

**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)

**CERTIFICATION OF COUNSEL REGARDING
STIPULATION RESOLVING CLAIM NO. 105 FILED BY
KILROY REALTY, L.P.**

1. On November 30, 2016, the Court entered its *Order Confirming the First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [Docket No. 892] (the “Confirmation Order”) confirming the *First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D.I. 765] (the “Plan”), and on January 25, 2017 (the “Effective Date”), the Plan became effective.

2. On the Effective Date, the Liquidating Trust (the “Liquidating Trust”) established in the above-captioned chapter 11 cases of the above-captioned debtors (the “Debtors”) was established, Saccullo Business Consulting, LLC (the “Liquidating Trustee”) was appointed to serve as the Liquidating Trustee pursuant to the terms of the Plan and the Liquidating Trust Agreement (as defined in the Plan), and all assets of the Debtors were transferred and assigned to the Liquidating Trust (except as otherwise provided in the Plan).

1. On June 2, 2016, Kilroy Realty, L.P. (“Kilroy”) filed proof of claim number 105 against Arctic Sentinel, Inc. f/k/a Fuhu, Inc. (“Claim No. 105”), asserting a claim in the amount of \$1,502,522.74 relating to a lease of non-residential real property consisting of: (i) an administrative

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).



claim in the amount of \$83,808.25 relating to post-petition obligations under the lease; (ii) a secured claim in the amount of \$145,867.12 on account of a security deposit held by Kilroy; and (iii) a general unsecured claim comprised of \$127,556.70 relating to prepetition accrued rent and \$1,291,157.79 relating to lease rejection damages arising under section 502(b)(6) of the bankruptcy code.

3. The Liquidating Trustee and Kilroy have engaged in good faith discussions and have reached a resolution regarding Claim No. 105, documented in the stipulation attached as **Exhibit A** to the form of order (the "Proposed Order") attached hereto as **Exhibit 1**.

WHEREFORE, the Liquidating Trustee respectfully requests that the Court enter the Proposed Order attached hereto as **Exhibit 1** without further notice or hearing at the Court's earliest convenience.

Dated: June 1, 2020
Wilmington, Delaware

Respectfully submitted,

/s/ Laurel D. Roglen

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Exhibit 1

(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)

**ORDER APPROVING STIPULATION
RESOLVING CLAIM NO. 105 FILED BY KILROY REALTY, L.P.**

This matter coming before the Court on the *Certification of Counsel Regarding Stipulation Resolving Claim No. 105 Filed by Kilroy Realty, L.P.* (the “Certification”), and the *Stipulation Resolving Claim No. 105 Filed by Kilroy Realty, L.P.* (the “Stipulation”) attached hereto as Exhibit A. Upon consideration of the Stipulation, Certification, and all related pleadings; it appearing that the relief requested in the Stipulation is in the best interests of the Debtors’ estates, their creditors and other parties in interest; notice of the Stipulation being sufficient under the circumstances and there being no need for further notice; the Court having jurisdiction over this matter, and the Court, upon due deliberation, having found that “cause” exists to approve the Stipulation, it is hereby **ORDERED** that:

1. The Stipulation attached hereto as Exhibit A is approved.
2. This Order shall be effective immediately upon entry.
3. Claim No. 105 filed by Kilroy Realty, L.P. against Arctic Sentinel, Inc. f/k/a Fuhu

Holdings, Inc. shall be fully and finally allowed as a general unsecured claim in the amount of \$981,572.37.

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).

4. The Parties (as defined in the Stipulation) and Kurtzman Carson Consultants LLC (as claims agent) are authorized to take all actions necessary to effectuate the relief granted pursuant to this Order in accordance with the terms of the Stipulation.

5. The Court retains jurisdiction over any and all issues arising from or related to the implementation and interpretation of this Order.

EXHIBIT A

(Stipulation)

**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)

STIPULATION RESOLVING CLAIM NO. 105 FILED BY KILROY REALTY, L.P.

Saccullo Business Consulting, LLC (the “Liquidating Trustee”), the Liquidating Trustee of the Liquidating Trust (the “Liquidating Trust”) established in the above-captioned Chapter 11 cases of the above-captioned debtors (the “Debtors”), and Kilroy Realty, L.P. (“Kilroy” and together with the Liquidating Trustee, the “Parties”), hereby stipulate and agree as follows:

Recitals

WHEREAS, on December 7, 2015, and December 11, 2015 (the “Petition Dates”), each of the Debtors filed voluntary petitions under chapter 11 of title 11 of the United States Code in the United States Bankruptcy Court for the District of Delaware;

WHEREAS, on November 30, 2016, the Court entered its *Order Confirming the First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D.I. 892] (the “Confirmation Order”) confirming the *First Amended Plan of Liquidation of the Debtors Pursuant to Chapter 11 of the Bankruptcy Code* [D.I. 765] (the “Plan”), and on January 25, 2017 (the “Effective Date”), the Plan became effective;

WHEREAS, on the Effective Date, the Liquidating Trust was established, Saccullo Business Consulting, LLC was appointed to serve as the Liquidating Trustee pursuant to the terms

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).

of the Plan and the Liquidating Trust Agreement (as defined in the Plan), and all assets of the Debtors were transferred and assigned to the Liquidating Trust (except as otherwise provided in the Plan);

WHEREAS, prior to the Petition Dates, the Debtors leased certain office space from Kilroy, located at 909 N. Sepulveda Blvd., El Segundo, California (the “Premises”), pursuant to an unexpired lease of non-residential real property (the “Lease”);

WHEREAS, on February 26, 2016, the Court entered the *Order Authorizing Debtors to Reject Nonresidential Real Property Lease of 909 N. Sepulveda Blvd., El Segundo, California and Abandon any Personal Property Located at Such Premises* (the “Rejection Order”) [D.I. 430], pursuant to which the Court authorized the Debtors to reject the Lease effective as of January 31, 2016, and approved the *Stipulation Resolving Debtors’ Motion Pursuant to Section 365(a) of the Bankruptcy Code for an Order Authorizing Fuhu, Inc. to reject Nonresidential Real Property Lease of 909 N. Sepulveda Blvd., El Segundo, California, and Abandon Any Personal Property Located at Such Premises Effective Nunc Pro Tunc to January 31, 2016* [D.I. 430-1] (collectively, the “Rejection Stipulation”);

WHEREAS, on June 2, 2016, Kilroy filed proof of claim number 105 against Artic Sentinel, Inc. f/k/a Fuhu, Inc. (“Claim No. 105”), asserting: (i) an administrative claim in the amount of \$83,808.25 relating to post-petition obligations under the Lease; (ii) a secured claim in the amount of \$145,867.12 on account of a security deposit held by Kilroy; and (iii) a general unsecured claim comprised of \$127,556.70 relating to prepetition accrued rent and \$1,291,157.79 relating to lease rejection damages arising under section 502(b)(6) of the bankruptcy code, for a total claim amount of \$1,502,522.74;

WHEREAS, the Liquidating Trustee and Kilroy have engaged in good faith discussions and have reached a resolution regarding Claim No. 105, as set forth herein.

Agreement

NOW THEREFORE, based upon the mutual agreements and covenants set forth in this Stipulation, and for good and sufficient cause, the Liquidating Trustee and Kilroy hereby stipulate and agree as follows:

1. The above recitals are true and correct and are incorporated herein by reference.
2. This Stipulation is subject to the Court's approval and shall be of no force and effect unless it is signed by the Parties, approved by an order of the Court and until the date when such order becomes final and non-appealable (the "Stipulation Effective Date").
3. Claim No. 105 filed against Artic Sentinel, Inc. f/k/a Fuhu, Inc. shall be fully and finally allowed as a general unsecured claim in the amount of \$981,572.37 (the "Allowed Claim") and shall receive a distribution on such Allowed Claim in accordance with the terms of the Plan.
4. The secured portion of Claim No. 105 has been satisfied by the Rejection Stipulation and Order and the subsequent application of the Debtors' security deposit to lease rejection damages.
5. The administrative portion of Claim No. 105 has been satisfied by the payment made to Kilroy by the Debtors on May 26, 2016.
6. Following the Stipulation Effective Date, Kilroy, on its own behalf and on behalf of its affiliates and the successors and assigns of the foregoing, waives and releases any and all claims they have against the Debtors, their estates, the Liquidating Trust, and the Liquidating Trustee, and their respective directors, officers, members, advisors, employees, successors and assigns, and each and every one of them, each solely in their capacity as such and except

for payment of the Allowed Claim, which is specifically excluded from this waiver and release and shall be treated in accordance with paragraph 3 of this Stipulation.

7. Following the Stipulation Effective Date, the Liquidating Trustee, on behalf of the Debtors, their estates, and the Liquidating Trust, and the successors and assigns of the foregoing, waives and releases any and all claims he has against Kilroy, its affiliates, and their respective directors, officers, members, advisors, employees, successors and assigns, and each and every one of them, each solely in their capacity as such, including, without limitation, any and all claims arising under Bankruptcy Code sections 544, 547, 548, 549, or 550 and any similar state law and any and all claims related to the Lease, the security deposit, or the letter of credit (or the proceeds thereof).

8. The Parties represent and warrant to each other that the signatories to this Stipulation have full power and authority to enter into this Stipulation.

9. The Parties hereby acknowledge and agree that this Stipulation is entered into solely for the convenience of the Parties, and neither this Stipulation nor the fact of its execution will constitute any admission of acknowledgement or liability or wrongdoing on the part of any of the Parties. The Parties will not offer this Stipulation or the fact of its execution into evidence in any proceeding other than a proceeding to approve or enforce this Stipulation or any of its terms.

10. All representations, warranties, inducements and/or statements of intention made by the Parties that relate to this Stipulation are embodied in this Stipulation and none of the Parties have relied upon, shall be bound by, or shall be liable for any alleged representation, warranty, inducement or statement of intention that is not expressly set forth in this Stipulation.

11. The Court shall retain jurisdiction with respect to all matters arising from or related to the interpretation, implementation, or enforcement of the terms and provisions of this Stipulation.

Dated: June 1, 2020

/s/ Laurel D. Roglen

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