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7 PEEK, AREN'T YOU CURIOUS, INC.

8 **UNITED STATES BANKRUPTCY COURT**  
9 **NORTHERN DISTRICT OF CALIFORNIA**  
10 **SAN FRANCISCO DIVISION**

11 In re:  
12 PEEK, AREN'T YOU CURIOUS, INC.,  
13 Debtor.

Case No.: 16-30146 HLB

Chapter 11

**DISCLOSURE STATEMENT FOR  
PEEK, AREN'T YOU CURIOUS,  
INC.'S CHAPTER 11 PLAN OF  
LIQUIDATION (August 25, 2016)**

Date: October 6, 2016

Time: 10:00 a.m.

Place: 450 Golden Gate Avenue  
Courtroom 19

San Francisco, CA 94102

Judge: Hon. Hannah L. Blumenstiel

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20 **THIS DISCLOSURE STATEMENT HAS NOT BEEN APPROVED BY THE**  
21 **BANKRUPTCY COURT AS CONTAINING "ADEQUATE INFORMATION" WITHIN**  
22 **THE MEANING OF SECTION 1125(A) OF THE BANKRUPTCY CODE.**  
23 **ACCORDINGLY, THIS IS NOT A SOLICITATION OF ACCEPTANCE OR**  
24 **REJECTION OF THE PLAN. ACCEPTANCES OR REJECTIONS MAY NOT BE**  
25 **SOLICITED UNTIL THE BANKRUPTCY COURT HAS APPROVED THIS**  
26 **DISCLOSURE STATEMENT. IN ADDITION, THIS DISCLOSURE STATEMENT MAY**  
27 **BE REVISED TO REFLECT EVENTS THAT OCCUR AFTER THE DATE HEREOF**  
28 **BUT PRIOR TO THE COURT'S APPROVAL OF THE DISCLOSURE STATEMENT.**

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1 **I. INTRODUCTION AND PLAN OVERVIEW**

2 **A. EXECUTIVE SUMMARY**

3 This Disclosure Statement (“Disclosure Statement”) describes how Peek, Aren’t You  
4 Curious, Inc.’s Chapter 11 Plan of Liquidation (“Plan”) proposes to pay its creditors. The  
5 Disclosure Statement is intended to also provide creditors with information to decide whether to  
6 vote to accept or reject the Plan.

7 Peek, Aren’t You Curious, Inc. (“Peek” or “Debtor”) filed a voluntarily bankruptcy on  
8 February 5, 2016 (the “Petition Date”). As of its bankruptcy filing, Peek sold high-end  
9 children’s clothing through twenty (21) retail stores in ten (10) states (one of which closed on  
10 January 23, 2016), a wholesale relationship with Nordstrom department stores, and an  
11 Ecommerce platform.

12 Peek had been experiencing operating losses of approximately \$550,000 per month for  
13 some time. After exhausting all avenues for obtaining a strategic investor or buyer, in mid-  
14 November 2015, Charlotte Russe expressed interest in acquiring several of Peek’s retail  
15 locations and manufacturing assets. After a series of meetings and expedited due diligence,  
16 Charlotte Russe offered to purchase some of Peek’s assets pursuant to an Agreement for  
17 Purchase and Sale of Assets (“APA”) dated February 4, 2016. Under the terms of the APA,  
18 Charlotte Russe initially agreed to acquire the following assets:

- 19
- 20 • 8 of Peek’s 21 retail stores<sup>1</sup>;
  - 21 • Inventory at Peek’s distribution centers and in transit;
  - 22 • Ecommerce assets and associated contracts; and
  - 23 • Intellectual property associated with the design and manufacturing of  
Peek’s brand and product lines.

24 The primary financial goal of the proposed sale was to maximize returns to unsecured  
25 creditors by: (a) minimizing operations losses and the accrual of post-bankruptcy rent and other  
26 administrative expenses, (b) reducing the pool of lease rejection claims through assignment of  
27 leases, and (c) maximizing the recoveries from store inventory not sold to Charlotte Russe.

28 <sup>1</sup> Charlotte Russe later agreed to purchase (4) four additional retail locations.

1 Peek filed this proceeding in order to close the sale to Charlotte Russe pursuant to §11  
2 U.S.C. § 363 (the “363 Sale”). This Court approved the 363 Sale to Charlotte Russe by an order  
3 dated March 14, 2016. [Docket No. 148]. Peek closed the 363 Sale on March 18, 2016 and  
4 thereafter ceased operations at its nine (9) remaining locations. Thus, Peek has no ongoing  
5 business operations.

6 As will be discussed in more detail below, Peek has on hand funds totaling approximately  
7 \$1.3 million to pay creditors. Peek intends to distribute these funds to creditors according to the  
8 priorities set forth in the Bankruptcy Code, *inter alia*, 11 U.S.C. §507 in a liquidating chapter 11  
9 plan.

10 Further to that end, on August 25, 2016, Peek filed its proposed Chapter 11 Plan of  
11 Liquidation (August 25, 2016) (the “Plan”). The principal purpose of the Plan is to set forth how  
12 any remaining assets of Peek’s estate will be liquidated and the proceeds distributed to its  
13 creditors.

14 The Plan contemplates that the remaining assets of the Debtors’ estate will be distributed  
15 to creditors in the manner dictated by the Bankruptcy Code. That is, creditors who hold liens on  
16 specific assets, if any, will be paid from the proceeds of their collateral. After those secured  
17 claims are satisfied, all unencumbered assets will be distributed in accordance with the priorities  
18 established in Section 507 of the Bankruptcy Code. Where there is not enough cash to pay all  
19 creditors of equal priority in full, pro rata distributions will be made to allowed claim holders,  
20 and no distributions will be made to any creditors that are junior in priority.

21 While actual amounts to be distributed remain uncertain, Peek estimates that if the Plan is  
22 confirmed, creditors will receive the following percentage recoveries on account of their claims:

Class	Description	Approximate Aggregate Dollar Amount of Claims in Class	Estimated Percentage Recovery on the Dollar to Creditor(s) in Class
Class 1	Secured Claims	\$109, 665.13	100%
Class 2	General Unsecured Claims	\$3,014,510.34	23% <sup>2</sup>

23  
24  
25  
26  
27  
28 <sup>2</sup> Assumes the Late Filed Claim is allowed and included in Class 2

1	Class 3	Late Filed Claim <sup>3</sup>	\$493,261.51	0-23 %
2	Class 4	Interest Holders		0%

3  
4 In addition, allowed non-classified administrative expense claims (including  
5 professionals retained by Peek and holders of tax and other claims entitled to priority under  
6 Section 507(a) of the United States Bankruptcy Code will be paid in full.

7 **B. PURPOSE OF THE DISCLOSURE STATEMENT**

8 This Disclosure Statement contains information with respect to Peek and the Plan.  
9 Except as otherwise provided herein, capitalized terms used in this Disclosure Statement shall  
10 have the meanings set forth in the Plan, which is attached hereto as **Exhibit A**. If there is any  
11 conflict between this Disclosure Statement and the Plan, the Plan controls. Pursuant to section  
12 1125 of the Bankruptcy Code, this Disclosure Statement is being distributed to you for the  
13 purpose of enabling you to make an informed judgment about the Plan. Peek has examined  
14 various alternatives and, based on information contained in this Disclosure Statement, and for the  
15 reasons set forth below, have concluded that the Plan provides the best prospect for maximizing  
16 creditor recoveries.

17 The Disclosure Statement describes the Plan and contains information concerning, among  
18 other matters: (1) the history, business, results of operations, management, and liabilities of the  
19 Debtors; (2) the sale of substantially all of the Debtors' assets; and (3) potential litigation seeking  
20 recovery of assets, and the cash, claims and other assets that are available for distribution under  
21 the Plan. Peek urges you to review carefully the contents of this Disclosure Statement and the  
22 Plan (including the exhibits to each) before making a decision to accept or reject the Plan.  
23 Particular attention should be paid to the provisions affecting or impairing your rights as a  
24 Creditor.

25 Generally speaking, creditors who are not getting paid in full when the Plan becomes  
26 "effective" are entitled to vote to accept or reject the Plan. Your vote on the Plan is important.

27  
28 <sup>3</sup> Turnberry Associates asserted the Late Filed Claim in the total amount of \$493,261.51 (Claim No. 56) filed on  
June 22, 2016, after the Claims Bar Date of June 13, 2016.

1 In order for the Plan to be accepted by a Class of Claims, the holders of two-thirds (2/3) in dollar  
2 amount and more than one-half (1/2) in number of Allowed Claims in such Class who vote on  
3 the Plan must vote for acceptance. Because the holders of Interests are to receive nothing under  
4 the Plan, the holders of Class 4 (Interests) are deemed to have rejected the Plan, and, therefore,  
5 the votes of such interest holders are not being solicited.

6 Non-acceptance of the Plan may lead to conversion of the case to a proceeding under  
7 chapter 7 of the Bankruptcy Code, or to the confirmation of another plan. These alternatives  
8 may not provide for a distribution of as much value to creditors as the Plan. Accordingly, Peek  
9 strongly encourages all creditors to accept the Plan by completing and returning the enclosed  
10 ballot no later than 4:00 p.m. on \_\_\_\_\_, 2016.

11 **C. INFORMATION REGARDING THE PLAN**

12 1. Exclusive Source of Information.

13 No representations concerning the Debtor are authorized by the Debtor other than as set  
14 forth in this Disclosure Statement.

15 2. Plan Governs Disclosure Statement.

16 Although the Debtor believes that this Disclosure Statement accurately describes the  
17 Plan, all summaries of the Plan contained in this Disclosure Statement are qualified by the Plan  
18 itself and the documents described therein which are controlling.

19 3. Source of Information.

20 Factual information contained in this Disclosure Statement has been provided by the  
21 Debtor and has been obtained from the Debtors' records, except where otherwise specifically  
22 noted. All financial information contained in this Disclosure Statement has been prepared by the  
23 Debtor. None of the Debtor's attorneys, accountants, or other professionals make any  
24 representation regarding that information. The Debtor, however, cannot and does not represent  
25 or warrant that the information contained in this Disclosure Statement is free from any  
26 inaccuracy. The Debtor has made great efforts to present the information accurately and fairly  
27 and believes that the information is substantially accurate. The assumptions underlying the  
28 projections contained in this Disclosure Statement concerning sources and amounts of payments

1 to creditors represent the Debtor's best estimates. Because these are only assumptions about or  
2 predictions of future events, many of which are beyond the Debtor's control, there can be no  
3 assurance that the assumptions will in fact materialize or that the projected realizations will in  
4 fact be met. Except as otherwise provided herein, this Disclosure Statement does not reflect any  
5 events which occurred subsequent to the date that the Debtor submitted the Disclosure Statement  
6 to the Bankruptcy Court for approval.

7 4. Tax Consequences

8 (i) Tax Consequences to Debtor

9 With respect to the tax consequences of the Plan to Peek, it does not expect confirmation  
10 of the Plan to have a material impact. The Plan does not seek to avoid payment of any valid  
11 claims, and therefore, the Plan will not affect Peek's net operating loss carry forwards, which  
12 will remain available to offset any post-bankruptcy income. Because of this, Peek does not  
13 anticipate having to recognize or pay state or federal taxes on any significant portion of its  
14 income and post-petition activities.

15 (ii) Potential Tax Consequences to Creditors

16 A few generalizations can be made as to the basic tax consequences, although none of the  
17 following statements can be treated as advice on the tax treatment to a specific creditor.

18 The Plan contemplates repayment in full to all holders of unclassified, secured and  
19 priority "allowed" claims. Therefore, Peek is not of the view that any holder of these types of  
20 claims would be permitted to deduct the amount owed by Peek from the creditor's gross income  
21 on the basis that it constitutes an uncollectable debt.

22 The Plan contemplates less than full payment to Allowed Unsecured Claims. The extent  
23 to which a creditor must recognize loss on repayment of principal amounts owed by Peek  
24 depends upon the creditor's tax basis in the debt and overall financial situation. For example, if  
25 a creditor provided credit of \$10,000 to Peek and had a tax basis of \$10,000 in the credit  
26 advanced, repayment of 25% the principal amount would trigger a 75% loss. In general, such a  
27 loss may be credited against income. Each Holder of an Allowed Unsecured Claim is urged,  
28 however, to consult its own tax advisors as to the consequences and treatment of any such loss.



1 (iii) Potential Tax Consequences to Equity Holders

2 The Plan provides no payment on account of Equity Holder's investment in Peek. As a  
3 general matter, amounts invested in Peek may be considered an investment loss. Each Equity  
4 Holder is urged to consult its own tax advisors as to the consequences and treatment of the  
5 investment loss.

6 *The foregoing discussion is intended to give general information, but each creditor and*  
7 *equity holder must be advised that the tax consequences of the Plan will vary based on the*  
8 *individual circumstances of each holder of a Claim. Accordingly, each creditor is strongly*  
9 *urged to consult with its own tax advisor regarding the federal, state, local and foreign tax*  
10 *consequences of the Plan.*

11 5. Bankruptcy Court Approval.

12 The Bankruptcy Court approved this Disclosure Statement as containing information of a  
13 kind and in sufficient detail adequate to enable a hypothetical, reasonable investor to make an  
14 informed judgment about the Plan. Under section 1125 of the Bankruptcy Code, this approval  
15 enabled the Debtor to send you this Disclosure Statement and solicit your acceptance of the Plan.  
16 The Bankruptcy Court has not, however, passed on the Plan itself, nor conducted a detailed  
17 investigation into the content of this Disclosure Statement.

18 **D. VOTING INSTRUCTIONS**

19 1. How to Vote.

20 A ballot is enclosed herewith for creditors entitled to vote on the Plan. To vote on the  
21 Plan, indicate on the enclosed ballot that you accept or you reject the Plan and sign your name  
22 and mail the ballot in the envelope provided for this purpose.

23 In order to be counted, ballots must be completed, signed and returned so that they are  
24 received no later than 4:00 P.M. prevailing Pacific Time on \_\_\_\_\_, 2016 at the following  
25 address:

26 **By U.S. Mail:**

27 Donlin, Recano & Company, Inc.  
28 **Re: Peek Kids Ballot Processing**  
Attn: Voting Department  
PO Box 192016 Blythebourne Station  
Brooklyn, NY 11219

1 **By Overnight or Hand Delivery:**

2 Donlin, Recano & Company, Inc.  
3 **Re: Peek Kids Ballot Processing**  
4 Attn: Voting Department  
5 6201 15<sup>th</sup> Ave  
6 Brooklyn, NY 11219

7 Do not send your ballot via facsimile or e-mail.

8 If your ballot is not properly completed, signed and returned as described, it will not be  
9 counted. If your ballot is damaged or lost, you may request a replacement by sending a written  
10 request to the foregoing address.

11 2. Who May Vote.

12 The Plan divides creditors' claims into three (3) Classes. Class 1, consisting of secured  
13 claims. Class 2, consists of general unsecured claims. Class 3 consists of the Late Filed Claim.  
14 There is one Class of Interests, Class 4.

15 Classes of creditors which are impaired by the Plan are entitled to vote. A Class is  
16 impaired if legal, equitable or contractual rights attaching to the claims or interest of the Class  
17 are modified, other than by curing defaults and reinstating maturities. Holders of Claims in  
18 Classes 2 and 3 are impaired and entitled to vote on the Plan.

19 In determining acceptances of the Plan, the vote of creditor will only be counted if  
20 submitted by a creditor whose claim is an "allowed" claim. Generally speaking, a creditor holds  
21 an allowed claim if such claim is duly scheduled by the Debtor as other than disputed, contingent  
22 or unliquidated, or the Creditor has timely filed with the Bankruptcy Court a proof of Claim  
23 which has not been objected to or disallowed prior to computation of the votes on the Plan. The  
24 Ballot form which you received does not constitute a proof of Claim.

25 **E. CONFIRMATION**

26 "Confirmation" is the technical phrase for the Bankruptcy Court's approval of a Chapter  
27 11 plan of reorganization/liquidation. At the Confirmation Hearing, in order to confirm the Plan,  
28 the Debtor must demonstrate that the Plan satisfies the requirements of section 1129 of the  
Bankruptcy Code. If the Bankruptcy Court determines that all of the requirements of section  
1129 have been met, the Bankruptcy Court will enter an order confirming the Plan. The Debtor

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1 believes that the Plan satisfies all statutory requirements of Chapter 11 of the Bankruptcy Code  
2 for Confirmation of the Plan.

3 Voting is tabulated by class. As discussed above, a class of creditors has accepted a plan  
4 of reorganization if the plan has been accepted by 2/3 in dollar amount and more than 1/2 in  
5 number of creditors holding allowed claims in that class who actually vote to accept or reject  
6 such plan. Even if a class of creditors or interests votes against a plan of reorganization, that  
7 plan may nevertheless be confirmed by the Bankruptcy Court, notwithstanding the negative vote  
8 of that class, so long as certain statutory requirements are met by the plan. This is called a “cram  
9 down.” If necessary, the Debtor is prepared to seek confirmation of the Plan through a cram  
10 down.

11 The Bankruptcy Court has set a hearing on \_\_\_\_\_, 2016 to determine whether  
12 the Plan has been accepted by the requisite number of Creditors and whether the other  
13 requirements for Confirmation of the Plan have been satisfied. The hearing may be continued  
14 from time to time and day to day without further notice. If the Bankruptcy Court confirms the  
15 Plan, it will enter the Confirmation Order. Any objections to Confirmation of the Plan must be  
16 in writing and must be filed with the Clerk of the Bankruptcy Court and served on counsel for  
17 the Debtor and the Office of the United States Debtor on or before \_\_\_\_\_, 2016.

18 Counsel on whom objections must be served are:

19 **Counsel for the Debtor**

20 Nuti Hart LLP  
21 Attn: Gregory C. Nuti, Esq./Kevin W. Coleman, Esq.  
22 411 30<sup>th</sup> Street, Suite 408  
23 Oakland, CA 94609

24 And

25 **Office of the United States Trustee**

26 Office of the United States Trustee  
27 Attn: Donna S. Tamanaha, Esq.  
28 235 Pine Street, Suite 700  
San Francisco, CA 95104-3401

29 **F. DISCLAIMERS**

30 This Disclosure Statement contains information which may bear upon your decision to  
31 accept or reject the proposed Plan. Please read this document with care. The purpose of this

1 Disclosure Statement is to provide “adequate information” of a kind, and in sufficient detail, as  
2 far as is reasonably practicable in light of the nature and history of the Debtor and the condition  
3 of the Debtors’ books and records, that would enable a hypothetical reasonable investor typical  
4 of holders of claims or interests of the relevant Class to make an informed judgment concerning  
5 the Plan. *See* 11 U.S.C. § 1125(a).

6 For the convenience of creditors, this Disclosure Statement summarizes the terms of the  
7 Plan, but the Plan itself qualifies any summary. If any inconsistency exists between the Plan and  
8 this Disclosure Statement, the terms of the Plan are controlling.

9 No representations concerning the Debtor’s financial condition or any aspect of the Plan  
10 are authorized by the Debtor other than as set forth in this Disclosure Statement. Any  
11 representations or inducements made to secure your acceptance other than as contained in or  
12 included with this Disclosure Statement should not be relied upon by you in arriving at your  
13 decision.

14 The contents of this Disclosure Statement should not be construed as legal, business or  
15 tax advice. Each Creditor or Interest holder should consult his or her own legal counsel and  
16 accountant as to legal, tax and other matters concerning his or her Claim.

17 **G. PLAN SUMMARY**

18 1. The Plan Classifies Claims

19 The following is a brief summary of the Plan, which is qualified in its entirety by  
20 reference to the Plan, attached as **Exhibit A** to this Disclosure Statement.

21 All remaining assets of the Estate shall be liquidated and distributed to creditors as set  
22 forth under the terms of the Plan. Under the Plan, claims other than Administrative Claims and  
23 Tax Claims entitled to priority are divided into several classes. The several classes of claims fall  
24 into three categories: (i) secured claims, (ii) general unsecured non-priority claims; and (iii) the  
25 Late Filed Claim. There is also one class of Interests consisting of holders of stock, or other  
26 equity interests in the Debtors.

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28

1           2.       Actual Recoveries to Creditors Are Uncertain.

2           At this time the Debtor cannot predict precisely the timing or amount of any remaining  
3 recoveries with any certainty, success inherently depends on facts not currently known and  
4 circumstances that may be beyond its control. As of the date of this Disclosure Statement, the  
5 Debtor has not identified any Litigation Claims that would materially affect the estimated  
6 distributions. Similarly, the Debtor has not identified any potential objections to claims that  
7 would materially affect the estimated distribution. The net amount of funds currently available is  
8 set forth on the attached **Exhibit B**. Holders of allowed unsecured claims in Class 2 will receive  
9 pro rata distributions of the cash remaining after satisfying all administrative claims, secured  
10 claims and priority claims. The Debtor does not believe that there will be sufficient funds to pay  
11 Class 2 unsecured non-priority claim holders in full, but rather, creditors in Class 2 will receive  
12 approximately 23% on account of their allowed claims. The holder of the Class 3 Late Filed  
13 Claim will share in the pro rata distribution of Class 2 *only if* it obtains an order from the  
14 Bankruptcy Court allowing the Late Filed Claim. If the Holder of the Late Claim fails to obtain  
15 an order allowing its claim as set forth in the Plan, it will not receive any payment under the  
16 Plan<sup>4</sup>. The Plan cancels all ownership interests (whether stock, or other interests) in the Debtor.  
17 Hence, Interests in Class 4 are entitled to no distributions under the Plan and are deemed to reject  
18 the Plan.

19   **II.    OVERVIEW OF CHAPTER 11 CASE**

20           This section of the Disclosure Statement discusses the significant events in the Chapter  
21 11 case to date, including events leading up to the commencement of the case. Copies of all  
22 relevant court papers are on file with the Bankruptcy Court.

23           **A.    EVENTS LEADING UP TO THE FILING OF THE CHAPTER 11 CASE**

24           1.       Corporate Snap Shot

25           As of its bankruptcy filing on February 5, 2016 (“Petition Date”), Peek sold high-end  
26 children’s clothing through twenty (21) retail stores in ten (10) states (one of which closed on  
27

28 <sup>4</sup> The distribution analysis set forth on Exhibit B assumes the Late Filed Claim will be allowed and included in Class 2.

1 January 23, 2016), a wholesale relationship with Nordstrom department stores, and an  
2 Ecommerce platform. In addition to its retail locations, Peek maintained corporate offices at 425  
3 Second Street, San Francisco, California and a distribution center located at 2256 MacArthur  
4 Blvd., Tracy, CA 95376.

5 Peek's gross revenues in the fiscal year 2014 were \$26,899,638, and \$28,842,234 in  
6 fiscal year 2015. From this revenue, Peek incurred losses in 2014 and 2015 of \$5,033,743 and  
7 \$6,670,211, respectively – an average of approximately \$550,000 per month.

8 Peek's primary assets consisted of its inventory, trademarks and related intellectual  
9 property, fixtures located at its stores, office equipment, accounts receivable, and  
10 approximately \$1,124,500 in cash. Peek owned no real property – all of its store locations,  
11 warehouse facilities, and headquarters space were leased.

12 Peek had approximately 170 employees who were owed accrued wages totaling  
13 approximately \$109,000.00 from February 1, 2016 through the Petition Date. In addition, Peek  
14 also had incurred approximately \$121,500.00 in severance obligations prior to the Petition Date.  
15 Peek has no secured debt or unsecured liabilities to any banks or other financial institutions, and  
16 it was current on all of its state, federal and local tax liabilities as of the Petition Date.

17 After an exhaustive two-year search for a strategic investor or buyer in 2014 and 2015, on  
18 February 4, 2016, Peek entered into an asset purchase agreement with Charlotte Russe, Inc. to  
19 sell its inventory, trademarks, store fixtures, Ecommerce platform, and leases for eight (8) of the  
20 retail stores<sup>5</sup>. The primary goal of the proposed transaction with Charlotte Russe was to  
21 maximize returns to unsecured creditors by: (a) minimizing the accrual post-bankruptcy  
22 operational losses, rent and other administrative expenses, (b) reducing the pool of lease  
23 rejection claims through assignment of those leases, and (c) maximizing the recoveries from  
24 store inventory not sold to Charlotte Russe. As set forth below, Peek closed the sale to Charlotte  
25 Russe on March 18, 2016.

26  
27  
28 <sup>5</sup> During the bankruptcy proceedings, Charlotte Russe agreed to buy an additional four (4) retail locations.

1           2.       The Birth of Peek

2           After working in retail sales since of the age of 16, founder and former CEO, Tina  
3 Canales began her fashion career with The GAP. She began her 12-year tenure at the The Gap  
4 as assistant store manager and subsequently held several field positions including manager of its  
5 high-profile Melrose Avenue retail location. She was later promoted to merchandising, holding  
6 a variety of posts throughout the brand’s many divisions. As a senior merchant, Ms. Canales  
7 gained experience identifying trends and sourcing opportunities, in planning, production, design  
8 and delivery of product. Ultimately, she was promoted to Vice President of Women’s  
9 merchandising, a \$4 billion brand division, with both domestic and international responsibilities.

10           After leaving The Gap in 2001, Ms. Canales, along with a partner, formed Peek in 2006  
11 based on a concept to address a void that she believed existed in the children’s clothing market:  
12 a premium children’s brand that offers high quality contemporary clothes. Peek’s merchandise  
13 addressed the same considerations that adults demanded and expected in their wardrobe and that  
14 kids would love to wear: thoughtful detail, luxurious materials and interesting finishes that come  
15 together in durable, easy care styles that appeal to a child’s sensibility and comfort while  
16 appealing to an adult’s sense of style. Additionally, Peek retail locations also featured a curated  
17 collection of books, toys and accessories to compliment the clothing collection in a sophisticated  
18 and fun environment. The name “Peek... Aren’t You Curious” stems from a concept related to  
19 this product offering and the intersection of an adult’s nostalgic “peek” back into their own  
20 childhood, while “peeking” forward into their child’s future.

21           Peek’s business plan was developed with three channels of distribution: company owned  
22 and operated stores, wholesale, and online Ecommerce. Six distinct proprietary sub-branded  
23 product lines were created to allow style and personality separation which would also offer  
24 distinct wholesale opportunities. The sub brands were: Fleur des Champs, Williams and Sons,  
25 Sgt. Fletcher, Surf Royalty, Craft Dungarees and Little Peanut.

26           Peek generated roughly 60% of its revenue from its retail locations, 8% from through  
27 Ecommerce, and 32% through wholesale distributions. As noted above, gross revenue in fiscal  
28 year 2014 and 2015 were approximately \$26.8 million and \$28.8 million respectively, but from

1 this revenue Peek incurred losses in 2014 and 2015 of \$5,033,743 and \$6,670,211, respectively –  
2 an average of approximately \$550,000 per month.

3 3. Peek's Financial History

4 In 2006, Peek was initially formed as a limited liability company with \$3.0 million in  
5 capital contributed by its founders. With the initial capital, Peek opened its first three physical  
6 stores, the first of which was opened in February of 2007 and located in Santa Monica, CA. In  
7 October 2007, Peek opened its second store in Corte Madera, CA, followed by a third store in  
8 November, 2007 in Scottsdale, AZ. Peek also launched its Ecommerce site that same year.

9 After this initial launch, Peek sought outside investor capital and closed a \$5.15 million  
10 first round of funding in September 2007. As a result of this financing, Peek converted to a C  
11 Corp.

12 In 2008, Peek opened four additional stores: (1) Fashion Island in Newport Beach CA.  
13 (April), (2) Americana at Grand in Glendale CA (May), (3) Fashion Valley in San Diego CA  
14 (August), and (4) Northpark in Dallas TX (October). Peek continued to develop Ecommerce and  
15 launched its wholesale channel, supplying several specialty boutiques and Barney's New York.

16 In 2008, Peek closed a second financing for \$10 million from Mousseluxe SARL. In late  
17 2008, however, Peek began to suffer a series of setbacks related to the downturn caused by the  
18 Great Financial Crisis. This change in the economic environment resulted in Peek receiving an  
19 inordinate number of wholesale order cancellations against product for which Peek was already  
20 obligated and several unpaid wholesale invoices. In response to the deteriorating overall  
21 economic situation in 2008 and 2009, Peek began to renegotiate the existing rent structures,  
22 evaluate store locations, focus on building instore staff and close down the then un-profitable  
23 wholesale channel. Ultimately Peek shuttered three retail locations<sup>6</sup>, while it negotiated rent  
24 relief on the remaining stores.

25 Peek soon recognized that as a small vertical retailer it lacked economies of scale to  
26 achieve target margin efficiency or to internally support the needed infrastructure in areas of  
27 Ecommerce, Real Estate, IT, Logistics and Marketing. Peek determined that the best course was

28 <sup>6</sup> One each in Glendale CA (November 2009), Roseville (July 2010), and Fashion Valley (May 2011).



1 to identify strategic partners. In August of 2010, Peek partnered with Nordstrom Inc., with Peek  
2 providing Nordstrom with Peek designed product through its wholesale channels, thus increasing  
3 Peek's economy of scale and increasing margin efficiency. Nordstrom also agreed to assist in  
4 Marketing, IT, Ecommerce and Real Estate.

5 Equally as important, Nordstrom and Mousseluxe SARL each made an additional equity  
6 investment in the company to finance its inventory purchases and assure that Peek was  
7 financially viable. The financing was structured as a common stock investment.

8 Peek's wholesale relationship with Nordstrom quickly grew from an initial product  
9 offering in 20 Nordstrom stores in March of 2011, to 50 in May 2011 and to all 115 Nordstrom  
10 stores by July 2011. In 2011, Peek generated \$1.7 million in revenue from this relationship.

11 In 2012, Peek again sought to grow, opening four stores: (1) University Village, Seattle  
12 WA (May 2012), (2) Fashion Place, Murray UT (August 2012), (3) Fashion Square, Scottsdale  
13 AZ (August 2012), and (4) Bellevue Square, Seattle WA (October 2012).

14 In 2013, Mousseluxe and Nordstrom committed to invest \$6.4 million each in additional  
15 common equity to fund store growth. Peek opened an addition seven (7) new stores in 2013: (1)  
16 University Center in La Jolla CA (April 2012), (2) Chestnut Street in San Francisco CA (August  
17 2013), (3) Houston Galleria in Houston TX (September 2013), (4) Park Meadows in Denver CO  
18 (September 2013), (5) Northbrook Court in Northbrook IL (October 2013), (6) Oakbrook in  
19 Oakbrook, IL (November 2013), and (7) Merrick Park in Coral Gables FL (December 2013).

20 In 2014, Peek engaged the investment bank of William Blair & Company to advise and  
21 assist in seeking growth equity capital to continue its store build out, make a significant  
22 Ecommerce investment and execute on much needed marketing initiatives in order to become a  
23 fully realized Omni-channel retailer. William Blair expressed high confidence that the thorough  
24 growth plan would yield several prospective, competitive investor partners. However, after more  
25 than eight months of management focus on due diligence, investor information and meetings, no  
26 viable investor emerged. During this period, Mousseluxe and Nordstrom each committed up to  
27 an additional \$6 million in convertible bridge notes to provide working capital until a strategic  
28 partner was identified.

1 Peek opened five new locations in anticipation of obtaining additional growth capital: (1)  
2 Phipps Plaza in Atlanta GA (April 2014), (2) Damen Avenue in Chicago IL (May 2014), (3) The  
3 Woodlands in TX (September 2014), (4) Mall of America in Minneapolis MN (October 2014)  
4 and (5) Aventura in Miami FLA (November 2014). Peek also continued to invest in  
5 infrastructure and headcount. Peek's operating loss, however widened to \$5 million, driven  
6 largely by new store operating costs, key talent upgrades to set the foundation for growth, along  
7 with consulting and other onetime investments. When William Blair failed to source any viable  
8 investors, Peek targeted operational initiatives to develop a five-year plan to profitability by early  
9 2018. Based on this plan, Mousseluxe and Nordstrom funded an additional \$4.6 million,  
10 converted to equity existing bridge notes of \$10.7 million and structured another equity round of  
11 funding. The early 2015 plan proved to be overly optimistic as Peek faced a retail environment  
12 in which competitors aggressively competed on price forcing Peek to mark down its prices more  
13 aggressively in order to monetize product inventory, which in turn caused a sizeable impact to  
14 sales, margin, profitability and cash reserves.

15 By late July 2015, Peek identified a need to close several stores and reduce headcount.  
16 But even with these reductions, the company would be cash challenged by late 2015/early 2016.  
17 At this point, Mousseluxe and Nordstrom, Peek's two majority shareholders, indicated that they  
18 were not interested in making further investments in Peek, but Nordstrom was open to any  
19 solution that preserved the wholesale relationship.

20 4. Marketing of Assets

21 In mid-August, Peek and Nordstrom investigated an acquisition of Peek by Nordstrom.  
22 A proposal was developed that would close 10 unprofitable retail locations, leverage  
23 Nordstrom's scale, operational and functional expertise and reduce Peek's head count. The  
24 savings generated were expected to yield positive EBITDA in 2016. On September 28, 2015,  
25 Nordstrom, after serious internal consideration, declined to pursue the opportunity. It should be  
26 noted again that Nordstrom had made a substantial investment in Peek, served on Peek's board,  
27 and had continued interest in continuing the Peek wholesale business. It therefore seemed to be  
28

1 best positioned to understand the value proposition in acquiring a scaled back version of Peek,  
2 and so its decision not to proceed raised questions about Peek's overall value.

3       On September 30, 2015, Peek's board convened to discuss options, including ceasing  
4 operations and filing Chapter 7 bankruptcy by the end of fiscal year 2015, while continuing to  
5 pursue any "last ditch" investors or acquirers. Peek's Board Chair, CEO and CFO had a series of  
6 meetings with William Blair to identify potential investor/acquirers and define a timeline. It was  
7 quickly apparent that the process to identify, engage and complete a transaction would be too  
8 lengthy, too costly and held little to no probability of success. As a result, Peek terminated its  
9 relationship with William Blair but continued to independently seek an investor/acquirer. In mid-  
10 October, Peek needed to decide whether to order Spring inventory for both retail locations and  
11 Nordstrom's wholesale purchase to be delivered beginning in January, a financial commitment  
12 of several million dollars. In the normal course, Peek places its orders for product with its  
13 overseas manufacturers several months in advance of when the product is needed in the stores  
14 for the next season. Thus, Spring inventory is ordered in mid-October, with deliveries starting  
15 the following January and continuing through February. In general, Peek becomes financially  
16 obligated for inventory from the manufacturer upon each shipment being invoiced and placed in  
17 transit to Peek's distribution center. For inventory sold at wholesale, e.g. to Nordstrom,  
18 Nordstrom becomes obligated to Peek upon the shipment from Peek to Nordstrom. Peek  
19 struggled whether to place its Spring inventory orders given the uncertainty of whether it would  
20 still be operating by the time the shipments were ready. While Peek was not legally obligated for  
21 the product until shipped, it did not want its manufacturers to incur production costs if Peek  
22 would be ceasing operations prior to the Spring season. With the Spring 2016 inventory  
23 commitments looming, Nordstrom verbally agreed, in essence, to guarantee acceptance of 100%  
24 of Peek's Spring 2016 inventory production. In addition to purchasing inventory through the  
25 wholesale relationship, Nordstrom agreed to pay for inventory originally intended for Peek's  
26 own retail locations in the event Peek shut down at year end. This gave Peek some comfort in  
27 ordering Spring inventory for its retail locations and extended the time Peek had to seek another  
28 investment/acquisition solution.

1 In late October, early November, Peek met with the Gap Inc. to gauge any potential  
2 interest the Gap may have had in either investing or acquiring Peek. After consideration, Gap  
3 Inc. also passed on the opportunity.

4 5. Purchase Offer from Charlotte Russe, Inc.

5 In mid-November, Peek was approached by Charlotte Russe, to discuss Charlotte Russe's  
6 potential interest in investing in or acquiring Peek. Charlotte Russe had learned of Peek's  
7 situation from sources within the industry. After a series of meetings and expedited due  
8 diligence which began in earnest in early January 2016, Charlotte Russe offered to purchase  
9 some of Peek's assets pursuant to an Agreement for Purchase and Sale of Assets ("APA") dated  
10 February 4, 2016. Under the terms of the APA, Charlotte Russe agreed to acquire the following  
11 assets:

- 12 • 8 of Peek's 21 retail stores<sup>7</sup>
- 13 • Inventory, trade fixture and other operating assets;
- 14 • Inventory at Peek's distribution centers and in transit;
- 15 • Ecommerce assets and associated contracts;
- 16 • Assumption of contracts for inventory ordered but not yet delivered;
- 17 • \$597,654 account receivable owed by Nordstrom for inventory sales (but it should  
18 be noted that Charlotte Russe assumed an \$850,438 corresponding liability which  
19 represents Peek's inventory purchase obligation to the vendors); and
- 20 • Intellectual property associated with the design and manufacturing of Peek's  
21 brand and product lines.

22 6. The Sale to Charlotte Russe and Cessation of Business

23 Peek filed this proceeding on February 5, 2016 and immediately sought Court approval to  
24 (1) close the proposed transaction with Charlotte Russe pursuant to 11 U.S.C. § 363 (the "363  
25 Sale"); and (2) conduct going out of business sales and cease operations at the retail locations not  
26 included in the 363 Sale. The Court approved the procedures and timing for conducting the 363  
27

28 <sup>7</sup> Charlotte Russe later agreed to purchase an additional four (4) retail locations during the process of obtaining Court approval of the sale.

1 Sale pursuant to its Order Granting Motion to Approve Bidding and Sale Procedures and Setting  
2 Sale Hearing Date dated February 16, 2016 [docket no. 64], setting a hearing for March 10, 2016  
3 to consider the 363 Sale.

4 Several landlords raised formal and informal objections to the terms of the 363 Sale.  
5 Peek and Charlotte Russe engaged these landlords in discussions in an attempt to resolve their  
6 objections. These discussions were successful and led to an amendment to the APA whereby  
7 Charlotte Russe agreed to purchase four (4) additional retail locations and the assumption of their  
8 related leases. The Court approved the 363 Sale at the March 10 hearing and by its subsequent  
9 Order Granting Motion to Approve Sale Free and Clear of Liens and Interests dated March 14,  
10 2016 [docket no. 148].

11 Peek closed the 363 Sale with Charlotte Russe on March 18, 2016. Peek wound down its  
12 operations at its other nine (9) retail locations, rejected the associated leases, and ceased  
13 operations. Thus, Peek has no ongoing business operations.

14 The consideration provided by Charlotte Russe was an assumption of Peek's obligations  
15 under the leases for the retail locations and the various other executory contracts, and its liability  
16 for so-called "Spring 2" inventory purchases that, as noted above, was approximately \$850,000.  
17 Charlotte Russe further agreed to pay Peek the amount of all security deposits held by landlords  
18 at the retail locations it acquired that in the aggregate total in excess of \$48,000.00 (which would  
19 be unavailable to creditors if the leases were rejected), to pay an additional \$10,000 for fixtures  
20 located at some of the closed stores, and reimburse Peek for certain pre-paid expenses.

21 Although the transaction did not generate substantial cash, it did reimburse Peek for the  
22 potential administrative cost of the post-petition Spring inventory deliveries, and relieve Peek  
23 from substantial lease and contract rejection damage claims. Most importantly, approval of the  
24 sale stopped the operational cash drain of \$550,000 per month and allows Peek now to distribute  
25 more cash to a smaller pool of unsecured creditors than if all 20 remaining stores were closed.

26 At this point, Peek has no ongoing operations. All Peek's assets have been liquidated and  
27 converted to Available Cash. Peek is currently analyzing potential Litigation Claims, including  
28 Avoidance Actions, and Claim Objections. As of the date of this Disclosure Statement, Peek has

1 not identified any such claims that would materially alter the projected distributions set forth  
2 herein.

### 3 **III. DESCRIPTION OF THE PLAN**

4 A discussion of the principal provisions of the Plan as they relate to the treatment of  
5 Classes of Allowed Claims is set forth below. The discussion of the Plan which follows  
6 constitutes a summary only, and should not be relied upon for voting purposes. You are urged to  
7 read the Plan in full in evaluating whether to accept or reject the Plan proposed by the Debtor. If  
8 any inconsistency exists between this summary and the Plan, the terms of the Plan shall control.

#### 9 **A. DESCRIPTION OF CLASSES**

10 The Plan divides Creditors into three (3) Classes. Creditors with similar Claims are  
11 placed in the same Class. There is one (1) Class of Interests under the Plan.

12 **Class 1 Claims (Unimpaired)**. Class 1 consists of creditors holding valid lien claims  
13 against property of the Estate.

14 **Class 2 Claims (Impaired)**. Class 2 consists of general unsecured claims. Class 2  
15 claims are Impaired.

16 **Class 3 Claims (Impaired)**. Class 3 consists of the Late Filed Claim. The Class 3 claim  
17 is Impaired.

18 **Class 4 Interests (Impaired)**. Class 4 consists of Equity Interests in the Debtor. Class 4  
19 Equity Interests are Impaired.

#### 20 **B. TREATMENT OF UNCLASSIFIED CLAIMS**

##### 21 **Administrative Claims.**

22 Administrative Claims will fall in one of two categories: (1) administrative claims  
23 asserted by general creditors of the estate and (2) administrative claims held by professionals  
24 employed by the Debtor in these proceedings. If the Administrative Claim is held by a general  
25 creditor of the estate and it remains unpaid, such creditor must file an Administrative Claim no  
26 later than thirty (30) days of entry of the Confirmation Order. If the Administrative Claim is  
27 held by a professional employed by the Debtor in this case, a Fee Application must be filed no  
28

1 later than sixty (60) days after entry of the Confirmation Order. An Administrative Claim for  
2 professional fees will be paid if and to the extent that it is Allowed by the Bankruptcy Court.

3 Each holder of an Allowed Administrative Claim will receive either a single payment for  
4 its Allowed Administrative Claim or another amount as agreed with the Debtor. The payment  
5 will be made on the Effective Date or upon allowance of the Administrative Claim, whichever  
6 occurs later. The Payment will be from the Available Cash upon Confirmation, and or proceeds  
7 from the recoveries from Remaining Assets. Aggregate unpaid Administrative Claims is  
8 currently estimated be approximately \$662,805.26<sup>8</sup>. See Exhibit B.

9 Priority Tax Claims

10 (i) To the extent not paid prior to the Effective Date, all Tax Claims against the  
11 Debtors that are entitled to priority under Section 507(a)(8) shall be paid in full with interest at  
12 the applicable rate determined under non-bankruptcy law pursuant to 11 U.S.C. § 511 on the  
13 later of: (a) the Effective Date, or (b) the date the Tax Claim is allowed by a Final Order.

14 (ii) Several local taxing authorities have filed proofs of claim for taxes due,  
15 asserting that these claims are entitled to treatment as secured claims.<sup>9</sup> The Plan defines these  
16 claims as Asserted Secured Tax Claims. There is, however, no property of the estate to which  
17 the Asserted Secured Tax Claims attach. This is because the Debtor no longer has rights in any  
18 leaseholds – they have all been rejected or assumed and assigned to Charlotte Russe – and the  
19 Court’s March 14, 2016 order approving the sale to Charlotte Russe provided for the attachment  
20 of only the lien asserted by Dallas County, Texas to the proceeds received upon sale. Although  
21 not entitled to treatment as secured claims, each Asserted Secured Tax Claim shall be treated as a  
22 priority unsecured claim pursuant to 11 U.S.C. §507(a)(8). To the extent not paid prior to the  
23 Effective Date, all Asserted Secured Tax Claims against the Debtors shall be paid in full in the  
24 amount as set forth in the Claim with interest at the applicable rate determined under non-  
25 bankruptcy law pursuant to 11 U.S.C. § 511 on the later of: (a) the Effective Date, or (b) the date  
26 the Tax Claim is allowed by a Final Order. Any Claim Holder that filed an Asserted Secured

27 <sup>8</sup> Sum of Administrative Costs (\$93,250.00), Professional Administrative Costs (\$484,145.22) and Other Administrative Costs  
28 (\$85,410.04).

<sup>9</sup> A list of the Asserted Secured Tax Claims is set forth on Exhibit A to the Plan.

1 Tax Claim in an estimated amount and asserts amounts in addition to the amounts set forth in its  
2 filed Claim shall file an amended claim asserting such additional amounts within thirty (30) days  
3 of the Effective Date. The Debtor shall pay or object to any such claim for additional amounts  
4 within thirty (30) days.

5 Aggregate unpaid Priority Tax Claims and Asserted Secured Tax Claims is  
6 approximately \$ 131,044.39. *See* Exhibit B.

7 U.S. Trustee Fees

8 The Debtor shall pay in cash in full on the Effective Date any statutory fees then owing  
9 and unpaid to the U.S. Trustee, or to the Bankruptcy Court. After the Effective Date, the  
10 Liquidating Debtor shall pay a quarterly fee to the U.S. Debtor, for deposit into the U.S.  
11 Treasury, for each quarter (including any fraction thereof) until this chapter 11 case is converted,  
12 dismissed, or closed by entry of a final decree, pursuant to Section 1930(a)(6) of Title 28, United  
13 States Code.

14 **C. TREATMENT OF CLASSIFIED CLAIMS**

15 Secured Claims.

16 **Class 1— Allowed Secured Claims (Unimpaired):** Allowed Secured Claims will  
17 receive payment in full from the funds they currently hold securing such claims and shall not  
18 receive any further payments under the Plan on account of the secured portion of any Claim.  
19 Specifically, the Allowed Secured Claims of IMI Market Street, Bellevue Square, and HG  
20 Galleria LLC shall be paid in full from the funds in their possession securing such claims. The  
21 Allowed Secured Claim of Taxing Authorities Dallas County shall be paid from the funds set  
22 aside pursuant to paragraph 11 of the Bankruptcy Court’s Order Granting Motion to Approve  
23 Sale Free and Clear of Liens and Interests [Docket No. 148].

24 Unsecured Claims.

25 **Class 2 – General Unsecured Claims (Impaired):** Class 2 claims shall share in pro rata  
26 distributions from Available Cash, after paying all unclassified claims, allowed secured claims,  
27 administrative claims, and priority claims in full.

28



1           Late Filed Claim.

2           **Class 3 –Late Filed Claim (Impaired):** The Late Filed Claim shall receive no  
3 distribution *unless* within sixty (60) days of the Confirmation Order, the Claim Holder of the  
4 Late Filed Claim obtains an order from the Bankruptcy Court allowing the Late Filed Claim, in  
5 which case the Late Filed Claim shall be placed in Class 2 and share in pro rata distributions  
6 from Available Cash.

7           Interests.

8           **Class 4 – Equity Interests of the Debtor (Impaired):** Equity Interests of the Debtor  
9 shall receive no distributions and retain no interest.

10 **D.     IMPLEMENTATION OF THE PLAN**

11           The Plan will be implemented as follows:

12           1.     Assets Shall Remain Property of the Estate

13           Pursuant to Section 1141(b) of Title 11, upon Confirmation all assets of the Debtor or  
14 Debtor's Estate shall remain in the Debtor's Estate to be distributed by the Debtor according to  
15 the terms of the Plan. The Debtor will be deemed to have all powers, authority and  
16 responsibilities of a Debtor under sections 704, 108 and 1106 of the Bankruptcy Code and Rule  
17 2004 of the Bankruptcy Rules. All remaining property of the Estate will be distributed by the  
18 Debtor pursuant to the Plan free and clear of all Liens. From and after the Effective Date, the  
19 Debtor may dispose of assets free of any restrictions contained in Sections 361, 363, 364, or 365  
20 of the Bankruptcy Code, provided however, that disposition of any proceeds is made in  
21 accordance with the Plan.

22           The Debtor may retain counsel and other professionals as necessary in any matter related  
23 to the administration of the Remaining Assets or the performance of its duties under the Plan.  
24 After the Effective Date, professional fees and other expenses incurred by the Debtor will be  
25 paid from Available Cash after Confirmation, or proceeds from the recoveries from Remaining  
26 Assets without need for fee applications.

27           The Debtor, or one of its professionals under its direction, shall act as the Distribution  
28 Agent for all creditors receiving distributions under the Plan.

1           2.       Preservation of All Causes of Action

2           Except as otherwise provided in the Plan or in any contract, instrument, release or  
3 agreement entered into in connection with the Plan, the Debtor will retain and may exclusively  
4 enforce and prosecute any Litigation Claims that the Debtors or the Estate may have against any  
5 person or entity in accordance with section 1123(b) of the Bankruptcy Code. The Debtor may  
6 pursue such retained Litigation Claims in accordance with the best interests of the creditors or  
7 the Estate.

8 **E.       CLAIMS AND DISTRIBUTIONS**

9           1.       Administrative Reserve

10          On the Effective Date, the Debtor will establish a reserve for all Allowed and Contested  
11 Administrative Claims to the extent such Claims are not paid on the Effective Date (the  
12 Administrative Claims Reserve”) which is funded by the Available Cash. The Administrative  
13 Reserve will also serve to pay projected costs and expenses of administering the Estate after the  
14 Effective Date (the “Administrative Reserve”). The Debtor will make payments from the  
15 Administrative Claims Reserve to holders of Administrative Claims as soon as contested claims  
16 become Allowed Administrative Claims.

17          2.       Estimation of Claims

18          In order to effectuate distributions pursuant to this Plan and avoid undue delay in the  
19 administration of the Chapter 11 cases, the Debtor after notice and a hearing (which notice may  
20 be limited to the holder of such Contested Claim), can seek an order of the Bankruptcy Court to  
21 estimate or limit the amount of property that must be withheld from distribution on account of  
22 Contested Claims; if the Bankruptcy Court first determines whether such Claims can be  
23 estimated under the Bankruptcy Code and establish the timing and procedures for this estimation.

24          3.       Distribution Procedures

25          Notwithstanding any provision to the contrary in the Plan, distributions may be made in  
26 full or on a pro rata basis depending on (i) the amount of the Allowed Claims in a class, (ii) the  
27 cash available to Allowed Claims in the class, and (iii) the Debtor’s projection of reserves  
28 necessary to fund disputed claims and pay future costs of administration.

1 The Plan provides that the Debtor will commence making interim distributions to holders  
2 of Allowed Class 2 claims within 180 days of the Plan Effective Date, provided however, that  
3 the deadline for making the first interim distribution may be extended upon further order of the  
4 Bankruptcy Court. Except as noted below, the Debtor will make payments to the holders of  
5 Allowed Claims: (a) in U.S. dollars by check, draft or warrant, drawn on a domestic bank, or by  
6 wire transfer from a domestic bank, at the Liquidating Debtor's option, and (b) by first-class mail  
7 (or by other equivalent or superior means as determined by the Debtor).

8 4. Setoffs and Recoupment

9 The Debtor may, but will not be required to, set off against or recoup from the payments  
10 to be made pursuant to the Plan in respect of a Claim, any claim of any nature whatsoever the  
11 Debtor or the Estate may have against the holder, but neither the failure to do so nor the  
12 allowance of any Claim will constitute a waiver or release by the Debtor or the Estate of any  
13 such claim.

14 5. Full and Final Satisfaction

15 On the Effective Date, all Debts of the Debtors will be deemed fixed and adjusted  
16 pursuant to the Plan and the Debtors will have no further liability on account of Claims or  
17 Interests as set forth in the Plan. All payments and all distributions made by the Debtor under  
18 the Plan will be in full and final satisfaction, settlement and release of all Claims; provided,  
19 however, that nothing contained in the Plan will be deemed to constitute or result in a discharge  
20 of the Debtors under Bankruptcy Code section 1141(d).

21 6. Objections to Claims

22 After the Effective Date, the Debtor will have the authority to file, settle, compromise,  
23 withdraw or litigate to judgment objections to Claims. Unless otherwise provided in the Plan or  
24 ordered by the Bankruptcy Court, all objections to Claims will be filed no later than ninety (90)  
25 days after the Effective Date, unless that deadline is extended by the Court.

26 Notwithstanding any other provision of the Plan, no payment or distribution will be made  
27 with respect to any Claim until it becomes an Allowed Claim. Unless a Claim is specifically  
28 Allowed under the Plan, the Debtor reserves any and all objections to Claims, whether secured or

1 unsecured, including any objection to the validity or amount of alleged liens and security  
2 interests, whether under the Bankruptcy Code, other applicable law or contract.

3 **F. EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

4 Under section 365 of the Bankruptcy Code, a debtor may assume or reject executory  
5 contracts and unexpired leases. At the present time, the Debtor is not aware of any pre-  
6 bankruptcy contracts or leases that have not been either assumed or rejected. Nevertheless,  
7 should an unassumed / rejected contract or lease exist, the Plan provides that on the Effective  
8 Date, each such executory contract and unexpired lease that exists between the Debtor and any  
9 person that was not assumed or rejected before the Confirmation Date with the approval of the  
10 Bankruptcy Court, or for which the Debtor has not filed a motion to assume or reject before the  
11 Confirmation Date, is rejected. Entry of the Confirmation Order by the Bankruptcy Court will  
12 constitute approval of such rejections pursuant to section 365(a) of the Bankruptcy Code.

13 Notwithstanding the preceding paragraph, on the Effective Date, each Non-Disclosure  
14 Agreement that exists between the Debtors and any person, to the extent that it constitutes an  
15 executory contract, is assumed pursuant to the Plan. Entry of the Confirmation Order by the  
16 Bankruptcy Court will constitute approval of such assumptions pursuant to section 365(a) of the  
17 Bankruptcy Code.

18 Claims created by the rejection of any executory contract or unexpired lease (including  
19 claims under section 365(d)(3) of the Bankruptcy Code) must be served on the Debtor and filed  
20 with the Bankruptcy Court by the earlier of thirty (30) days after the Confirmation Date or such  
21 earlier date previously set by order of the Bankruptcy Court. Any Claims not filed within such  
22 time will be forever barred from assertion against the Debtors' Estate. Unless otherwise ordered  
23 by the Bankruptcy Court, all the Claims arising from the rejection of executory contracts will be  
24 treated as Class 2 Claims under the Plan to the extent they become Allowed Claims.

25 Notwithstanding the foregoing, the Court's Order Granting Motion To Assume and  
26 Assign Executory Contracts and Unexpired Leases In Connection With the Sale of Assets  
27 ("Assumption Order")[Docket No. 147] and Order Granting Debtor's Omnibus Motion For  
28 Authorization To Reject Certain Leases ("Rejection Order")[Docket No. 145] shall remain in full

1 force and effect and the executory contracts subject to the Assumption Order and Rejection  
2 Order shall receive the treatment as set forth therein.

3 **G. CONDITIONS TO EFFECTIVENESS**

4 The Plan will not become effective unless and until the Bankruptcy Court has entered the  
5 Confirmation Order approving the Plan in all respects.

6 **H. RETENTION OF JURISDICTION**

7 The Plan will in no way limit the Bankruptcy Court's post-confirmation jurisdiction as  
8 provided under the Bankruptcy Code. Pursuant to sections 105(a) and 1142 of the Bankruptcy  
9 Code, the Bankruptcy Court will retain and have exclusive jurisdiction (to the extent granted by  
10 applicable law, including any provisions permitting mandatory or discretionary withdrawal of  
11 such jurisdiction) over any matter (i) arising under the Bankruptcy Code, (ii) arising in or related  
12 to the Chapter 11 Cases or the Plan, or (iii) that relates to the following:

- 13 • Allowance, disallowance, reconsideration, estimation, compromise, settlement,  
14 adjustment, treatment, or liquidation of claims and objections thereto;
  - 15 • Allowance of Claims and requests for payment of Administrative Expenses of the  
16 Estate;
  - 17 • The rights, title, or interest of the Debtor, as modified or specified under the Plan, in  
18 any property, including liens thereon;
  - 19 • Resolution of controversies and disputes, including disputes regarding interpretation  
20 of the Plan and the Confirmation Order, and the correction of any mistake, defect, or  
21 omission regarding interpretation or enforcement of the Plan and the Confirmation  
22 Order;
  - 23 • Modification(s) of the Plan pursuant to Section 1127 of the Bankruptcy Code;
  - 24 • Adjudication of any actions brought by the Debtor or on behalf of the Debtor to  
25 enforce any right or recover any claim created, granted, or preserved under the Plan,  
26 including, but not limited to, Independent Claims and Causes of Action;
  - 27 • Entry of orders in aid of implementation of this Plan;
- 28

- Such other matters for which jurisdiction is provided under the Bankruptcy Code, the Plan the Confirmation Order, or other applicable law; and,
- Entry of a final decree closing the Chapter 11 Case.

#### **I. POST CONFIRMATION ISSUES**

##### **1. Payment of Statutory Fees**

All fees payable through the Effective Date pursuant to section 1930 of Title 28 of the United States Code will be paid on or before the Effective Date. All fees payable after the Effective Date pursuant to section 1930 of Title 28 of the United States Code shall be paid by the Liquidating Debtor.

##### **2. Exculpation**

Neither the Debtor, nor any of its employees, attorneys, advisors, members, shareholders, fiduciaries or agents (including any professionals retained by such persons), nor any of their respective predecessors or successors, will have or incur any liability as set forth in 11 U.S.C §1125(e) to any holder of a Claim or Interest or any other entity for any act or omission in connection with, or arising out of, the Chapter 11 case, the pursuit of approval of the Disclosure Statement or the solicitation of votes for or confirmation of the Plan or consummation or administration of the Plan or the property to be distributed under the Plan.

##### **3. Distributions in Satisfaction and Binding Effect of Plan**

Except as otherwise provided in section 1141(d)(3) of the Bankruptcy Code, on and after the Confirmation Date, the provisions of the Plan will bind any holder of a Claim against, or Interest in, the Debtor, the Estate and their respective successors or assigns, whether or not the Claim or Interest of such holders is impaired under the Plan and whether or not such holder has accepted the Plan. The rights, benefits and obligations of any entity named or referred to in the Plan, whose actions may be required to effectuate the terms of the Plan, shall be binding on and shall inure to the benefit of any heir, executor, administrator, successor or assign of such entity (including, without limitation, any trustee appointed for the Debtors under Chapters 7 or 11 of the Bankruptcy Code). All creditors will continue to be barred from commencing or continuing legal action to collect the debts owed to them, however, all creditors will retain the right to

1 commence legal actions in the Bankruptcy Court to enforce the rights granted to them under the  
2 Plan.

3 4. Final Order

4 Except as otherwise expressly provided in the Plan, any requirement in the Plan for a  
5 Final Order may be waived by the Debtors upon written notice to the Bankruptcy Court. Such  
6 waiver will not prejudice the right of any party in interest to seek a stay pending appeal of any  
7 order that is not a Final Order.

8 5. Amendments and Modifications

9 To the fullest extent permitted under section 1127 of the Bankruptcy Code, the Plan may  
10 be altered, amended or modified at any time prior to the Effective Date by the Debtor. At any  
11 time after the Effective Date, the Debtor may amend or modify the terms of the Plan if such  
12 amendment or modification is approved by the Bankruptcy Court.

13 6. Withholding and Reporting Requirements

14 In connection with the Plan and all instruments issued in connection therewith and  
15 distributions thereon, the Debtor will comply with all withholding and reporting requirements  
16 imposed by any federal, state, local or foreign taxing authority, and all distributions pursuant to  
17 the Plan will be subject to any such withholding and reporting requirements.

18 7. Tax Exemption

19 Pursuant to section 1146(c) of the Bankruptcy Code, the issuance, transfer or exchange of  
20 any security under the Plan, or the execution, delivery or recording of an instrument of transfer  
21 pursuant to, in implementation of or as contemplated by the Plan, including, without limitation,  
22 any transfers to or by the Liquidating Debtor of the Debtors' property in implementation of or as  
23 contemplated by the Plan will not be taxed under any state or local law imposing a stamp tax,  
24 transfer tax or similar tax or fee. Consistent with the foregoing, each recorder of deeds or similar  
25 official for any county, city or governmental unit in which any instrument hereunder is to be  
26 recorded shall, pursuant to the Confirmation Order, be ordered and directed to accept such  
27 instrument, without requiring the payment of any documentary stamp tax, deed stamps, stamp  
28 tax, transfer tax, intangible tax or similar tax.

1 IV. LIQUIDATION ANALYSIS

2 Pursuant to Bankruptcy Code section 1129(a)(7), unless there is unanimous acceptance of  
3 the Plan by an impaired Class, the Plan proponents must demonstrate that, and the Bankruptcy  
4 Court must determine that, with respect to such Class, each holder of a Claim or Interest will  
5 receive property of a value, as of the Effective Date of the Plan that is not less than the amount  
6 that such holder would receive if the Debtor were liquidated under chapter 7 of the Bankruptcy  
7 Code on the Effective Date of the Plan. This requirement is commonly referred to as the “best  
8 interests test.” For the reasons set forth below, the Debtor submits that the proposed Plan  
9 satisfies the “best interests test” and therefore should be approved.

10 In a Chapter 7 liquidation, holders of Allowed Claims would receive distributions based  
11 on the liquidation or collection of the Debtors’ assets. Such assets would include the same assets  
12 that are available to creditors under this Plan. However, if the Case were converted to a chapter  
13 7 case at this point, the new chapter 7 trustee and his or her attorneys and accountants would  
14 have to educate themselves regarding the remaining assets of the Estate. A new chapter 7 trustee  
15 would not have the knowledge of the Case without spending time and resources, which would  
16 ultimately add an additional layer of chapter 7 administrative expenses, which would effectively  
17 reduce the ultimate distribution to Creditors.

18 The Plan on the other hand provides for the Debtor’s current officers and current  
19 bankruptcy counsel who already have extensive knowledge of the of this Case to administer the  
20 Debtor’s assets pursuant to the Plan. Moreover, the Plan contemplates that the Debtor will not  
21 be required to seek approval from the Bankruptcy Court for the sale or disposition of any  
22 potential remaining assets, whereas a Chapter 7 trustee would be required to continue to incur  
23 these expenses. Accordingly, the Debtor believes that administration of the estate through  
24 closing can be done at less cost than if the case were converted to Chapter 7, thereby provides a  
25 higher distribution to creditors.

26 //

27 //

28 //

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1 **V. CONFIRMATION OF THE PLAN**

2 **A. BEST INTERESTS OF CREDITORS**

3 As addressed in the section IV above, the Debtor believes that confirmation of the Plan is in the  
4 best interest of the holders of Claims because it provides to holders of Impaired Claims  
5 distributions having a present value as of the Effective Date of not less than the value such  
6 holders would likely receive if the Debtor were liquidated under chapter 7 of the Bankruptcy  
7 Code.

8 In sum, the Plan proponents believe that the holders of Claims would realize less value if  
9 the case were converted to a chapter 7 case at this point. Conversion would only create  
10 unnecessary additional administrative expenses.

11 **B. FEASIBILITY**

12 In order to confirm a plan, the Bankruptcy Code requires the Bankruptcy Court to find  
13 that confirmation of the Plan is not likely to be followed by liquidation or the need for further  
14 financial reorganization of the debtor, unless that liquidation is contemplated by the plan  
15 (“Feasibility Test”). Since a form of liquidation is proposed under the Plan and no further  
16 reorganization of the Debtor is contemplated, the Plan proponents believe that the Plan meets the  
17 Feasibility Test.

18 **C. ACCEPTANCE BY IMPAIRED CLASSES**

19 Section 1129(a) of the Bankruptcy Code requires that each class of claims or interests  
20 that is impaired under a plan accept the plan subject to the “cramdown” exception contained in  
21 section 1129(b) of the Bankruptcy Code. Under section 1129(b) of the Bankruptcy Code, if at  
22 least one but not all impaired classes do not accept the Plan, the Court may nonetheless confirm  
23 the Plan if the non-accepting classes are treated in the manner required by the Bankruptcy Code.  
24 The process by which non-accepting classes are forced to be bound by the terms of the Plan is  
25 commonly referred to as “cramdown.” The Bankruptcy Code allows the Plan to be “crammed  
26 down” on non-accepting classes of claims or interests if (i) the Plan meets all confirmation  
27 requirements except the requirement of section 1129(a)(8) of the Bankruptcy Code that the Plan  
28 be accepted by each class of claims or interests that is impaired and (ii) the Plan does not

1 “discriminate unfairly” and is “fair and equitable” toward each impaired class that has not voted  
2 to accept the Plan, as referred to in section 1129(b) of the Bankruptcy Code and applicable case  
3 law.

4 A class of claims under a plan accepts the plan if the plan is accepted by creditors that  
5 hold at least two-thirds in amount and more than one-half in number of the allowed claims in the  
6 class that actually vote on the plan. A class of interests accepts the plan if the plan is accepted by  
7 holders of interests that hold at least two-thirds in amount of the allowed interests in the class  
8 that actually vote on a plan.

9 A class that is not “impaired” under a plan is conclusively presumed to have accepted the  
10 plan. Solicitation of acceptances from such a class is not required. A class is “impaired” unless  
11 (i) the legal, equitable and contractual rights to which a claim or interest in the class entitles the  
12 holder are not modified or (ii) the effect of any default is cured and the original terms of the  
13 obligation are reinstated.

14 Under the Plan, Class 2 (General Unsecured Claims) and Class 3 (Late Filed Claim) are  
15 impaired under the Plan and holders of Allowed Claims in such Class are entitled to vote to  
16 accept or reject the Plan. Class 4 ( Equity Interests) are deemed to reject the Plan.

17 The Plan provides fair and equitable treatment of impaired Claims, as either (a) each  
18 impaired secured and unsecured creditor receives or retains under the plan property of a value  
19 equal to the amount of its allowed Claim or (b) the holders of Claims and Interests that are junior  
20 to such class of impaired claims will not receive or retain any property under the Plan. Pursuant  
21 to the Plan, no holders of any Claim or Interest junior to the holders of such impaired Classes  
22 will receive or retain any property on account of such junior Claims.

23 If any impaired Class fails to accept the Plan, the Debtor intends to request that the  
24 Bankruptcy Court confirm the Plan pursuant to section 1129(b) of the Bankruptcy Code with  
25 respect to those Classes.

## 26 VI. CONCLUSION

27 **THE DEBTOR URGES YOU TO VOTE TO ACCEPT THE PLAN AND TO**  
28 **RETURN YOUR BALLOTS SO THAT THEY WILL BE RECEIVED AT THE**

1 ADDRESS AND PURSUANT TO THE PROCEDURES DESCRIBED IN SECTION IN  
2 THIS DISCLOSURE STATEMENT, NO LATER THAN 4:00 p.m. PACIFIC TIME ON  
3 November \_\_, 2016.

4  
5 Dated: August 25, 2016

NUTI HART LLP

6  
7  
8 By: /s/ Gregory C. Nuti  
9 Gregory C. Nuti  
10 Attorneys for Debtor, Peek, Aren't You  
11 Curious, Inc.  
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# EXHIBIT A

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6 Attorneys for Debtor,  
7 PEEK, AREN'T YOU CURIOUS, INC.

8 **UNITED STATES BANKRUPTCY COURT**  
9 **NORTHERN DISTRICT OF CALIFORNIA**  
10 **SAN FRANCISCO DIVISION**

11 In re:  
12 PEEK, AREN'T YOU CURIOUS, INC.,  
13 Debtor.

Case No.: 16-30146 HLB

Chapter 11

**PEEK, AREN'T YOU CURIOUS, INC.'S  
CHAPTER 11 PLAN OF LIQUIDATION  
(August 25, 2016)**

Date: October 6, 2016

Time: 10:00 a.m.

Place: 450 Golden Gate Avenue  
Courtroom 19

San Francisco, CA 94102

Judge: Hon. Hannah L. Blumenstiel

14  
15  
16  
17  
18  
19  
20 **THE DISCLOSURE STATEMENT FOR THIS CHAPTER 11 PLAN OF**  
21 **LIQUIDATION HAS NOT BEEN APPROVED BY THE BANKRUPTCY COURT AS**  
22 **CONTAINING "ADEQUATE INFORMATION" WITHIN THE MEANING OF SECTION**  
23 **1125(A) OF THE BANKRUPTCY CODE. ACCORDINGLY, THIS IS NOT A**  
24 **SOLICITATION OF ACCEPTANCE OR REJECTION OF THE PLAN. ACCEPTANCES**  
25 **OR REJECTIONS MAY NOT BE SOLICITED UNTIL THE BANKRUPTCY COURT HAS**  
26 **APPROVED THE DISCLOSURE STATEMENT. IN ADDITION, THE DISCLOSURE**  
27 **STATEMENT MAY BE REVISED TO REFLECT EVENTS THAT OCCUR AFTER THE**  
28 **DATE HEREOF BUT PRIOR TO THE COURT'S APPROVAL OF THE DISCLOSURE**  
**STATEMENT.**

1 Peek, Aren't You Curious, Inc. ("Peek" or "Debtor") proposes this Chapter 11 Plan of  
2 Liquidation (Dated August 25, 2016) (the "Plan") pursuant to the provisions of Chapter 11 of the  
3 U.S. Bankruptcy Code. The Disclosure Statement that accompanies this Plan contains a discussion  
4 of the financial condition of Peek. Confirmation of the Plan is the culmination of the Chapter 11  
5 process. Creditors should thoroughly review both the Plan and the accompanying Disclosure  
6 Statement before deciding whether to accept or reject the Plan.

#### 7 ARTICLE 1 - DEFINITIONS

8 Unless the context requires otherwise, the following definitions apply in this Plan:

9 **1.1 "Administrative Claim"** means a claim for any cost or expense of administration of  
10 a kind specified in Section 503(b) of the Bankruptcy Code that is entitled to priority over general  
11 unsecured claims under Section 507(a) of the Bankruptcy Code, including, without limitation, (i) any  
12 actual or necessary costs and expenses of preserving the bankruptcy estate incurred on or after the  
13 Petition Date and through and including the Effective Date of the Plan, (ii) any cure amounts that  
14 must be paid in connection with the assumption of any executory contract or unexpired lease of Peek  
15 under Section 365 of the Bankruptcy Code, (iii) fees payable to the court system or the U.S. Trustee  
16 under Section 1930 of Title 28, United States Code, and (iv) allowed compensation for fees and  
17 reimbursable expenses for legal and other services under Sections 330 and 331 of the Bankruptcy  
18 Code, or otherwise allowed by the Bankruptcy Court under Section 503 of the Bankruptcy Code.

19 **1.2 "Allowed Administrative Claim"** means all or any portion of an Administrative Claim that  
20 has either been (i) allowed by a Final Order or (ii) has not been objected to within the time period  
21 established by the Plan or by an order of the Bankruptcy Court.

22 **1.3 "Allowed Claim"** means a claim against the Debtors in this Chapter 11 Case, other than an  
23 Administrative Claim, as to which:

24 a. A proof of claim was (i) timely filed not later than the Claims Bar Date, or any other  
25 applicable claim filing deadline, or (ii) deemed filed under 11 U.S.C. §1111(a), or (iii) filed late  
26 pursuant to an Order of the Bankruptcy Court after notice and an opportunity for hearing appropriate  
27 in the circumstances; and  
28

1           b.       Such claim is not a Disputed Claim or an Unliquidated Claim, or, if a Disputed  
2 Claim, such claim has been allowed in whole or in part by a Final Order, provided that any such  
3 claim shall be an Allowed Claim only to the extent stated in any such Final Order. Unless otherwise  
4 provided in the Plan or ordered by the Bankruptcy Court, no distributions shall be made under the  
5 Plan with respect to the disputed portion of any Disputed Claim or Unliquidated Claim until there is  
6 a Final Order specifying the allowed amount of such claim.

7           No disputed portion of any claim shall be considered as an Allowed Claim if an objection to  
8 the allowance of such claim is made by the Debtors or another party in interest within the time set by  
9 the Plan or the Bankruptcy Court, and such objection to claim has not been denied by a Final Order  
10 of the Bankruptcy Court.

11           **1.4 “Allowed Secured Claim”** means that amount of an Allowed Claim which is secured  
12 by a lien or subject to offset within the provisions of Section 506(a) of the Bankruptcy Code.

13           **1.5 “Allowed Unsecured Claim”** means any Allowed Claim that is a general  
14 unsecured claim.

15           **1.6 “Asserted Secured Tax Claims”** means the claims filed by the state and  
16 county taxing authorities asserting secured tax claims as set forth on attached **Exhibit A**.

17           **1.7 “Available Cash”** means the Cash on hand as of the Effective Date, plus any  
18 Cash generated from the liquidation of Remaining Assets after the Effective Date.

19           **1.8 “Avoidance Actions”** means any rights, claims or causes of action (and any  
20 litigation thereon) which a trustee or debtor in possession is authorized to assert under or  
21 based upon the provisions of Bankruptcy Code §§ 542 through 551 and 553, expressly  
22 including preference claims.

23           **1.9 “Bankruptcy Code” or “Code”** means Title 11 of the United States Code, as  
24 it was in effect on the date of filing of the Plan, as amended by any amendments applicable to  
25 this Chapter 11 Case, and also includes section 157, 158, 1334, 1408-1412, and 1452 of Title  
26 28 of the United States Code.

27           **1.10 “Bankruptcy Court” or “Court”** means the United State Bankruptcy Court  
28 for the Northern District of California, San Francisco Division, having jurisdiction over the

1 Chapter 11 Case, and any other courts or panels of courts having competent jurisdiction over the  
2 Chapter 11 Case or appeals from orders entered in the Chapter 11 Case.

3 **1.11 “Bankruptcy Rules”** means the rules of practice and procedure in cases under Title  
4 11 of the United State Code, as promulgated under 28 U.S.C. §2075.

5 **1.12 “Cash”** means cash and cash equivalents.

6 **1.13 “Chapter 7”** means Chapter 7 of the Bankruptcy Code.

7 **1.14 “Chapter 11”** means Chapter 11 of the Bankruptcy Code.

8 **1.15 “Chapter 11 Case”** means the above captioned case pending in the Bankruptcy  
9 Court filed by the Debtor on the Petition Date.

10 **1.16 “Claim”** means a claim against the Debtor.

11 **1.17 “Claimholder”** means the holder of a Claim.

12 **1.18 “Claims Bar Date”** means June 13, 2016 the deadline for filing proofs of claims or  
13 interests, other than Administrative Claims.

14 **1.19 “Confirmation”** means the entry by the Bankruptcy Court of an order (the  
15 “*Confirmation Order*”) confirming the Plan.

16 **1.20 “Debtor”** means Peek, Aren’t You Curious, Inc. the debtor in the Chapter 11 Case  
17 (“Peek”).

18 **1.21 “Disputed Claim”** means any Claim, proof of which has been filed or deemed filed  
19 against the Debtor, as to which an objection or adversary proceeding has been timely filed and has  
20 not been withdrawn or disposed of by a Final Order of the Bankruptcy Court, or any claim which is  
21 designated as a Disputed Claim in this Plan or the Debtors Schedules filed in the Bankruptcy Case.

22 **1.22 “Effective Date”** means the business day designated as such by the Debtor which is  
23 not later than 30 days following the entry of the Confirmation Order, unless such order is stayed by  
24 order of a court with original or appellate jurisdiction over this Chapter 11 Case, in which event such  
25 date shall be the first business day on or after the fourteenth calendar day after such stay expires.

26 **1.23 “Estate”** means the estate of the Debtor created under Section 541 of the Bankruptcy  
27 Code by the commencement of the Chapter 11 Case.

28



1           **1.24 “Equity Interests”** means any entity or person asserting an ownership interest in the  
2 Debtor.

3           **1.25 “Final Order”** means an order of the Bankruptcy Court as to which the appeal period  
4 has expired without an appeal having been timely taken or, if an appeal is timely taken, such order  
5 has been affirmed on appeal and any time for further appeal or petition has expired without any such  
6 further appeal or petition having been filed.

7           **1.26 “Late Filed Claim”** means the claim of Turnberry Associates in the total amount of  
8 \$493,261.51 (Claim No. 56) filed on June 22, 2016 after the Claims Bar Date.

9           **1.27 “Litigation Claims”** means all claims, legal rights or causes of action of the Debtor,  
10 including, but not limited to, **Avoidance Actions**.

11           **1.28 “Petition Date”** means February 5, 2016.

12           **1.29 “Plan”** means this Chapter 11 Plan of Liquidation Dated August \_\_, 2016, and filed  
13 by the Debtor with the Bankruptcy Court, including any modification(s) or amendment(s) thereto.

14           **1.30 “Priority Claim”** means any Allowed Claim entitled to priority pursuant to Code  
15 Section 507(a), but not including Administrative Claims or Tax Claims.

16           **1.31 “Remaining Assets”** means any asset of the Debtor or the Estate that has not been  
17 reduced to **Cash** as of the **Effective Date**, including but not limited to **Litigation Claims**.

18           **1.32 “Shareholder”** means an equity owner of the Debtor.

19           **1.33 “Tax Claim”** means any Allowed Unsecured Claim entitled to priority under Section  
20 507(a)(8) of the Bankruptcy Code.

21           **1.34 “Unclaimed Property”** means any distribution that cannot be delivered to, or is not  
22 accepted by, the holder of an Allowed Claim, and shall include, without limitation, checks (and the  
23 funds represented thereby) that are returned as undeliverable without proper forwarding address, are  
24 not cashed, or are not delivered because of the absence of a proper address to which to deliver the  
25 distribution.

26           **1.35 “Unsecured Claims”** shall mean all unsecured and liquidated claims against the  
27 Debtor.

28           **1.36 “U.S. Trustee”** means the Office of the United States Trustee.

1                   **ARTICLE 2- DESIGNATION OF CLASSES OF CLAIMS AND INTERESTS**

2                   The claims against the Debtors and the equity interests in the Debtors are designated and  
3 classified as follows:

4                   **2.1**    Class 1 (Unimpaired): Class 1 consists of Allowed Secured Claims

5                   **2.2**    Class 2 (Impaired): Class 2 consists of Allowed Unsecured Claims.

6                   **2.3**    Class 3 (Impaired): Class 3 consists of the Late Filed Claim.

7                   **2.4**    Class 4 Interests (Impaired). Class 4 consists of Equity Interests in the Debtor.

8                   **ARTICLE 3 - TREATMENT OF UNCLASSIFIED CLAIMS**

9                   **3.1**    Allowed Administrative Claims: Except to the extent that the holder of an Allowed  
10 Administrative Claim, including without limitation claims for all fees and expenses of professionals  
11 previously employed by the Estate to the extent allowed by the Bankruptcy Court, has agreed in  
12 writing to different treatment of such claim or the Bankruptcy Court orders disbursement at another  
13 time, the holder of an Allowed Administrative Claim will receive cash in the allowed amount of  
14 such claim on the Effective Date, or, if such Administrative Claim is allowed after the Effective  
15 Date, then not later than ten days after the date an order allowing such Administrative Claim  
16 becomes a Final Order.

17                  **3.2**    Priority Claims:

18                   (i)     All Allowed claims against the Debtors entitled to priority under Section  
19 507(a)(2) shall be paid in full on the Effective Date.

20                   (ii)    To the extent not paid prior to the Effective Date, all Tax Claims against the  
21 Debtors that are entitled to priority under Section 507(a)(8) shall be paid in full with interest at the  
22 applicable rate determined under non-bankruptcy law pursuant to 11 U.S.C. § 511 on the later of: (a)  
23 the Effective Date, or (b) the date the Tax Claim is allowed by a Final Order.

24                   (iii)   Various local taxing authorities filed proofs of claim asserting that such  
25 claims were secured claims. With the exception of Dallas County, Texas, however, there is no  
26 property of the estate to which those tax claims can attach. (as noted above, these tax claims  
27 excluding Dallas County, Texas are defined as Asserted Secured Tax Claims). Thus, each Asserted  
28 Secured Tax Claim shall be treated as a priority unsecured tax claim pursuant to 11 U.S.C.

1 §507(a)(8). To the extent not paid prior to the Effective Date, all Asserted Secured Tax Claims  
2 against the Debtors shall be paid in full in the amount as set forth in the Claim with interest at the  
3 applicable rate determined under non-bankruptcy law pursuant to 11 U.S.C. § 511 on the later of: (a)  
4 the Effective Date, or (b) the date the Tax Claim is allowed by a Final Order. Any Claim Holder that  
5 filed an Asserted Secured Tax Claim in an estimated amount and asserts amounts in addition to the  
6 amounts set forth in its filed Claim shall file an amended claim asserting such additional amounts  
7 within thirty (30) days of the Effective Date. The Debtor shall pay or object to any such claim for  
8 additional amounts within thirty (30) days.

9 **3.3 U.S. Trustee Fees:** The Debtor shall pay in cash in full on the Effective Date any  
10 statutory fees then owing and unpaid to the U.S. Trustee, or to the Bankruptcy Court. After the  
11 Effective Date, the Debtor shall pay a quarterly fee to the U.S. Trustee, for deposit into the U.S.  
12 Treasury, for each quarter (including any fraction thereof) until this chapter 11 case is converted,  
13 dismissed, or closed by entry of a final decree, pursuant to Section 1930(a)(6) of Title 28, United  
14 States Code.

#### 15 **ARTICLE 4 - TREATMENT OF CLASSIFIED CLAIMS AND INTERESTS**

16 The classified claims and interests designated in this Article of the Plan will receive the  
17 following treatment:

18 **4.1 Class 1 Secured Claims (Unimpaired):** Allowed Secured Claims will receive  
19 payment in full from the funds they currently hold securing such claims and shall not receive any  
20 further payments under the Plan on account of the secured portion of any Claim. Specifically, the  
21 Allowed Secured Claims of IMI Market Street, Bellevue Square and HG Galleria LLC shall be paid  
22 in full from the funds in their possession securing such claims. Upon Confirmation, IMI Market  
23 Street, Bellevue Square and HG Galleria LLC shall be deemed to have relief from the stay of 11  
24 U.S.C. § 362 to apply their security to their claims. The Allowed Secured Claim of Taxing  
25 Authorities Dallas County shall be paid from the funds set aside pursuant to paragraph 11 of the  
26 Bankruptcy Court's Order Granting Motion to Approve Sale Free and Clear of Liens and Interests  
27 [Docket No. 148].  
28

1           **4.2**    Class 2 – Unsecured Claims (Impaired): Class 2 claims shall share in pro rata  
2 distributions from Available Cash. The Debtor will commence making interim distributions to  
3 holders of Allowed Class 2 claims within 180 days of the Plan Effective Date, provided however,  
4 that the deadline for making the first interim distribution may be extended upon further order of the  
5 Bankruptcy Court.

6           **4.3**    Class 3 –Late Filed Claim (Impaired): The Late Filed Claim shall receive no  
7 distribution *unless* within sixty (60) days of entry of the Confirmation Order, the Claim Holder of  
8 the Late Filed Claim obtains an order from the Bankruptcy Court allowing the Late Filed Claim, in  
9 which case the Late Filed Claim shall be placed in Class 2 and share in pro rata distributions from  
10 Available Cash. The Debtor explicitly reserves all objections to the allowance of the Late Filed  
11 Claim.

12           **4.4**    Class 4 – Equity Interests (Impaired): Equity Interests shall receive no distributions  
13 and retain no interest.

14                                   **ARTICLE 5 -MISCELLANEOUS PROVISIONS**

15           **5.1**    **Payment of Administrative Expenses.** All Administrative Expense Claims not paid  
16 prior to the Effective Date will be paid from Available Cash.

17           **5.2**    **Payment of Priority Claims.** All Priority Claims not paid prior to the Effective Date  
18 will be paid from Available Cash.

19           **5.3**    **Objections to Claims.** Except otherwise provided in the Plan, the Debtor shall file  
20 objections to Claims no later than ninety (90) days after the Effective Date, unless such deadline is  
21 extended by the Bankruptcy Court on motion filed prior to the deadline (including any extended  
22 deadline), but provided however, that if the Bankruptcy Court denies a timely request to extend the  
23 deadline for objecting to claims, the Debtor shall have fifteen (15) days from entry of an order  
24 denying such request to object to any Claims.

25           **5.4**    **Rights of Creditors Upon Default.** In addition to any other rights granted them  
26 under this Plan, in the event the Debtor is in material default under his obligations in this Plan or,  
27 any member of a class affected by the default may file a motion to dismiss the case or to convert the  
28 case to a proceeding under Chapter 7 of the Bankruptcy Code.



1           **7.3 Presumed Rejection of the Plan.** Class 4 is impaired and is conclusively presumed  
2 to have rejected this Plan.

3           **7.4 Nonconsensual Confirmation.** If any impaired Class fails to accept this Plan, the  
4 Debtor intends to request that the Bankruptcy Court confirm this Plan pursuant to section 1129(b) of  
5 the Bankruptcy Code with respect to that Class.

6                           **ARTICLE 8 - MEANS OF IMPLEMENTATION OF THE PLAN**

7           The Plan shall be implemented as follows:

8           **8.1 Vesting of Property.**

9           All property of the Debtor including all tangible and intangible property, Available Cash and  
10 Remaining Assets shall remain property of the Estate as of the Effective Date (subject to any rights  
11 of creditors created by this Plan or previous Bankruptcy Court Orders). The estate created by  
12 operation of 11 U.S.C. § 541(a) shall continue, and all assets in the Estate shall be deemed to be  
13 property of the Debtors' bankruptcy estate until distributed in accordance with this Plan.

14           **8.2 Administrative Reserve.**

15           On the Effective Date, the Debtor may establish a reserve for all Allowed and Contested  
16 Administrative Claims to the extent such Claims are not paid on the Effective Date (the  
17 "Administrative Claims Reserve") which is funded by Available Cash. The Administrative Reserve  
18 will also serve to pay projected costs and expenses of administering the Estate after the Effective  
19 Date (the "Administrative Reserve"). The Debtor will make payments from the Administrative  
20 Claims Reserve to holders of Administrative Claims as soon as Contested Claims become Allowed  
21 Administrative Claims.

22           **8.3 Payment of Administrative and Priority Claims.**

23           The Debtor, on the Effective Date, shall pay the following fees and expenses  
24 associated with the Chapter 11 case:

- 25                   (i) U.S. Trustee fees then due and unpaid;
- 26                   (ii) All Allowed Administrative Claims, unless the holder of any such claim  
27 agrees in writing to a later payment date. The Debtor shall pay any subsequently Allowed  
28

1 Administrative Claims in full promptly after a Final Order allowing such claim, unless otherwise  
2 agreed in writing by the holder of any such claim; and,

3 (iii) Allowed Priority Claims (other than Tax Claims and Asserted Secured Tax  
4 Claims) required to be paid on the Effective Date.

5 **8.4** Payment of Tax Claims.

6 The Debtor shall pay Allowed Tax Claims and Asserted Secured Tax Claims as set forth in  
7 Article 3.2(ii) and (iii) above.

8 **8.5** Estimation of Claims.

9 In order to effectuate distributions pursuant to this Plan and avoid undue delay in the  
10 administration of the Estate, the Debtor, after notice and a hearing (which notice may be limited to  
11 the holder of such Contested Claim), can seek an order of the Bankruptcy Court to estimate or limit  
12 the amount of property that must be withheld from distribution on account of Contested Claims; if  
13 the Bankruptcy Court first determines whether such Claims can be estimated under the Bankruptcy  
14 Code and establish the timing and procedures for this estimation.

15 **8.6** Payment of Other Distributions and Contested Claims Reserve.

16 The Debtor, or one of its professionals under its direction, shall act as disbursing agent under  
17 the Plan with regard to all payments and distributions to be made to creditors or other parties in  
18 interest hereunder. The Debtor shall be permitted to make interim distributions prior to resolution of  
19 all Contested Claims asserted against the Debtors' estate provided that the Debtor maintains  
20 appropriate reserves sufficient to pay all disputed claims the amounts due them under this Plan  
21 assuming that the Court were to enter orders allowing such disputed claims in the amounts asserted  
22 by the claim holder(s) ("Contested Claims Reserve").

23 **8.7** Exculpation.

24 Neither the Debtor, nor any of its employees, attorneys, advisors, members, shareholders,  
25 fiduciaries or agents (including any professionals retained by such persons), nor any of their  
26 respective predecessors or successors, will have or incur any liability as set forth in 11 U.S.C  
27 §1125(e), to any holder of a Claim or Interest or any other entity for any act or omission in  
28 connection with, or arising out of, the Chapter 11 case, the pursuit of approval of the Disclosure

1 Statement or the solicitation of votes for or confirmation of the Plan or consummation or  
2 administration of the Plan or the property to be distributed under the Plan.

3 **8.8** Preservation of Causes of Action.

4 All rights to assert any legal claim for relief against any person or entity, including but not  
5 limited to any Litigation Claim and described in the Disclosure Statement and Avoidance Actions  
6 are preserved and may be prosecuted by the Debtor after the Effective Date.

7 **8.9** Preservation of Rights under Asset Purchase Agreement.

8 The Debtor shall retain all rights under that certain Agreement for Purchase and Sale of  
9 Assets dated February 4, 2016 (as amended) between Peek Aren't You Curious and Charlotte Russe,  
10 Inc. and approved by the Court on March 14, 2016 [Doc. No. 146].

11 **8.10** Unclaimed Property.

12 Holders of claims shall be solely responsible for notifying the Debtor of any changes in the  
13 address where their distribution check(s) should be sent. In making distributions, the Debtor shall be  
14 entitled to rely on the information provided by a claim holder in its most recently filed proof of  
15 claim, or if no proof of claim has been filed by the claim holder, the information provided in the  
16 schedules of liabilities filed by the Debtor. If a distribution to the holder of an Allowed Claim  
17 remains unclaimed for 90 days following the distribution, the Debtor shall use reasonable diligence  
18 to attempt to locate such claim holder. If after reasonable diligence, such claim holder still cannot be  
19 located, the Debtor shall file with the Bankruptcy Court and send a 20-day notice to the claim holder  
20 of its intent to void the right of such claim holder to its distribution. The 20-day notice of intent to  
21 void the claim holder's distribution rights shall be served at the address provided by the claim holder  
22 in its most recently filed proof of claim, or if no proof of claim has been filed by the claim holder, at  
23 the claim holder's address appearing in the schedules of liabilities filed by the Debtor. If such claim  
24 holder does not claim its distribution within the 20-day notice period provided for in the preceding  
25 sentence, that un-located claim holder shall forfeit its right to such distribution and any further  
26 distributions. The amount of such Unclaimed Property shall become Available Cash and subject to  
27 the provisions of this Plan.  
28



1           **8.11**    Disputed Claims.

2            Except as otherwise provided in paragraphs (i) or (ii) immediately below, any objection to  
3 claims shall be filed no later than ninety (90) days after the Effective Date. The deadline for  
4 objecting to any claim may be extended by:

5                   (i)     Written agreement of the holder of the claim; or

6                   (ii)    Order of the Bankruptcy Court, made on a showing of good cause after  
7 motion served before the expiration of the deadline (including any previously extended deadline) on  
8 the holder of the claim; provided, that in the event the Bankruptcy Court denies any timely brought  
9 motion to extend the deadline, the deadline shall nevertheless be extended until fifteen (15) days  
10 after the date of entry of the order denying the requested extension.

11           **8.12**    Preservation of Claims and Objections.

12            Nothing in the Plan is intended to, nor shall it, limit in any way the ability of the Debtor, or  
13 any successor thereto or representative designated for specific purposes pursuant to the Plan, to:

14                   (i)     Exercise the rights and powers conferred upon it by applicable bankruptcy  
15 law, including but not limited to the pursuit of Avoidance Actions and the prosecution of objections  
16 to claims (whether or not their holders have accepted the Plan);

17                   (ii)    Pursue recovery on any and all other causes of action held by the Debtors  
18 prior to Confirmation under other applicable non-bankruptcy laws; or

19                   (iii)   Exercise the rights and powers of corporate governance and take other  
20 corporate actions through the Debtors' officers, directors, and shareholder; provided that all such  
21 powers and actions are exercised in all respects in compliance with the provisions of the Plan and the  
22 Confirmation Order.

23            **ARTICLE 9 - CONTINUATION OF AUTOMATIC STAY AND COSTODIA LEGIS**

24            **9.1**     Notwithstanding Confirmation of the Plan, the estate created by operation of 11  
25 U.S.C. § 541(a) shall continue, and all assets in the Estate shall be deemed to be property of the  
26 Debtors' bankruptcy estate until distributed in accordance with this Plan. The provisions of 11  
27 U.S.C. § 362(a) shall continue in full force and effect following Confirmation of the Plan, and stay  
28 any person from taking any act, commencing any suit, or enforcing any right, which has the effect of

1 asserting, liquidating, or enforcing any claim against any property of the Debtor that arose prior to  
2 entry of the Confirmation Order. The sole recourse of a creditor holding a claim that arose prior to  
3 entry of the Confirmation Order shall be an action in the Bankruptcy Court seeking to enforce its  
4 right under this Plan.

5 **9.2** All of the property of the Estate, and all tax attributes of the Debtor, including their  
6 net operating losses, shall remain property of the Estate upon the Effective Date, free and clear of all  
7 claims and interests of creditors and equity security holders, subject to the provisions of the Plan,  
8 and shall be under the control and direction of, and shall be administered by the Debtor.

9 **9.3** Entry of the Confirmation Order shall act as a complete settlement and modification  
10 of all debts of the Debtors that arose prior to Confirmation that are dealt with in the Plan, and the  
11 Plan shall constitute the exclusive source of rights creditors and interest holders may have against  
12 the Debtor, except to the extent the Plan expressly preserves rights that existed prior to  
13 Confirmation. The Debtor shall have no liability to any creditor or interest holder of the Debtor  
14 other than to make the distributions expressly provided for under the Plan.

#### 15 **ARTICLE 10 - RELEASE**

16 **10.1** No Discharge of the Debtor. On the Effective Date, all Debts of the Debtor will be  
17 deemed fixed and adjusted pursuant to the Plan and the Debtor will have no further liability on  
18 account of Claims or Interests except as set forth in the Plan. All payments and all distributions  
19 made by the Debtor under the Plan will be in full and final satisfaction, settlement and release of all  
20 Claims; provided, however, that nothing contained in the Plan will be deemed to constitute or result  
21 in a discharge of the Debtor under Bankruptcy Code section 1141(d)(3) or be deemed to constitute a  
22 release of any person or entity who is not a debtor in the Bankruptcy Case.

#### 23 **ARTICLE 11 - RETAINED JURISDICTION**

24 After Confirmation, the Bankruptcy Court shall retain all authority and jurisdiction as  
25 provided under the Bankruptcy Code and other applicable law and this Plan to enforce the  
26 provisions, purposes, and intent of this Plan or any modification hereof, including without limitation,  
27 matters or proceedings relating to:  
28

1           **11.1** Allowance, disallowance, reconsideration, estimation, compromise, settlement,  
2 adjustment, treatment, or liquidation of claims and objections thereto;

3           **11.2** Allowance of Claims and requests for payment of Administrative Expenses of the  
4 Estate;

5           **11.3** The rights, title, or interest of the Debtor, as modified or specified under the Plan, in  
6 any property, including liens thereon;

7           **11.4** Resolution of controversies and disputes, including disputes regarding interpretation  
8 of the Plan and the Confirmation Order, and the correction of any mistake, defect, or omission  
9 regarding interpretation or enforcement of the Plan and the Confirmation Order;

10          **11.5** Modification of the Plan pursuant to Section 1127 of the Bankruptcy Code;

11          **11.6** Adjudication of any actions brought by the Debtor to enforce any right or recover any  
12 claim created, granted, or preserved under the Plan;

13          **11.7** Extension of deadlines, including the deadline to make interim distributions under the  
14 Plan and to object to claims or commence actions seeking the recovery of money or property or  
15 granting other relief;

16          **11.8** Entry of orders in aid of implementation of this Plan;

17          **11.9** Orders on motions by parties in interest to convert the case to a proceeding under  
18 Chapter 7 of the Bankruptcy Code or to dismiss the case;

19          **11.10** Such other matters for which jurisdiction is provided under the Bankruptcy Code, the  
20 Plan the Confirmation Order, or other applicable law; and,

21          **11.11** Entry of a final decree closing the Chapter 11 Case.

22                    **ARTICLE 12 - EFFECT OF CONFIRMATION OF THE PLAN**

23           Upon Confirmation, the provisions of the Plan shall be binding upon the Debtor, any person  
24 or entity acquiring property under the Plan, and any creditor or interest holder, whether or not the  
25 claim or interest of such creditor or interest holder is impaired under the Plan and whether or not  
26 such creditor or interest holder has accepted the Plan.

27                    **ARTICLE 13 - NON-SUBSTANTIVE MODIFICATION OF PLAN**

28           The Debtor may, after such notice as the Bankruptcy Court determines to be appropriate,

1 modify the Plan prior to the Effective Date, if the Bankruptcy Court determines that such  
2 modification does not materially and adversely affect or impair the interest of any holder of a claim  
3 who has not accepted such modification. Such modification shall be deemed accepted by all holders  
4 of claims or interests who have previously accepted the Plan.

5 **ARTICLE 14 - CRAM DOWN REQUESTED**

6 Debtor requests that, if a class of impaired claims or interests does not accept this Plan by the  
7 requisite majorities, confirmation nevertheless proceed under the Bankruptcy Code Section 1129(b).  
8

9 Dated: August 25, 2016

NUTI HART LLP

11 By: /s/ Gregory C. Nuti

12 Gregory C. Nuti

13 Attorneys for Peek, Aren't You Curious, Inc.  
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## Exhibit A to Chapter 11 Plan

**ASSERTED SECURED TAX CLAIMS**

		Claim #
TX- MONTGOMERY COUNTY	\$6,460.06	24.00
AZ- MARICOPA COUNTY TREASURER	\$6,209.40	20.00
TX- HARRIS COUNTY ET AL	\$4,299.53	23.00
CO- DOUGLAS COUNTY TREASURER	\$2,152.93	11.00
FL- MIAMI DADE COUNTY TAX COLLECTOR	\$1,887.22	28.00
CO- DOUGLAS COUNTY TREASURER	\$1,372.29	44.00
CO- DOUGLAS COUNTY TREASURER	\$780.67	45.00
	<b>TOTAL ASSERTED SECURED TAX CLAIMS</b>	
	<b>\$23,162.10</b>	

# EXHIBIT B

**Peek . . Aren't You Curious, Inc.**

Liquidation/Distribution Analysis

8/25/2016

Creditor	Claim Amt	Sub-total Available Cash Used (unrestricted)	Total Available Cash Used for Payments (unrestricted)	Notes
<b>SECURED/ADMIN/PRIORITY CLAIMS</b>				
Administrative Costs (through confirmation and distribution - assumed 2/28/17)	\$93,250.00	\$93,250.00	\$93,250.00	
Professional Admin Costs (through confirmation and distribution)	\$484,145.22	\$287,423.21	\$287,423.21	
Other Admin Claims	\$85,410.04	\$85,410.04	\$85,410.04	
Total Asserted Secured Tax Claims	\$23,162.10	\$23,162.10	\$23,162.10	
Total Priority Tax Claims	\$107,882.29	\$107,882.29	\$107,882.29	
<b>TOTAL SECURED/ADMIN/PRIORITY CLAIMS</b>	<b>\$793,849.65</b>	<b>\$597,127.64</b>	<b>\$597,127.64</b>	Payments From Available Cash

**UNSECURED CLAIMS**

	Claim Amt	Secured Claims/Sec Deposits	Net Claim Amount
<b>TOTAL UNSECURED CLAIMS</b>	<b>\$3,124,175.47</b>	<b>\$109,665.13</b>	<b>\$3,014,510.34</b>
<b>Available Unrestricted Cash</b>			<b>\$1,300,000.00</b>
<b>Secured Admin/Priority Payments</b>			<b>\$597,127.64</b>
<b>Remaining Cash before Unsecured Claims</b>			<b>\$702,872.36</b>
<b>Est. Percentage Distrib. to Unsecured Creditors</b>			<b>23.32%</b>

NOTE: Analysis does not include claims administered pursuant to Assumption Order, including GGP, Macerich, Dallas County and Irving Company

NOTE: Analysis assumes Class 3 Late Filed Claim is Allowed.

NOTE: Analysis assumes no material recovery from Litigation Claims and no material reduction from claim objections.



**Peek. . .Aren't You Curious, Inc.**

Liquidation/Distribution Analysis  
8/25/2016

Creditor	Claim Amt	Sub-total Available Cash Used (unrestricted)	Total Available Cash Used for Payments (unrestricted)	Notes
<b>ADMIN/PRIORITY CLAIMS</b>				
<b>Administrative Costs</b>				
<b>(through confirmation and distribution- assumed 2/28/17)</b>				
Salaries/Wages	\$59,400.00	\$59,400.00		
Utilities/Telecom/IT Costs	\$2,000.00	\$2,000.00		
Storage Fees	\$1,200.00	\$1,200.00		
Supplies, Postage, Bank Fees, etc.	\$18,900.00	\$18,900.00		
U.S. Trustee Fees	\$11,750.00	\$11,750.00		
<b>Admin Costs</b>	<b>\$93,250.00</b>	<b>\$93,250.00</b>	<b>\$93,250.00</b>	
<b>Professional Admin Costs (through confirmation and distribution)</b>				
Nuti Hart LLP	\$100,000.00	\$100,000.00		
Donlin Recano (327 employment)	\$18,000.00	\$18,000.00		
Donlin Recano (claims agent)	\$30,000.00	\$30,000.00		
Gordon Brothers	\$111,244.00	\$0.00		paid in full from proceeds subject to final fee app
Schnader Harrison Segal & Lewis	\$204,901.22	\$119,423.21		holding \$85,478.01 retainer
Bristol CPA	\$20,000.00	\$20,000.00		
<b>Estimated Professional Fees</b>	<b>\$484,145.22</b>	<b>\$287,423.21</b>	<b>\$287,423.21</b>	
<b>Other Admin Claims</b>	<b>\$85,410.04</b>	<b>\$85,410.04</b>	<b>\$85,410.04</b>	
<b>Asserted Secured Tax Claims</b>	<b>\$23,162.10</b>	<b>\$23,162.10</b>	<b>\$23,162.10</b>	
<b>Priority Tax Claims</b>	<b>\$107,882.29</b>	<b>\$107,882.29</b>	<b>\$107,882.29</b>	
<b>TOTAL ADMIN/PRIORITY CLAIMS</b>	<b>\$793,849.65</b>	<b>\$597,127.64</b>	<b>\$597,127.64</b>	Payments From Available Cash

**UNSECURED CLAIMS**

General Unsecured Claims  
**TOTAL UNSECURED CLAIMS**

Claim Amt	Secured Claims/Sec Deposits	Net Claim Amount
<b>\$3,124,175.47</b>	<b>\$109,665.13</b>	<b>\$3,014,510.34</b>

<b>Available Unrestricted Cash</b>	<b>\$1,300,000.00</b>
<b>Secured Admin/Priority Payments</b>	<b>\$597,127.64</b>
<b>Remaining Cash before Unsecured Claims</b>	<b>\$702,872.36</b>
<b>Est. Percentage Distrib. to Unsecured Creditors</b>	<b>23.32%</b>

NOTE: Analysis does not include claims administered pursuant to Assumption Order, including GGP, Macerich, Dallas County and Irving Company

NOTE: Analysis assumes Class 3 Late Filed Claim is Allowed.

NOTE: Analysis assumes no material recovery from Litigation Claims and no material reduction from claim objections.