

United States Bankruptcy Court for the District of Delaware

Indicate Debtor against which you assert a claim by checking the appropriate box below. **(Check only one Debtor per claim form.)**

- Arctic Sentinel, Inc. f/k/a Fuhu, Inc. (Case No. 15-12465)
 Arctic Sentinel Direct, Inc. f/k/a Fuhu Direct, Inc. (Case No. 15-12504)
- Arctic Sentinel Holdings, Inc. f/k/a Fuhu Holdings, Inc. (Case No. 15-12466)
 Sentinel Arctic, Inc. f/k/a Nabi, Inc. (Case No. 15-12505)

**Official Form 410
Proof of Claim**

12/15

Read the instructions before filling out this form. This form is for making a claim for payment in a bankruptcy case. Other than a claim under 11 U.S.C. § 503(b)(9), this form should not be used to make a claim for an administrative expense arising after the commencement of the case.

Filers must leave out or redact information that is entitled to privacy on this form or on any attached documents. Attach redacted copies or any documents that support the claim, such as promissory notes, purchase orders, invoices, itemized statements of running accounts, contracts, judgments, mortgages, and security agreements. **Do not send original documents;** they may be destroyed after scanning. If the documents are not available, explain in an attachment.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Fill in all the information about the claim as of the date the case was filed. That date is on the notice of bankruptcy (Form 309) that you received.

Part 1: Identify the Claim

1. Who is the current creditor?	ABC Cable Networks Group, for itself and on behalf of certain affiliates as set forth on Annex 1 Name of the current creditor (the person or entity to be paid for this claim)		
	Other names the creditor used with the debtor _____		
2. Has this claim been acquired from someone else?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. From whom? _____		
3. Where should notices and payments to the creditor be sent?	Where should notices to the creditor be sent? Benjamin Loveland, WilmerHale LLP Name 60 State Street Number Street Boston MA 02109 City State ZIP Code USA Country Contact phone 617.526.6641 Contact email benjamin.loveland@wilmerhale.com	Where should payments to the creditor be sent? (if different) ABC Cable Networks Group Name 500 S. Buena Vista Street Number Street Burbank CA 91521 City State ZIP Code USA Country Contact phone 818.553.7734 Contact email Mort.Aldridge@disney.com	
Federal Rule of Bankruptcy Procedure (FRBP) 2002(g)			
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Form claim identifier for electronic payments in chapter 13 (if you use one): _____			
4. Does this claim amend one already filed?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Claim number on court claims registry (if known) _____ Filed on MM / DD / YYYY		
5. Do you know if anyone else has filed a proof of claim for this claim?	<input checked="" type="checkbox"/> No <input type="checkbox"/> Yes. Who made the earlier filing? _____		

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Part 2: Give Information About the Claim as of the Date the Case Was Filed

6. Do you have any number you use to identify the debtor? No
 Yes. Last 4 digits of the debtor's account or any number you use to identify the debtor: _____

7. How much is the claim? \$ 10,798,485 (see Annex 1) Does this amount include interest or other charges?
 No
 Yes. Attach statement itemizing interest, fees, expenses, or other charges required by Bankruptcy Rule 3001(c)(2)(A).

8. What is the basis of the claim? Examples: Goods sold, money loaned, lease, services performed, personal injury or wrongful death, or credit card.
Attach redacted copies of any documents supporting the claim required by Bankruptcy Rule 3001(c).
Limit disclosing information that is entitled to privacy, such as health care information.

See Annex 1

9. Is all or part of the claim secured? No
 Yes. The claim is secured by a lien on property.
Nature of property:
 Real estate: If the claim is secured by the debtor's principal residence, file a *Mortgage Proof of Claim Attachment* (Official Form 410-A) with this *Proof of Claim*.
 Motor vehicle
 Other. Describe: _____

Basis for perfection: _____
Attach redacted copies of documents, if any, that show evidence of perfection of a security interest (for example, a mortgage, lien, certificate of title, financing statement, or other document that shows the lien has been filed or recorded.)

Value of property: \$ _____
Amount of the claim that is secured: \$ _____
Amount of the claim that is unsecured: \$ _____ (The sum of the secured and unsecured amount should match the amount in line 7.)

Amount necessary to cure any default as of the date of the petition: \$ _____

Annual Interest Rate (when case was filed) _____ %
 Fixed
 Variable

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10. Is this claim based on a lease? No
 Yes. Amount necessary to cure any default as of the date of the petition. \$ _____

11. Is this claim subject to a right of setoff? No
 Yes. Identify the property: See Annex 1

12. Is all or part of the claim entitled to priority under 11 U.S.C. § 507(a)?

- No
 Yes. Check all that apply:

Amount entitled to priority

A claim may be partly priority and partly nonpriority. For example, in some categories, the law limits the amount entitled to priority.

- Domestic support obligations (including alimony and child support) under 11 U.S.C. § 507(a)(1)(A) or (a)(1)(B). \$ _____
- Up to \$2,775* of deposits toward purchase, lease, or rental of property or services for personal, family, or household use. 11 U.S.C. § 507(a)(7). \$ _____
- Wages, salaries, or commissions (up to \$12,475*) earned within 180 days before the bankruptcy petition is filed or the debtor's business ends, whichever is earlier. 11 U.S.C. § 507(a)(4). \$ _____
- Taxes or penalties owed to governmental units. 11 U.S.C. § 507(a)(8). \$ _____
- Contributions to an employee benefit plan. 11 U.S.C. § 507(a)(5). \$ _____
- Other. Specify subsection of 11 U.S.C. § 507(a)(2) that applies. \$ See Annex 1

* Amounts are subject to adjustment on 4/01/16 and every 3 years after that for cases begun on or after the date of adjustment.

13. Is all or part of the claim pursuant to 11 U.S.C. § 503(b)(9)?

- No
 Yes. Indicate the amount of your claim arising from the value of any goods received by the debtor within 20 days before the date of commencement of the above case, in which the goods have been sold to the Debtor in the ordinary course of such Debtor's business. Attach documentation supporting such claim.

\$ _____

Part 3: Sign Below

The person completing this proof of claim must sign and date it. FRBP 9011(b).

If you file this claim electronically, FRBP 5005(a)(2) authorizes courts to establish local rules specifying what a signature is.

A person who files a fraudulent claim could be fined up to \$500,000, imprisoned for up to 5 years, or both. 18 U.S.C. §§ 152, 157, and 3571.

Check the appropriate box:

- I am the creditor.
 I am the creditor's attorney or authorized agent.
 I am the trustee, or the debtor, or their authorized agent. Bankruptcy Rule 3004.
 I am a guarantor, surety, endorser, or other codebtor. Bankruptcy Rule 3005.

I understand that an authorized signature on this *Proof of Claim* serves as an acknowledgement that when calculating the amount of the claim, the creditor gave the debtor credit for any payments received toward the debt.

I have examined the information in this *Proof of Claim* and have reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on date 06/21/2016
 MM / DD / YYYY

Mort Aldridge
 Signature

Print the name of the person who is completing and signing this claim:

Name Mort Aldridge
 First name Middle name Last name

Title Senior Manager Collections

Company ABC Cable Networks Group, for itself and on behalf of certain affiliates as set forth on Annex 1
 Identify the corporate servicer as the company if the authorized agent is a servicer.

Address 500 S. Buena Vista Street
 Number Street

Burbank CA 91521 USA
 City State ZIP Code Country

Contact phone 818.553.7734 Email USA

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ANNEX 1

Proof of Claim of ABC Cable Networks Group, on Behalf of Itself and Certain Affiliates

Debtor: Arctic Sentinel Holdings, Inc. (f/k/a Fuhu Holdings, Inc.)
Case No.: 15-12466
Amount of Claim: At least \$10,798,485, plus corresponding interest, costs, and fees

1. On December 7, 2015 (the “Petition Date”), a petition was filed with this Court under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”), commencing the above-referenced chapter 11 case of Arctic Sentinel Holdings, Inc. (f/k/a Fuhu Holdings, Inc.) (the “Debtor”).
2. ABC Cable Networks Group, on behalf of itself and its affiliates listed on Exhibit A hereto (“Disney”) hereby submits this Annex 1 in support of Disney’s claim against the Debtor.
3. Prior to the Petition Date, Disney, the Debtor, and Arctic Sentinel, Inc. (f/k/a Fuhu, Inc.) (“Fuhu”) entered into to that certain Digital Content Distribution Agreement dated as of July 29, 2013 (as amended, and including all addendums, attachments, exhibits, schedules, and related documents, the “Agreement”),¹ pursuant to which Disney agreed to, among other things, license to the Debtor and Fuhu on a nonexclusive basis certain intellectual property in exchange for certain fees.
4. Pursuant to the *Order Approving Stipulation (I) Resolving Limited Objection and Reservation of Rights of the Disney Affiliates to (1) Motion of Debtors Motion of Debtors for Order (A) Approving Asset Purchase Agreement and Authorizing the Sale of Substantially All of the Debtors’ Operating Assets; (B) Authorizing the Sale of Assets Free and Clear of All Liens, Claims, Rights, Encumbrances and Other Interests Pursuant to Bankruptcy Code Sections 105, 363(b), 363(f) and 363(m); (C) Assuming and Assigning Certain Executory Contracts and Unexpired Leases, and (D) Granting Related Relief and (2) Notice of Assumption and Assignment as to Debtors of Certain Executory Contracts and Unexpired Leases Pursuant to the Sale of Substantially All of the Debtors’ Operating Assets and (II) Authorizing the Rejection of Disney Contracts*, dated May 3, 2016 [D.I. 557] (the “Rejection Order”),² the Debtor and Fuhu rejected the Agreement effective as of January 29, 2016 (the “Rejection Date”).
5. Prior to the Petition Date, the Debtor incurred fees and charges under the Agreement in amount of at least \$2,942,729, as more specifically identified on Exhibit B hereto (the

¹ The Agreement has not been attached to this proof of claim because it contains confidential, sensitive, or proprietary information. The Debtor is already in possession of the Agreement, and the Agreement has previously been filed with the Court under seal [D.I. 293]. A complete copy of the Agreement will be made available to the Court, the United States Trustee, and the Official Committee of Unsecured Creditors upon request, subject to appropriate confidentiality restrictions.

² The Rejection Order is incorrectly titled on the docket.

“Prepetition Claim Amount”). The Prepetition Claim Amount remains unpaid, and Disney has a claim against the Debtor in at least that amount.

6. From the Petition Date through the Rejection Date, the Debtor incurred fees and charges under the Agreement in the amount of at least \$949,403, as more specifically identified on Exhibit B hereto (the “Pre-Rejection Claim Amount”). The Pre-Rejection Claim amount remains unpaid, and Disney has a claim against the Debtor in at least that amount. The Pre-Rejection Claim Amount is entitled to treatment as an administrative expense pursuant to section 503(b)(1) of the Bankruptcy Code.³ Nothing herein shall abrogate Disney’s priority claim or reduce or impair Disney’s right to file additional claims or requests for payment with respect to such priority claim, all of which rights are expressly reserved.
7. In addition, as a result of the rejection of the Agreement, Disney has incurred damages in the amount of at least \$6,906,353, as more specifically identified on Exhibit B hereto (the “Rejection Damages Claim Amount”). The Rejection Damages Claim remains unpaid, and pursuant to section 365(g) of the Bankruptcy Code, Disney has a claim against the Debtor in at least that amount.
8. Disney therefore files this proof of claim in an amount of at least \$10,798,485 (the Prepetition Claim Amount, plus the Pre-Rejection Claim Amount, plus the Rejection Damages Claim Amount), plus any and all other amounts in respect of the Agreement, including without limitation for any and all losses and other damages resulting from any breach, violation, rejection or other treatment of the Agreement by the Debtor, including without limitation a claim under section 365(g) resulting from the Debtor’s rejection of the Agreement, and any and all other amounts related to any of the foregoing, including without limitation interest, costs, and fees (including attorneys’ fees and costs). This claim is not limited to contractual obligations, and includes damages for any and all tort or other liability of the Debtor to Disney.
9. Disney has separately filed claims against each of the Debtor and Fuhu for the claim asserted herein, as each is a party to the Agreement. Other Disney affiliates have also filed proofs of claim against one or more of the Debtors arising from or relating to agreements other than the Agreement. Nothing in this proof of claim shall abrogate Disney’s other proofs of claims or reduce or impair the rights asserted therein or otherwise available to Disney. Disney is entitled to payment from each of the Debtor and Fuhu up to the total amount of the claim asserted herein. However, Disney is not seeking more than a single, full satisfaction of its claim.
10. The claim asserted herein is unsecured, except to the extent the Debtor or any affiliate thereof (itself or by or through any trustee or other representatives) asserts a claim against Disney, in which event, in addition to all rights of recoupment, netting and deduction, the claim asserted herein is secured pursuant to section 506(a)(1) of the Bankruptcy Code to the extent of the amount of Disney’s claim subject to setoff in accordance with section 553 of the Bankruptcy Code.

³ To the extent all or any portion of the Pre-Rejection Claim Amount is determined not to be entitled to priority, Disney hereby asserts such amount as a general unsecured claim.

11. The filing of this proof of claim shall not constitute: (a) a waiver or release of the claims, rights, or defenses of Disney against the Debtor, any of its affiliates, or any other person, entity, or property; (b) a waiver of Disney's right to contest the jurisdiction or authority of the Court with respect to the subject matter of the claim set forth herein, any objection or other proceeding commenced with respect thereto, or any other proceeding commenced in this case against or otherwise involving Disney; (c) a waiver of any jury trial right or right to contest a jury trial in the Court; or (d) an election of remedies or choice of law.
12. This proof of claim is filed to preserve any and all rights and entitlements that Disney may have against the Debtor and/or any of its affiliates arising from or relating to the Agreement, and nothing set forth herein should be construed as an admission or waiver by Disney.
13. Disney reserves the right to amend and/or supplement this proof of claim at any time and in any manner, and to file additional proofs of claim or requests for payment for additional claims, including without limitation administrative claims, whether related or unrelated to the claim set forth herein.
14. All notices regarding this proof of claim should be sent to:

ABC Cable Networks Group
500 S. Buena Vista Street
Burbank, CA 91521

Benjamin W. Loveland
WilmerHale LLP
60 State Street
Boston, MA 02109
Email: Benjamin.loveland@wilmerhale.com

EXHIBIT A

Description of Agreement (Including Addendums)		Disney Counterparty
Digital Content Distribution Agreement, dated July 29, 2013, as amended by Amendment dated December 9, 2014		ABC Cable Networks Group
	Addendum 1 – Disney Radio & TV Apps	ABC Cable Networks Group Radio Disney
	Addendum 2 – Disney TV Episodes License – Junior, XD, Channel	ABC Cable Networks Group
	Addendum 3 – Disney Publishing Worldwide	Disney Publishing Worldwide
	Addendum 4 – Music Group Worldwide	Walt Disney Records Hollywood Records Inc.
	Addendum 5 – Nabi Pass Service	ABC Cable Networks Group Disney Publishing Worldwide Disney Interactive

EXHIBIT B

	<u>Repetition Claim Amount</u>	<u>Pre-Rejection Claim Amount</u>	<u>Rejection Damages Claim Amount</u>
Digital Distribution Agreement - Advertising			
Billed AR @ 12/7/15	\$1,770,914		
Remaining balance owed per 2015 \$6M annual spend commitment		\$253,517	
January 1 - 29, 2016 Advertising Commitment		\$476,712	
Remaining Term 3 & 4 - Advertising Commitment (2016)			\$5,523,288
Digital Distribution Agreement - Additional Media Shortfall @ \$125K/month			
March 2015 through August 2015	\$750,000		
September, October, November and first 7 days of December (estimated)	\$403,226		
December 8 - 31 (estimated)		\$96,774	
Jan 1 - 29 subscriber shortfall at \$125K/Month (assumes Fuhu never gains more than 500K subscribers)		\$116,935	\$1,383,065
Jan 30 - Dec 2016 subscriber shortfall at \$125K/Month (assumes Fuhu never gains more than 500K subscribers)			
Digital Distribution Agreement - Subscription @ \$0.50 each/month with an estimate of ~5K subs			
January 2015 through September 2015	\$12,526		
October 2015 through November 2015	\$5,369		
December 1, 2015 through December 7, 2015 (estimated)	\$695		
December 8, 2015 through January 2016 (estimated)		\$5,464	
Total Repetition Claim Amount / Pre-Rejection Claim Amount / Rejection Damages Claim Amount	\$2,942,729	\$949,403	\$6,906,353
Total Claim Amount			\$10,798,485

* All amounts rounded to the nearest dollar.