballot will not be counted for voting purposes;
- c. Any executed Ballot that does not indicate an acceptance or rejection shall not be counted;
- d. Any executed Ballot that indicates both an acceptance and rejection of the Plan shall not be counted;

- e. Votes cast pursuant to a Ballot that is not signed or does not contain an original signature shall not be counted, unless the Court orders otherwise;
- f. Parties holding Claims in more than one Class under the Plan may receive more than one Ballot coded for each different Class;
- g. The method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each Holder of a Claim, but such delivery will be deemed made only when the original, executed Ballot is actually received by the Solicitation Agent;
- h. Delivery of the original executed Ballot to the Solicitation Agent on or before the Voting Deadline is required. Delivery of a Ballot by facsimile, email, or any other electronic means will not be accepted unless otherwise ordered by the Court;
- i. No Ballot sent to the Debtors, or the Debtors' financial or legal advisors, shall be accepted or counted;
- j. The Debtors expressly reserve the right, subject to the consent of the Court, to amend at any time and from time to time the terms of the Plan (subject to compliance with Section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification). If the Debtors make material changes in the terms of the Plan, the Debtors will disseminate additional solicitation materials and will extend the solicitation, in each case to the extent directed by the Court;
- k. If multiple Ballots are received from or on behalf of an individual holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last properly completed Ballot timely received will be deemed to reflect the voter's intent and to supersede and revoke any prior Ballot;
- l. If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested by the Debtors, must submit proper evidence, satisfactory to the Debtors, of such person's authority to so act in such capacity;
- m. The Debtors, in consultation with the Committee, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Except as otherwise provided herein, the Debtors may, in their discretion and in consultation with the Committee, reject such defective Ballot as invalid and, therefore, not count it in connection with confirmation of the Plan;
- n. Unless otherwise ordered by the Court, all questions as to the validity, eligibility (including time of receipt) and revocation or withdrawal of Ballots

will be determined by the Debtors, in consultation with the Committee, which determination shall be final and binding;

- o. If designation of a Claim is requested under § 1126(e), any vote to accept or reject the Plan cast with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Court orders otherwise;
- p. Any Holder of a Claim that has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a);
- q. Unless waived or as otherwise ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not been cured or waived by the Voting Deadline) will not be counted;
- r. Neither the Debtors nor any other person or entity will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots, nor will any of them incur any liability for failure to provide such notification;
- s. No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting Ballots to accept the Plan;
- t. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan and to opt out of the Release; and
- u. The Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim or Equity Interest.

6. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER MATERIALS AUTHORIZED BY THE BANKRUPTCY COURT.

7. **PLEASE RETURN YOUR BALLOT PROMPTLY. THE SOLICITATION AGENT WILL NOT ACCEPT BALLOTS BY FACSIMILE OR EMAIL.**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

BALLOT TO ACCEPT OR REJECT PLAN OF LIQUIDATION

CLASS 3: CREDITORS HOLDING UNSECURED CLAIMS

THIS BALLOT IS TO BE USED BY OR ON BEHALF OF HOLDERS OF CLASS 3 UNSECURED CLAIMS AGAINST ARCTIC SENTINEL, INC., F/K/A FUHU, INC., *ET AL.* PLEASE READ AND FOLLOW THE ATTACHED INSTRUCTIONS CAREFULLY. COMPLETE, SIGN AND DATE THIS BALLOT AND RETURN IT IN THE ENCLOSED ENVELOPE PROMPTLY. IF THE SOLICITATION AGENT HAS NOT RECEIVED THIS BALLOT BY 4:00 P.M., PREVAILING PACIFIC TIME, ON _____, 2016 (THE “VOTING DEADLINE”), UNLESS EXTENDED BY THE DEBTORS, IN CONSULTATION WITH THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS, IT WILL NOT BE COUNTED. FACSIMILE AND EMAIL BALLOTS WILL NOT BE ACCEPTED.

This ballot (the “Ballot”) is submitted to you to solicit your vote to accept or reject the *Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D. I. ____] filed by Arctic Sentinel, Inc., f/k/a Fuhu, Inc., *et al.*, the debtors and debtors in possession (the “Debtors”) (including all exhibits thereto and as amended, modified or supplemented from time to time, the “Plan”). The Plan is described in the related Disclosure Statement with Respect to Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code [D. I. ____] approved by order of the United States Bankruptcy Court for the District of Delaware (the “Disclosure Statement”). The Disclosure Statement provides information to assist you in deciding how to vote your Ballot. You should review the Disclosure Statement and the Plan before you vote. You may wish to seek legal advice concerning the Plan and the classification and treatment of your claim(s) under the Plan.

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors’ headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

The Plan can be confirmed by the Bankruptcy Court and therefore made binding on you if it is accepted by the holders of at least one-half in number and two-thirds in amount of the claims in Classes 2 and 3 who vote on the Plan and if the Plan otherwise satisfies applicable legal requirements.

IF YOU HAVE RECEIVED A DAMAGED BALLOT OR IF YOU LOSE YOUR BALLOT, OF IF YOU HAVE ANY QUESTIONS CONCERNING THIS BALLOT OR THE VOTING PROCEDURES, PLEASE CONTACT THE SOLICITATION AGENT AT 888-733-1431 OR WWW.KCCLLC.NET/FUHU.

PLEASE READ THE ATTACHED VOTING INFORMATION AND INSTRUCTIONS BEFORE COMPLETING THIS BALLOT.

PLEASE COMPLETE ITEM 1. IF NEITHER THE "ACCEPT" NOR "REJECT" LINE IS CHECKED IN ITEM 1, THIS BALLOT WILL NOT BE COUNTED AS HAVING BEEN CAST. IF THIS BALLOT IS NOT SIGNED ON THE APPROPRIATE LINES BELOW, THIS BALLOT WILL NOT BE VALID OR COUNTED AS HAVING BEEN CAST.

Item 1. Class Vote. The undersigned, the holder of a Class 3 Unsecured Claim against Arctic Sentinel, Inc. f/k/a Fuhu, Inc., *et al.*, hereby votes, in the amount set forth below, as follows (check one):

Accepts the Plan Rejects the Plan Opts Out

Amount of Claim \$ _____

Item 2. Release. The undersigned, the holder of a Class 3 Unsecured Claim against Arctic Sentinel, Inc. f/k/a Fuhu, Inc., *et al.*, hereby elects to opt out of the Release set forth in the Plan, and further described in the Voting Information and Instructions for Completing the Ballot, below (check if applicable):

Opts Out of the Release Provisions

Item 3. Acknowledgements. By signing this Ballot, the undersigned acknowledges receipt of the Disclosure Statement and the other applicable solicitation materials and certifies that the undersigned is the claimant or has the power and authority to vote to accept or reject the Plan on behalf of the claimant and make the other elections set forth in this Ballot. The undersigned understands that, if this Ballot is validly executed but does not indicate either acceptance or rejection of the Plan, this Ballot will not be counted.

Name of Creditor

Federal Tax I.D. No. (Optional)

Signature

Date Completed

If by Authorized Agent, Name and Title

Street Address

Telephone Number

VOTING INFORMATION AND INSTRUCTIONS FOR COMPLETING THE BALLOT

1. On the lines provided in Item 1 of the Ballot, please indicate acceptance or rejection of the Plan. Complete the Ballot by providing all the information requested and sign, date, and return the Ballot by mail, overnight delivery, or courier to the Solicitation Agent at the following address:

Fuhu, Inc. Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, California 90245

Ballots must be received by the Solicitation Agent by 4:00 p.m., prevailing Pacific Time, on _____, 2016 (the “Voting Deadline”). If a Ballot is received after the Voting Deadline, it will not be counted. An envelope addressed to the Solicitation Agent is enclosed for your convenience. ***Ballots submitted by facsimile or email will not be accepted.***

2. In Item 2, you may elect to opt out of the Release set forth in Section VII.E of the Plan, copied here:

“Each Person or Entity participating in Distributions under the Plan or pursuant to the Plan, for itself and its respective successors, assigns, transferees, current and former officers, directors, agents, financial advisors, attorneys, employees, partners, affiliates, and representatives, in each case in their capacity as such, who affirmatively votes to accept the Plan and who does not elect to “opt-out” by marking the appropriate box on their respective ballot, shall, by virtue of Sections 1126(c) and 1141(a) of the Bankruptcy Code, be deemed to have released any and all Claims and Causes of Action against the Released Parties and their respective property; provided, however, that for the avoidance of doubt, any Claims or Causes of Action against the officers and directors of the Debtors related to the period prior to the Petition Date shall not be released and are fully preserved, unless otherwise released as part of the Sale Agreement.”

“Release Parties” means, collectively, (a) the Debtors, (b) the Committee and the individual members thereof in their capacity as such, and (c) with respect to their service in such capacity after the Petition Date, the Debtors’ and the Committee’s officers, directors, employees, advisors, attorneys, professionals, accountants, investment bankers, financial advisors, consultants, and agents; provided, however, that for the avoidance of doubt, that any Claims or Causes of Action against the current and/or former officers and current and/or former directors of the Debtors related to the period prior to the Petition Date shall not be released and are fully preserved, unless otherwise released as part of the Sale Agreement.

3. Please sign and date your Ballot as required in Item 3. Your signature is required in order for your Ballot to be counted.

4. If your claim has not been previously allowed by order of the Bankruptcy Court, your claim will be deemed to be temporarily allowed, solely for purposes of voting on the Plan, unless there is an objection to your claim pending as of _____, 2016. The temporary allowance of your claim for voting purposes does not constitute an allowance of your claim for purposes of distribution under the Plan and is without prejudice to the rights of the Debtors, or any other party in interest, in any other context (e.g., the right to contest the amount or validity of any claim for purposes of allowance under the Plan). If your claim is subject to an objection that was filed by _____, 2016, in accordance with Bankruptcy Rule 3018, your Ballot will not be counted unless the Court temporarily allows your claim for purposes of voting to accept or reject the Plan. In order for a claim subject to a timely-filed objection to be temporarily allowed for voting purposes only, you are required to file a motion with the Bankruptcy Court seeking such relief by no later than _____, 2016. Notwithstanding the foregoing, if the Debtors file a timely objection to your claim and request that your claim be allowed in a specific amount, and you file a timely and valid Ballot, your Ballot shall be counted in such specified amount.

5. The following voting procedures apply to your Ballot:

- a. Except to the extent the Debtors otherwise determine, which determination shall be made in consultation with the Committee, or as permitted by the Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the confirmation of the Plan;
- b. Claims shall not be split for purposes of voting; thus, each Creditor must vote the full amount of its Claim(s) within each class to either accept or reject the Plan. If a creditor attempts to split such vote on its Ballot, such Ballot will not be counted for voting purposes;
- c. Any executed Ballot that does not indicate an acceptance or rejection shall not be counted;
- d. Any executed Ballot that indicates both an acceptance and rejection of the Plan shall not be counted;

- e. Votes cast pursuant to a Ballot that is not signed or does not contain an original signature shall not be counted, unless the Court orders otherwise;
- f. Parties holding Claims in more than one Class under the Plan may receive more than one Ballot coded for each different Class;
- g. The method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each Holder of a Claim, but such delivery will be deemed made only when the original, executed Ballot is actually received by the Solicitation Agent;
- h. Delivery of the original executed Ballot to the Solicitation Agent on or before the Voting Deadline is required. Delivery of a Ballot by facsimile, email, or any other electronic means will not be accepted unless otherwise ordered by the Court;
- i. No Ballot sent to the Debtors, or the Debtors' financial or legal advisors, shall be accepted or counted;
- j. The Debtors expressly reserve the right, subject to the consent of the Court, to amend at any time and from time to time the terms of the Plan (subject to compliance with Section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification). If the Debtors make material changes in the terms of the Plan, the Debtors will disseminate additional solicitation materials and will extend the solicitation, in each case to the extent directed by the Court;
- k. If multiple Ballots are received from or on behalf of an individual holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last properly completed Ballot timely received will be deemed to reflect the voter's intent and to supersede and revoke any prior Ballot;
- l. If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested by the Debtors, must submit proper evidence, satisfactory to the Debtors, of such person's authority to so act in such capacity;
- m. The Debtors, in consultation with the Committee, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Except as otherwise provided herein, the Debtors may, in their discretion and in consultation with the Committee, reject such defective Ballot as invalid and, therefore, not count it in connection with confirmation of the Plan;
- n. Unless otherwise ordered by the Court, all questions as to the validity, eligibility (including time of receipt) and revocation or withdrawal of Ballots

will be determined by the Debtors, in consultation with the Committee, which determination shall be final and binding;

- o. If designation of a Claim is requested under § 1126(e), any vote to accept or reject the Plan cast with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Court orders otherwise;
- p. Any Holder of a Claim that has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a);
- q. Unless waived or as otherwise ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not been cured or waived by the Voting Deadline) will not be counted;
- r. Neither the Debtors nor any other person or entity will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots, nor will any of them incur any liability for failure to provide such notification;
- s. No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting Ballots to accept the Plan;
- t. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan and to opt out of the Release; and
- u. The Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim or Equity Interest.

6. NO PERSON HAS BEEN AUTHORIZED TO GIVE ANY INFORMATION OR ADVICE, OR TO MAKE ANY REPRESENTATION, OTHER THAN WHAT IS CONTAINED IN THE MATERIALS MAILED WITH THIS BALLOT OR OTHER MATERIALS AUTHORIZED BY THE BANKRUPTCY COURT.

7. **PLEASE RETURN YOUR BALLOT PROMPTLY. THE SOLICITATION AGENT WILL NOT ACCEPT BALLOTS BY FACSIMILE OR EMAIL.**

Proposed Order

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,¹

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

Related to Docket Nos. _____

**ORDER (I) APPROVING THE DISCLOSURE STATEMENT;
(II) SCHEDULING CONFIRMATION HEARING; (III) APPROVING FORM
AND MANNER OF NOTICE OF CONFIRMATION HEARING;
(IV) ESTABLISHING PROCEDURES FOR SOLICITATION AND TABULATION OF
VOTES TO ACCEPT OR REJECT PLAN, INCLUDING (A) APPROVING FORM AND
CONTENT OF SOLICITATION PACKAGE; (B) ESTABLISHING VOTING RECORD
DATE AND APPROVING PROCEDURES FOR DISTRIBUTION OF SOLICITATION
PACKAGES; (C) APPROVING FORMS OF BALLOTS; (D) ESTABLISHING VOTING
DEADLINE FOR RECEIPT OF BALLOTS; AND (E) APPROVING PROCEDURES
FOR VOTE TABULATIONS; (V) ESTABLISHING DEADLINE AND PROCEDURES
FOR FILING OBJECTIONS TO CONFIRMATION OF PLAN;
AND (VI) GRANTING RELATED RELIEF**

This matter coming before the Court on the *Disclosure Statement with Respect to Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (the “Disclosure Statement”) [D. I. ____] and the motion for the entry of an order: (i) approving the Disclosure Statement (as defined below); (ii) scheduling the Confirmation Hearing (as defined below); (iii) approving the form and manner of notice of the Confirmation Hearing; (iv) establishing procedures for solicitation and tabulation of votes to accept or reject the *Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* dated September 1, 2016, filed by the Debtors (including all exhibits thereto and as amended, modified or supplemented from time

¹ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors’ headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

to time, the “Plan”),² including (A) establishing a Voting Record Date and approving procedures for distributing solicitation packages; (B) approving the form and content of the Debtors’ proposed solicitation package, including ballots; (C) establishing a voting deadline for receipt of ballots; and (D) approving procedures for tabulating acceptances and rejections of the Plan; (v) establishing the deadline and procedures for filing objections to confirmation of the Plan; and (vi) granting related relief (the “Motion”) [D. I. _____] filed by Debtors Arctic Sentinel, Inc., f/k/a Fuhu, Inc., *et al.* (the “Debtors”); and after considering objections to the Motion, if any; and upon the record and after due deliberation thereon; and the Court finding that proper and adequate notice of the hearing on approval of the Disclosure Statement and of the Motion has been given to all parties in interest, and no other or further notice or hearing being necessary; and after due deliberation and sufficient cause appearing therefor; IT IS HEREBY FOUND, ORDERED AND ADJUDGED as follows:

1. The Motion is GRANTED as provided herein.

Approval of the Disclosure Statement

2. Notice of the Disclosure Statement, substantially in the form attached hereto as Exhibit 1, served on all known creditors and parties in interest on September 1, 2016, constitutes adequate and sufficient notice of the Disclosure Statement Hearing, the manner in which a copy of the Disclosure Statement (and exhibits thereto, including the Plan) can be obtained, and the time fixed for filing objections to the Disclosure Statement, in satisfaction of the requirements of the applicable provisions of the Bankruptcy Code, the Bankruptcy Rules, and the Local Bankruptcy Rules.

² Unless otherwise defined in this Order, all capitalized terms used herein shall have the respective meanings ascribed to them in the Motion.

3. The Disclosure Statement contains “adequate information” within the meaning of Section 1125 of the Bankruptcy Code regarding the Plan. Therefore, the Disclosure Statement is approved pursuant to 11 U.S.C. § 1125(b) and Fed. R. Bankr. P. 3017(b).

4. The Disclosure Statement, including all applicable exhibits thereto, provides the Holders of Claims and Equity Interests and all other parties in interest with sufficient notice of the release, injunction, and limitation of liability provisions of the Plan, in satisfaction of Bankruptcy Rule 3016(c).

5. All objections to the adequacy of the Disclosure Statement, if any, are, to the extent not consensually resolved as set forth herein, OVERRULED in their entirety.

Confirmation Hearing

6. The hearing to consider confirmation of the Plan shall commence on ____, 2016 at __: __ m. (prevailing Eastern Time) (the “Confirmation Hearing”). The Confirmation Hearing may be continued from time to time by announcing such continuance in open court or otherwise, all without further notice to parties in interest, and the Plan may be modified, if necessary, pursuant to Section 1127 of the Bankruptcy Code, prior to, during, or as a result of, the Confirmation Hearing, without further notice to interested parties.

Approval of Solicitation Packages

7. The Solicitation Package, which shall contain the following information, is hereby approved:

- a. the Confirmation Hearing Notice;
- b. the Disclosure Statement (together with the exhibits thereto, including the Plan, that have been filed with the Court before the date of the mailing);
- c. the Ballot, and a Ballot return envelope;

- d. a letter from the Committee indicating its support of the Plan; and
- e. such other materials as the Court may direct.

8. The Debtors shall transmit, or cause to be transmitted, the Solicitation Packages, no later than five (5) business days after entry of this Order, by first-class, United States mail (or by international courier if the addresses are not located in the United States), to holders of Class 2 and Class 3 claims, the only classes entitled to vote on the Plan (together, the “Voting Classes”).

9. To avoid duplication and reduce expenses, the Debtors may serve only one Solicitation Package to each creditor who has more than one claim, but shall include the appropriate Ballots for each class of claim. For avoidance of doubt, the Debtors may serve only one Solicitation Package to a creditor who has filed substantially identical claims against multiple Debtors.

10. Pursuant to Bankruptcy Rule 3017(d), the Debtors are not required to transmit a Solicitation Package to the Non-Voting Classes. The Debtors shall transmit or cause to be transmitted no later than five (5) business days after entry of this Order, by first-class United States mail (or by international courier if the addresses are not located in the United States), to each holder of a claim or interest in the Non-Voting Classes, at the address to which notices are required to be sent pursuant to Bankruptcy Rule 2002(g). The notice shall be substantially in the form attached to the Motion as Exhibit B (the “Non-Voting Class Notice”). The Non-Voting Class Notice will indicate that Accepting Non-Voting Classes are entitled to receive a copy of the Plan and Disclosure Statement, in electronic format unless specifically requested otherwise, at the expense of the Debtors, upon request. The Non-Voting Class Notice shall be deemed a summary of the Plan for purposes of compliance with Bankruptcy Rule 3017(d).

Approval of Form and Manner of Notice of Confirmation Hearing

11. The Confirmation Hearing Notice, in substantially the form attached to the Motion as Exhibit A, is approved. As set forth above, the Confirmation Hearing Notice shall be included in the Solicitation Package. The Confirmation Notice shall be sent no later than five (5) business days after entry of this Order via United States mail (or by international courier or electronic transmission if the Debtors have no physical mailing address for the creditor) to all creditors and parties in interest. In addition, the Debtor shall serve the Confirmation Hearing Notice upon (a) the Securities & Exchange Commission; (b) the Internal Revenue Service; (c) the Office of the United States Trustee; and (d) those parties that have requested service under Bankruptcy Rule 2002.

Voting Record Date and Approval of Procedures for Distribution of Solicitation Packages

12. _____, 2016 shall be the voting record date (the “Voting Record Date”) for purposes of determining which parties are entitled to receive the Solicitation Packages or the Non-Voting Class Notice and, where applicable, vote on the Plan.

13. Kurtzman Carson Consultants LLC (“KCC” or the “Solicitation Agent”) shall serve the Solicitation Package and notices regarding the Confirmation Hearing; inspect, monitor and supervise the solicitation process; serve as the tabulator of the ballots; and certify to the Court the results of the balloting.

14. The Debtors and/or the Solicitation Agent, as applicable, are permitted to dispense with the mailing of Solicitation Packages or Non-Voting Class Notices to addresses and entities to which the notice of the Disclosure Statement hearing was returned by the United States Postal Service. The Debtors and/or the Solicitation Agent are further relieved of any

obligation to attempt to locate the correct address and resend prior to the Voting Deadline the Solicitation Packages or the Non-Voting Class Notice that are returned as undeliverable.

15. In cases where a party has executed a Ballot in accordance with the terms of this Order, and has indicated corrections or updates to the mailing address used in the service of the Solicitation Package, either physically on the face of the Ballot or otherwise separately enclosed with the Ballot, the corrected or updated mailing address shall be used to reflect the mailing address of the creditor on the official register of Claims against the Debtors.

Approval of Form of Ballots

16. The Ballots, substantially in the form attached to the Motion as Exhibit C, are approved.

Deadline for Receipt of Ballots

17. Unless extended by the Debtors or their counsel in writing, in consultation with the Committee, Ballots must be received **on or before _____, 2016 at 4:00 p.m.** (prevailing Pacific Time) (the “Voting Deadline”), to KCC at the following address:

Fuhu, Inc. Processing Center
c/o KCC
2335 Alaska Avenue
El Segundo, California 90245

18. Ballots received by facsimile, email, or other electronic transmission will not be counted unless approved by the Debtors.

Procedures for Vote Tabulation

19. Votes may not be changed after the Voting Deadline unless the Court, for cause, permits such change after notice and hearing pursuant to Bankruptcy Rule 3018(a).

20. Ballots must be properly executed and counted. Any Ballot that is illegible or contains insufficient information to permit the identification of the holder of a Class 2 or 3 Claim will not be counted.

21. The following tabulation procedures are approved solely for purposes of voting on the Plan:

- a. If an objection to a Claim has not been filed, the amount of such Claim for voting purposes shall be the non-contingent, liquidated, and undisputed Claim amount contained on a timely filed Proof of Claim or, if no timely filed Proof of Claim was filed, the non-contingent, liquidated, and undisputed amount of such Claim listed in the Debtors' Schedules of Assets and Liabilities;
- b. If a Claim for which a Proof of Claim has been timely filed is wholly contingent, unliquidated, disputed, undetermined, or unknown in amount, such Claim shall be temporarily allowed in the amount of \$1.00 for voting purposes only, but not for purposes of allowance or distribution;
- c. If a Claim is partially liquidated and partially unliquidated, such Claim shall be allowed for voting purposes only in the liquidated amount;
- d. If a holder of a Claim in a Voting Class casts a Ballot with respect to a claim that is the subject of an objection filed no later than **twenty-one (21) days** prior to the Confirmation Hearing, the Debtors request, in accordance with Bankruptcy Rule 3018, that the party's Ballot not be counted, unless the Court temporarily allows such claim for purposes of voting to accept or reject the Plan, and that such creditor be required to file a motion for such relief (the "Rule 3018 Motion") no later than a date that is **fourteen (14) days** before the Confirmation Hearing, and that the Court schedule a hearing on such motion for a date on or prior to the Confirmation Hearing. Notwithstanding the foregoing, if the Debtors file an objection to a claim and request that such claim be allowed in a specific amount, such creditor's ballot shall be counted in such specified amount;
- e. Holders of Proofs of Claim filed for \$0.00 are not entitled to vote;
- f. Notwithstanding anything to the contrary contained herein, any creditor who has filed or purchased one or more duplicate Claims within the same Class against multiple Debtors shall be provided with only one Solicitation Package and one Ballot for voting a single Claim in such Class, regardless of whether the Debtors have objected to such duplicate Claims;
- g. If a Claim is the subject of an amended Proof of Claim, the originally filed Proof of Claim shall be deemed superseded by the later filed amended Proof

of Claim, regardless of whether or not the Debtors have objected to such Claim, and only the amended Proof of Claim shall be used for the purpose of determining voting eligibility in accordance with the provisions herein;

- h. For purposes of the numerosity requirement of § 1126(c), separate Claims held by a single Creditor in a particular Class shall be aggregated as if such Creditor held one Claim against the Debtors in such Class, and the votes related to such Claims shall be treated as a single vote to accept or reject the Plan;
- i. If a Claim has been disallowed by agreement of the applicable creditor or order of the Court at any time before the Voting Deadline, such Claim shall also be disallowed for voting purposes; and
- j. If a Claim has been estimated or otherwise allowed for voting purposes by order of the Court, such Claim shall be temporarily allowed in the amount so estimated or allowed by the Court for voting purposes only, and not for purposes of allowance or distribution.

22. The following voting procedures and standard assumptions shall be used in tabulating the Ballots:

- a. Except to the extent the Debtors otherwise determine, which determination shall be made in consultation with the Committee, or as permitted by the Court, Ballots received after the Voting Deadline will not be accepted or counted by the Debtors in connection with the confirmation of the Plan;
- b. Claims shall not be split for purposes of voting; thus, each Creditor must vote the full amount of its Claim(s) within each class to either accept or reject the Plan. If a creditor attempts to split such vote on its Ballot, such Ballot will not be counted for voting purposes;
- c. Any executed Ballot that does not indicate an acceptance or rejection shall not be counted;
- d. Any executed Ballot that indicates both an acceptance and rejection of the Plan shall not be counted;
- e. Votes cast pursuant to a Ballot that is not signed or does not contain an original signature shall not be counted, unless the Court orders otherwise;
- f. Parties holding Claims in more than one Class under the Plan may receive more than one Ballot coded for each different Class;
- g. The method of delivery of Ballots to be sent to the Solicitation Agent is at the election and risk of each Holder of a Claim, but such delivery will be deemed

made only when the original, executed Ballot is actually received by the Solicitation Agent;

- h. Delivery of the original executed Ballot to the Solicitation Agent on or before the Voting Deadline is required. Delivery of a Ballot by facsimile, email, or any other electronic means will not be accepted unless otherwise ordered by the Court;
- i. No Ballot sent to the Debtors, or the Debtors' financial or legal advisors, shall be accepted or counted;
- j. The Debtors expressly reserve the right, subject to the consent of the Court, to amend at any time and from time to time the terms of the Plan (subject to compliance with Section 1127 of the Bankruptcy Code and the terms of the Plan regarding modification). If the Debtors make material changes in the terms of the Plan, the Debtors will disseminate additional solicitation materials and will extend the solicitation, in each case to the extent directed by the Court;
- k. If multiple Ballots are received from or on behalf of an individual holder of a Claim with respect to the same Claim prior to the Voting Deadline, the last properly completed Ballot timely received will be deemed to reflect the voter's intent and to supersede and revoke any prior Ballot;
- l. If a Ballot is signed by a trustee, executor, administrator, guardian, attorney-in-fact, officer of a corporation, or other person acting in a fiduciary or representative capacity, such person should indicate such capacity when signing and, if requested by the Debtors, must submit proper evidence, satisfactory to the Debtors, of such person's authority to so act in such capacity;
- m. The Debtors, in consultation with the Committee, subject to contrary order of the Court, may waive any defect in any Ballot at any time, either before or after the close of voting, and without notice. Except as otherwise provided herein, the Debtors may, in their discretion and in consultation with the Committee, reject such defective Ballot as invalid and, therefore, not count it in connection with confirmation of the Plan;
- n. Unless otherwise ordered by the Court, all questions as to the validity, eligibility (including time of receipt) and revocation or withdrawal of Ballots will be determined by the Debtors, in consultation with the Committee, which determination shall be final and binding;
- o. If designation of a Claim is requested under § 1126(e), any vote to accept or reject the Plan cast with respect to such Claim will not be counted for purposes of determining whether the Plan has been accepted or rejected, unless the Court orders otherwise;

- p. Any Holder of a Claim that has delivered a valid Ballot voting on the Plan may withdraw such vote solely in accordance with Bankruptcy Rule 3018(a);
- q. Unless waived or as otherwise ordered by the Court, any defects or irregularities in connection with deliveries of Ballots must be cured by the Voting Deadline, and unless otherwise ordered by the Court, delivery of such Ballots will not be deemed to have been made until such irregularities have been cured or waived. Ballots previously furnished (and as to which any irregularities have not been cured or waived by the Voting Deadline) will not be counted;
- r. Neither the Debtors nor any other person or entity will be under any duty to provide notification of defects or irregularities with respect to the delivery of Ballots, nor will any of them incur any liability for failure to provide such notification;
- s. No fees, commissions, or other remuneration will be payable to any broker, dealer, or other person for soliciting Ballots to accept the Plan;
- t. The Ballot is not a letter of transmittal and may not be used for any purpose other than to vote to accept or reject the Plan and to opt out of the release; and
- u. The Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim or Equity Interest.

23. If no Holder of a Claim or Interest eligible to vote in a particular Class timely votes to accept or reject the Plan, the Debtors may seek to have the Plan deemed accepted by the Holders of such Claims or Interests in such Class for purposes of Section 1129(b) of the Bankruptcy Code.

24. The Solicitation Agent shall file with the Bankruptcy Court, no later than three (3) business days prior to the Confirmation Hearing an affidavit regarding the results of the tabulation of the Ballots received on the Plan.

25. The Ballot does not constitute, and shall not be deemed to be, a Proof of Claim or an assertion or admission of a Claim.

**Deadline and Procedures for Filing Objections to Confirmation of the Plan
and the Confirmation Brief**

26. Objections to the confirmation of the Plan must: (a) be in writing; (b) state the name and address of the objecting party and the nature of the claim or interest of such party, including the amount of the claim or number of shares of stock held; and (c) state with particularity the basis and nature of any objection to the confirmation of the Plan. Any such objection must be filed with the Court and served so that it is received by the following parties on or before _____, 2016, at 4:00 p.m. (prevailing Eastern Time) (the “Confirmation Objection Deadline”): (a) counsel to the Debtors, (i) Bryan Cave LLP, 211 N. Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian C. Walsh, Esq., and (ii) Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, Attn: Colin Robinson, Esq.; (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.; and (c) counsel to the Official Committee of Unsecured Creditors, (i) Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036, Attn: Jay Indyke, Esq.; and (ii) Ballard Spahr LLP, 919 N. Market Street, 11th Floor, Wilmington, DE 19801, Attn: Leslie C. Heilman, Esq.

27. All objections not timely filed and served in accordance with the provisions of this Order are hereby deemed waived and will not be considered by this Court.

28. The Debtors shall file at least three (3) business days before the Confirmation Hearing a brief supporting confirmation of the Plan (including any supporting memoranda) and replying to objections or responses. The Debtors shall serve the brief on parties that filed objections to the Plan, the Office of the United States Trustee, and all parties that have requested notice in these cases pursuant to Bankruptcy Rule 2002.

29. Prior to mailing the Disclosure Statement, Solicitation Packages, or the Non-Voting Class Notices, the Debtors may fill in any missing dates or other information, correct any typographical errors, and make such other non-substantive changes as they deem necessary.

30. The Debtors and the Solicitation Agent are authorized and empowered to take such steps, expend such monies, and perform such acts as may be necessary to implement and effectuate this Order.

31. This Court retains jurisdiction over any and all matters arising out of or relating to the interpretation or implementation of this Order.

Dated: _____, 2016

Hon. Christopher S. Sontchi
United States Bankruptcy Judge

EXHIBIT 1

DISCLOSURE STATEMENT HEARING NOTICE

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:

ARCTIC SENTINEL, INC. [f/k/a Fuhu, Inc.],
et al.,³

Debtors.

Chapter 11

Case No. 15-12465-CSS

(Jointly Administered)

NOTICE OF DISCLOSURE STATEMENT HEARING

**TO: ALL HOLDERS OF CLAIMS, EQUITY INTERESTS, AND PARTIES IN
INTEREST IN THE ABOVE-CAPTIONED CHAPTER 11 CASES**

PLEASE TAKE NOTICE THAT:

1. On September 1, 2016, the above-captioned debtors and debtors in possession (collectively, the “Debtors”) filed (i) the *Chapter 11 Plan of Liquidation Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended from time to time, the “Plan”) and (ii) the *Disclosure Statement with Respect to Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* (as may be amended from time to time, the “Disclosure Statement”).

2. A hearing will be held before the Honorable Christopher S. Sontchi, United States Bankruptcy Judge, on October 6, 2016 at 10:00 a.m. prevailing Eastern Time, in the United States Bankruptcy Court for the District of Delaware, located at 824 North Market Street, 5th Floor, Courtroom No. 6, Wilmington, Delaware 19801 (the “Disclosure Statement Hearing”), to consider the entry of an order approving, among other things: (i) the Disclosure Statement as containing “adequate information” pursuant to section 1125 of the Bankruptcy Code; (ii) procedures for soliciting, receiving, and tabulating votes on the Plan and for filing objections to the Plan; and (iii) establishing a voting record date for determining holders of claims that are eligible to vote on the Plan. Please be advised that the Disclosure Statement Hearing may be continued from time to time by the Bankruptcy Court or the Debtors without further notice other than by such adjournment being announced in open court or by a notice of adjournment filed with the Bankruptcy Court and served on all parties entitled to notice.

³ The Debtors, together with the last four digits of each Debtor’s tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc. [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc. [f/k/a Nabi, Inc.] (4119). The location of the Debtors’ headquarters and service address is 1700 E. Walnut Ave., Suite 500, El Segundo, CA 90245.

3. Copies of the Disclosure Statement and Plan may be obtained for free by contacting Kurtzman Carson Consultants LLC (the “Solicitation Agent”) by telephone at (888) 733-1431, or by writing to Kurtzman Carson Consultants LLC, 2335 Alaska Avenue, El Segundo, California 90245, or by downloading such documents (excluding the ballot) from the Debtors’ restructuring website at <http://www.kccllc.net/fuhu>. Copies of these documents may also be obtained for a fee by visiting the Bankruptcy Court’s website at <http://www.deb.uscourts.gov>. Please be advised that the Solicitation Agent is not permitted to provide legal advice.

4. Objections, if any, to the adequacy of the Disclosure Statement or the relief sought in connection therewith must: (i) be in writing; (ii) state the name and address of the objection party and the nature of the claim or interest of such party, including the amount of the claim or number of shares of stock held; and (iii) state with particularity the basis and nature of any objection. Any such objection must be filed with the Court and served so that it is received by the following parties by **September 29, 2016 at 4:00 p.m., prevailing Eastern time**: (a) counsel to the Debtors, (i) Bryan Cave LLP, 211 N. Broadway, Suite 3600, St. Louis, MO 63102, Attn: Brian Walsh, Esq., and (ii) Pachulski Stang Ziehl & Jones LLP, 919 N. Market Street, 17th Floor, Wilmington, DE 19801, Attn: Colin Robinson, Esq.; (b) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox 35, Wilmington, DE 19801, Attn: Linda Casey, Esq.; and (c) counsel to the Official Committee of Unsecured Creditors, (i) Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036, Attn: Jay Indyke, Esq.; and (ii) Ballard Spahr LLP, 919 N. Market Street, 11th Floor, Wilmington, DE 19801, Attn: Leslie C. Heilman, Esq.

Dated: September 1, 2016

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