

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 No. 827

**ORDER PURSUANT TO 11 U.S.C. §§ 327 AND 328(a), FED. R.
BANKR. P. 2014 AND 5002, AND LOCAL RULE 2014-1, EXPANDING THE
RETENTION AND EMPLOYMENT OF MARTINI IOSUE & AKPOVI, LLP AS
ACCOUNTANTS FOR THE DEBTORS**

Upon consideration of the supplemental application (the “Supplemental Application”)² of the above-captioned debtors and debtors in possession (the “Debtors”) for entry of an order under sections 327 and 328(a) of title 11 of the United States Code (the “Bankruptcy Code”), Rules 2014 and 5002 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), and Rule 2014-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), expanding the employment and retention of Martini Iosue & Akpovi, LLP (“MIA”) as accountants for the Debtors, pursuant to the terms of the engagement letters dated October 11, 2016 (the “Supplemental Engagement Letters”); and the Court having considered the Supplemental Application and the Declaration of Marietes Macaraya in support of the Application (the “Declaration”); and the Court finding that (A) MIA (i) does not hold an interest adverse to the interest of the estate with respect to the matters on

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.

² Capitalized terms not otherwise defined herein shall have the meanings ascribed to them in the Application.

which MIA will be employed; and (ii) is a “disinterested person” as that term is defined under section 101(14) of the Bankruptcy Code; (B) the Supplemental Application and the Declaration are in full compliance with all applicable provisions of the Bankruptcy Code, the Bankruptcy Rules and the Local Rules; (C) the relief requested in the Supplemental Application is in the best interests of the Debtors, their estates and creditors; and (D) notice of the Supplemental Application was due and proper under the circumstances; and after due deliberation, and good and sufficient cause appearing therefore, it is hereby

ORDERED, ADJUDGED AND DECREED THAT:

1. The Supplemental Application is GRANTED.
2. The expansion of the retention and employment of MIA as accountants for the Debtors pursuant to sections 327 and 328(a) of the Bankruptcy Code, Bankruptcy Rules 2014 and 5002, and Local Rule 2014-1, on the terms and conditions set forth in the Supplemental Engagement Letters (attached to the Application as Exhibits A and B) and the Supplemental Application, is approved.
3. MIA shall apply for compensation and reimbursement of expenses in accordance with the procedures set forth in sections 330 and 331 of the Bankruptcy Code, applicable Federal Rules of Bankruptcy Procedure, Local Bankruptcy Rules for the District of Delaware, and Orders of the Court, guidelines established by the Office of the United States Trustee for the District of Delaware, and such other procedures as may be fixed by order of this Court.
4. The indemnification provisions set forth in the Supplemental Engagement Letters are approved subject during the period prior to entry of an order closing the Chapter 11 Cases to the following:

- (a) subject to the provisions of subparagraph (b), *infra*, the Debtors are authorized to indemnify, and shall indemnify, MIA in accordance with the Supplemental Engagement Letters for any claim arising from related to or in connection with the services provided for, whether pre-petition or post-petition, in the Supplemental Engagement Letters;
- (b) Notwithstanding any provisions of the Supplemental Engagement Letters to the contrary, the Debtors shall have no obligation to indemnify MIA or provide contribution or reimbursement to MIA for any claim or expense that is either (i) judicially determined to have resulted primarily from the willful misconduct, gross negligence, bad faith or self-dealing of MIA, or (ii) settled prior to a judicial determination as to MIA's willful misconduct, gross negligence, bad faith or self-dealing, but determined by the Court, after notice and a hearing pursuant to subparagraph (c), *infra*, to be a claim or expense for which MIA should not receive indemnity, contribution or reimbursement under the terms of the Supplemental Engagement Letters; and
- (c) If, before the earlier of (i) the entry of an order confirming a Chapter 11 plan in these cases (that order having become a final order no longer subject to appeal), and (ii) the entry of an order closing these Chapter 11 cases, MIA believes that it is entitled to the payment of any amounts by the Debtors on account of the Debtors' indemnification, contribution and/or reimbursement obligations under the Supplemental Engagement Letters, including without limitation the advancement of defense costs, MIA must file an application therefore in this Court, and the Debtors may not pay any such amounts to MIA before the entry of an order by this Court approving the payment. This subparagraph (c) is intended only to specify the period of time during with the Court shall have jurisdiction over any request for indemnification, contribution or reimbursement by MIA and not a provision limiting the duration of the Debtors' obligation to indemnify MIA.

5. MIA shall not unilaterally terminate its engagement under this Order and the Supplemental Engagement Letters absent prior approval of the Court.

6. Prior to entry of an order closing the Chapter 11 Cases, any limitation of liability provision in the Supplemental Engagement Letters shall be without force or effect.

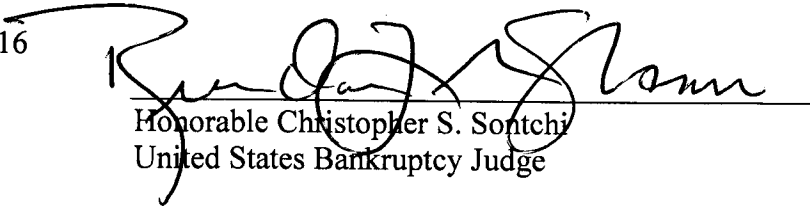
7. To the extent there any conflicts between this Order and the Application, the Supplemental Engagement Letters, or the Declaration, the terms of this Order shall govern.

8. The terms and conditions of this Order are immediately effective and enforceable upon its entry.

9. The Debtors are authorized to take all actions necessary to effectuate the relief granted in this Order in accordance with the Supplemental Application.

10. Notwithstanding anything to the contrary in the Supplemental Application or Supplemental Engagement Letters, this Court shall retain jurisdiction with respect to all matters arising or related to MIA's retention and implementation of this Order.

Dated: Nov 30, 2016


Honorable Christopher S. Sontchi
United States Bankruptcy Judge