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Including Professional Corporations
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Matthew Luckett and InterPrivate LLC

**United States Bankruptcy Court
Northern District of California**

In re:

Case No. 16-31326
Chapter 11

WRAP MEDIA, INC.

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**MATTHEW LUCKETT'S AND INTERPRIVATE LLC'S
FIRST AMENDED COMBINED PLAN OF REORGANIZATION
AND DISCLOSURE STATEMENT
Dated December 7, 2017**

INTRODUCTION

This is the First Amended Combined Chapter 11 Plan of Reorganization and Disclosure Statement (the "Plan") submitted in the above-captioned case by plan proponents Matthew Luckett and InterPrivate LLC, a Delaware limited liability company, or its designee (collectively, the "Plan Proponents"). The Plan identifies each known creditor by name and describes how each claim will be treated if the Plan is confirmed.

Part 1 contains the treatment of creditors with secured claims; Part 2 contains the treatment of general unsecured creditors: a stream of annual payments up to \$500,000 over a 20 year period based on the reorganized Debtor's successful use of net operating loss carryforwards attributable to any taxable period ending on or before December 31, 2017. Part 3 contains the treatment of all classes of equity holders. Taxes and other priority claims would be paid in full, as shown in Part 4.

Most creditors and interest holders (those in impaired classes) are entitled to vote on confirmation of the Plan, except for those interest holders that receive nothing under the Plan and so are conclusively deemed to reject it. Completed ballots must be received by Plan Proponents' counsel, and objections to confirmation must be filed and served, no later than [date]. The court will hold a hearing on confirmation of the Plan on [date] at [time].

Attached to the Plan are exhibits containing financial information that may help you decide how to vote and whether to object to confirmation. Exhibit 1 includes background information regarding Debtor and the events that led to the filing of the bankruptcy petition and describes significant events that have occurred during this Chapter 11 case. Exhibit 2 contains an analysis of how much creditors would likely receive in a Chapter 7 liquidation. Exhibit 3 describes how much Plan Proponents are required to pay on the effective date of the Plan, and why the Plan meets the feasibility test of Bankruptcy Code section 1129(a)(11). Exhibit 4 attaches the Debtor's three most recent monthly operating reports. Exhibit 5 attaches the License Agreement between the Debtor and Wrap Media, LLC that permits the Debtor to use Wrap Media, LLC's former software and related intellectual property, forming the core of the business being reorganized in this Plan. Exhibit 6 contains a listing of the holders of Common Stock in the Debtor and their respective percentage interests in the Debtor.

Whether the Plan is confirmed is subject to complex legal rules that cannot be fully described here. You are strongly encouraged to read the Plan carefully and to consult an attorney to help you determine how to vote and whether to object to confirmation of the Plan.

If the Plan is confirmed, the payments promised in the Plan constitute new contractual obligations that replace the Debtor's pre-confirmation debts. Creditors may not seize their collateral or enforce their pre-confirmation debts so long as the reorganized Debtor performs all obligations under the Plan. If the reorganized Debtor defaults in performing Plan obligations, any creditor can file a motion to have the case dismissed or converted to a Chapter 7 liquidation, or enforce their non-bankruptcy rights. Debtor will be discharged from all pre-confirmation debts (with certain exceptions). Enforcement of the Plan, discharge of the Debtor, and creditors' remedies if Debtor defaults are described in detail in Parts 6 and 7 of the Plan.

PART 1: TREATMENT OF SECURED CREDITORS

Property to be Surrendered.

Class	Name of Creditor	Description of Collateral
1	BrunoCo, Inc. (Claim #2)(by assignment from Silicon Valley Bank)	All personal property other than intellectual property (and some other exceptions specified in the UCC-1 financing statement)

Plan Proponents understand that the Debtor no longer has any personal property collateral covered by the lien securing BrunoCo, Inc.'s claim, and that as a result, the entirety of BrunoCo, Inc.'s claim is an unsecured deficiency claim. For that reason, BrunoCo's claim is listed as an unsecured deficiency claim in Class 2 below in the full asserted amount listed on the proof of claim. However, to the extent that any property covered by BrunoCo, Inc.'s claim remains, Plan Proponents will cause the Debtor to surrender said collateral to BrunoCo, Inc. on the Effective Date of the Plan. The confirmation order will constitute an order for relief from stay. Any secured portion of the BrunoCo, Inc. claim is satisfied in full through surrender of the collateral. As mentioned above, any deficiency claim is a general unsecured claim treated in Part 2. The Class 1 creditor shall retain its interest in the collateral to the extent there is any collateral. **This secured claim is not impaired and is not entitled to vote on confirmation of the Plan.**

PART 2: TREATMENT OF GENERAL UNSECURED CREDITORS

Class 2. General Unsecured Claims.

Name of Creditor	Amount of Claim	Disputed Y/N	Amount to be Paid
BrunoCo, Inc. (Claim #2) (by assignment from Silicon Valley Bank)	\$2,000,000.00	N	Pro rata share of pot, per below
DI Pan Pacific, Inc. (Claim #3) ¹	\$8,470,794.52	N	Pro rata share of pot, per below

¹ By operation of Federal Rule of Bankruptcy Procedure 3003(c)(4), this filed claim supersedes the scheduled claim in favor of Dream Incubator in the amount of \$4,235,000 listed in Section 3.1 of the Debtor's Schedule F filed on January 1, 2017.

salesforce.com, inc. (Claim #4) ²	\$2,625,753.42	N	Pro rata share of pot, per below
Innovation Investments, LLC (Schedule F)	\$3,050,00.00	N	Pro rata share of pot, per below

Allowed claims of general unsecured creditors (including allowed claims of creditors whose executory contracts or unexpired leases are being rejected under this Plan) shall be paid as follows:

Pot Plan. Creditors will receive a pro-rata share of a pot of up to \$500,000 created by a series of payments made by the reorganized Debtor annually into a segregated account set up to facilitate distributions to general unsecured creditors. The term "pro-rata" means the entire amount of the fund divided by the entire amount owed to creditors with allowed claims in this class. The amount of the annual payments by the reorganized Debtor into the account, and subsequently distributed by the reorganized Debtor to general unsecured creditors pro rata, shall be determined as follows:

(a) The annual payment made by the reorganized Debtor into the segregated account described above shall be in an amount equal to twenty percent (20%) of the Tax Benefit. For purposes of the Plan, the "Tax Benefit" shall mean any reduction in any liability for income taxes of the reorganized Debtor and any subsidiaries for a taxable period beginning after December 31, 2017 as a result of any net operating loss carry forward arising in a taxable period ending on or before December 31, 2017 as reduced by any taxable income recognized by the reorganized Debtor or any subsidiaries to the extent attributable to the Plan (the "NOL"). The Tax Benefit will be computed annually by comparing (i) the actual federal, state and local income tax liability of the reorganized Debtor for any year in which it is able to utilize any such NOL to reduce its taxable income, to (ii) the amount of such taxes that the reorganized Debtor would have been required to pay in the

²By operation of Federal Rule of Bankruptcy Procedure 3003(c)(4), this filed claim supersedes the scheduled claim in favor of Salesforce in the amount of \$2,625,000 listed in Section 3.3 of the Debtor's Schedule F filed on January 1, 2017.

absence of such NOL. For the avoidance of doubt and for purposes of the preceding sentence, any NOL shall be deemed to be the last item taken into account as such NOL is utilized in any taxable year.³

(b) Creditors may not transfer, directly or indirectly, their right to payments from this pot plan without the prior written consent of the Debtor.

(c) The foregoing annual payments will be paid within one hundred and twenty (120) days following the end of each taxable period beginning after December 31, 2017 and will continue until the earlier of: (i) the expiration of the applicable carryforward period of the NOL with respect to any such taxable period; or (ii) the date the general unsecured creditors have received \$500,000 in aggregate payments (the "Term").

(d) The reorganized Debtor's ability to make these annual payments depends upon a number of factors, including (i) the reorganized Debtor's ability to generate taxable income in the future; (ii) the amount of any taxable income that the reorganized Debtor generates and timing thereof; (iii) the amount of net operating losses that the reorganized Debtor is permitted under applicable law and regulations to use in a given year to generate tax savings; (iv) changes in U.S. state or federal tax law or IRS regulations; (v) the occurrence of a change of control or other transaction that limits or eliminates the amount of NOLs available to the reorganized Debtor; and (vi) the outcome of an audit by the IRS or state taxing authority challenging the reorganized Debtor's tax position with respect to the NOLs.

(e) Because the reorganized Debtor may later operate through one or more operating subsidiaries, the reorganized Debtor's ability to make payments under the Plan is dependent on the ability of the reorganized Debtor's subsidiaries to make distributions to the reorganized Debtor.

(f) Creditors may not transfer, directly or indirectly, their right to payments from this pot plan without the prior written consent of the Debtor.

³ For the avoidance of doubt, income for the purposes of part (i) of the analysis does not include cancellation of indebtedness income and accrued interest thereon.

Creditors in this class may not take any collection action against Debtor or reorganized Debtor so long as the reorganized Debtor is not in material default under the Plan (defined in Part 7(c)). **This class is impaired and is entitled to vote on confirmation of the Plan.** Plan Proponents have indicated above whether a particular claim is disputed.

PART 3: TREATMENT OF EQUITY SECURITY HOLDERS

Class 3A. Holders of Preferred Stock (Series A and Series B).⁴

Name of Equity Security Holder	Type of Equity Security	# of Pre-Petition Preferred Shares	Treatment	# of Shares Retained if New Value Loan is Made	Amount of New Value Loan Required
2014 Exchange Place Fund A, LLC	Series B	14,143	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	2,829	\$7,499.75
2014 Exchange Place Fund B, LLC	Series B	14,143	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	2,829	\$7,499.75

⁴ The information provided in this table and in Exhibit 6 regarding the identity of equity holders and their percentage interests in the Debtor is based on the most up to date information the Plan Proponents were able to obtain regarding the capitalization of the Debtor. The Plan Proponents reserve the right to revise these tables if later obtained information requires the tables to be updated.

Fared Adib	Series B	9,428	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	1,886	\$4,999.48
Bacee Investments , LLC	Series B	9,428	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	1,886	\$4,999.48
Christopher Crain	Series B	188,579	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	37,716	\$99,999.67
DI Pan Pacific Inc.	Series B	754,318	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	150,864	\$399,999.75

F&W Investments LP - Series 2015	Series B	18,857	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	3,771	\$9,999.49
FF Angel V, LLC	Series A and Series B	1,967,488	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	393,498	\$480,015.97
Innovation Investments, LLC	Series A and Series B	595,719	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	119,144	\$128,130.25
Jarrahdale Limited	Series B	188,579	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	37,716	\$99,999.67

Matthew Lockett	Series A & Series B	146,251	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	29,250	\$40,000.52
Maple Beach Ventures, LLC	Series B	18,857	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	3,771	\$9,999.49
Melissa Taunton Living Trust	Series A	27,134	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	5,467	\$5,000.25
Ameet Patel	Series A and Series B	45,991	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	5,427	\$14,999.74

PENSCO Trust Company Custodian FBO Leonard Shlain (Dec.) c/o Jordan Shlain	Series B	13,200	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	2,640	\$6,999.70
ProSiebenSat.1 Digital & Adjacent GmbH	Series B	1,131,477	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	226,295	\$599,999.62
Raine Venture Partners I LP	Series A and Series B	1,839,681	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	367,936	\$600,010.44
Salesforce.com, Inc.	Series B	1,131,477	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	226,295	\$599,999.62

Steve Silver	Series A	108,536	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	21,707	\$20,001.01
Marcy Simon	Series B	37,715	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	7,543	\$19,999.51
Stephen H. Silver Revocable Trust dated, 12/7/12	Series B	18,857	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	3,771	\$9,999.49
Transmedia Capital II, L.P.	Series A and Series B	365,629	Equity interest cancelled unless New Value Loan made to preserve 20% of the pre-petition Preferred Stock interest.	73,126	\$100,002.11

Preferred Stock interests in the Debtor (Series A and Series B) shall be cancelled, annulled and extinguished as of the Effective Date of the Plan, provided, however, that holders of Preferred Stock in the Debtor (Series A and Series B) shall have

the opportunity to retain 20% of their original Preferred Stock interest in the Debtor by making a loan to the Debtor on the following terms, which loan shall be referred to herein as the "New Value Loan":

<i>Principal Amount</i>	An amount equal to 20% of the equity holder's pre-petition Preferred Stock investment in the Debtor
<i>Interest</i>	Interest accrues at a fixed rate of ten percent (10.0%) per annum beginning on the Effective Date of the Plan
<i>Maturity Date</i>	The fifth (5 th) anniversary of the Effective Date of the Plan
<i>Payments</i>	Interest will accrue annually on a non-compounded basis until maturity (i.e., it will be paid in kind). All principal and accrued interest will be paid in full in a single balloon payment on the maturity date. The Debtor may prepay any unpaid interest in whole or in part at any time in its discretion without penalty.

The Preferred Stock interest retained by a Class 3A equity holder that elects to make the New Value Loan will be subject to the following restriction: Class 3A equity holders may not sell their retained equity for a three year period commencing on the Effective Date unless the Plan Proponents consent to the sale in advance in writing.

Holders of Preferred Stock (Series A and B) interests who wish to retain their Preferred Stock interests by making the New

Value Loan must deliver written notice of their intent to do so to the Plan Proponents' counsel at the address listed on the caption of this Plan by no later five (5) days prior to the hearing on confirmation of the Plan. Any holder of Preferred Stock that does not timely deliver such notice to Plan Proponents' counsel will be conclusively deemed to have elected **not** to make the New Value Loan, and so will have their Preferred Stock interests cancelled, annulled, and extinguished on the Effective Date as set forth in the prior paragraph.

Holders of Preferred Stock interests who elect to make the New Value Loan must deliver the principal amount of their New Value Loan to the Debtor in cash on or prior to the hearing on confirmation of the Plan. Any holder of Preferred Stock (Series A and B) that timely delivers a notice electing to make the New Value Loan but then does not timely make the New Value Loan will have their Preferred Stock interests cancelled, annulled, and extinguished on the Effective Date as set forth above. Any holder of Preferred Stock (Series A and B) that timely delivers a notice electing to make the New Value Loan and does timely make the New Value Loan will retain 20% of their pre-petition Preferred Stock interests in the Debtor, and will have the remaining 80% of their Preferred Stock interests in the Debtor cancelled, annulled, and extinguished on the Effective Date as set forth above.

Notwithstanding the foregoing, Plan Proponent Matthew Luckett hereby elects by proposing the Plan to make the New Value Loan. No separate election will be required from Matthew Luckett.

Class 3A is impaired and is entitled to vote on confirmation of the Plan.

Class 3B. Holders of Common Stock.

Exhibit 6 to this Plan lists the holders of Common Stock interests in the Debtor and their percentage ownership interests in the Debtor.

Common Stock interests in the Debtor shall be cancelled, annulled and extinguished as of the Effective Date of the Plan. Holders of Common Stock shall NOT have the right to make the New Value Loan.

Class 3B is impaired, but interest holders in Class 3B are not entitled to vote, as they are conclusively deemed to have rejected the Plan under Bankruptcy Code section 1126(g).

PART 4: TREATMENT OF PRIORITY AND ADMINISTRATIVE CLAIMS

(a) Professional Fees.

Debtor will pay the following professional fees in full on the Effective Date, or upon approval by the court, whichever is later.

Name and Role of Professional	Estimated Amount
Michael St. James, Debtor's Counsel	\$35,000.00 ⁵ (net of retainer)

Professionals may not take collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 7(c)). **Estate professionals are not entitled to vote on confirmation of the Plan.**

(b) Other Administrative Claims. Debtor will pay other allowed claims entitled to priority under section 503(b) in full on the Effective Date; except expenses incurred in the ordinary course of Debtor's business or financial affairs, which shall be paid when normally due and payable (these creditors are not listed below). All fees payable to the United States Trustee as of confirmation will be paid on the Effective Date; post-confirmation fees to the United States Trustee will be paid when due.

Administrative Creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 7(c)). **Administrative claimants are not entitled to vote on confirmation of the Plan.**

Name of Administrative Creditor	Estimated Amount of Claim
U.S. Trustee Program (U.S. Trustee Fees)	\$975

(c) Tax Claims. Debtor will pay allowed claims entitled to priority under section 507(a)(8) in full on the Effective Date of the Plan. To the extent amounts owed are determined to be other than as shown below, appropriate adjustments will be made in the number of payments.

⁵ Mr. St. James' estimated fees and expenses are \$51,717 in total, net of a retainer of \$16,717.

Priority tax creditors may not take any collection action against Debtor so long as Debtor is not in material default under the Plan (defined in Part 7(c)). **Priority tax claimants are not entitled to vote on confirmation of the Plan.**

Name of Creditor	Estimated Amount of Claim
State of CA Franchise Tax Board (Claim #1)	\$123.01

PART 5: EXECUTORY CONTRACTS AND UNEXPIRED LEASES

(a) Executory Contracts/Unexpired Leases Assumed. Debtor assumes the following executory contract upon confirmation of this Plan and will perform all pre-confirmation and post-confirmation obligations thereunder. Post-confirmation obligations will be paid as they come due. There are no pre-confirmation arrears owing, and thus no cure to pay on the Effective Date of the Plan.

Name of Counter-Party	Description of Contract/Lease	Estimated Total Cure Amount	Installment Amount	Number of Installments
BrunoCo, Inc., by assignment from Wrap Media, LLC	License Agreement dated June 27, 2017	\$0	N/A	N/A

Of note, Wrap Media, LLC consented to the assumption of the License Agreement by the reorganized Debtor, as reflected in the License Agreement itself and the accompanying Asset Purchase Agreement approved in the Wrap Media, LLC bankruptcy case. See, Case No. 16-31525, Dkt. No. 174, Exhibits A and B. Also of note, the License Agreement was originally between the Debtor and Wrap Media, LLC, but Wrap Media, LLC's rights and obligations under the License Agreement were assigned to and assumed by BrunoCo, Inc. pursuant to an Assignment and Assumption Agreement dated June 30, 2017. Finally, a dispute has recently arisen between the Plan Proponents and BrunoCo., Inc., as assignee of Wrap Media, LLC's interest in the License Agreement, in connection with the License Agreement.

(b) Executory Contracts/Unexpired Leases Rejected. Debtor rejects the following executory contracts and/or unexpired leases and surrenders any interest in the affected property, and allows the affected creditor to obtain possession and dispose of its

property, without further order of the court. Claims arising from rejection of executory contracts have been included in Class 2 (general unsecured claims).

Name of Counter-Party	Description of Contract/Lease
None	N/A

(c) Executory contracts and unexpired leases not specifically assumed or rejected above will be deemed rejected.

PART 6: DISCHARGE AND OTHER EFFECTS OF CONFIRMATION

(a) Discharge and Permanent Injunction. Except as otherwise set forth in the Plan, confirmation of the Plan shall discharge the Debtor, the Debtor's estate, and the reorganized Debtor from all claims or other debts that arose at any time before the Effective Date of the Plan, and all debts of the kind specified in sections 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not: (a) a proof of claim based on such debt is filed or deemed filed under section 501 of the Bankruptcy Code; (b) a claim based on such debt is allowed under section 502 of the Bankruptcy Code; or (c) the holder of a claim or interest has accepted the Plan. As of the Effective Date, all entities that have held, currently hold or may hold a claim, interest, or other debt or liability that is discharged or any other right that is terminated under the Bankruptcy Code or the Plan are permanently enjoined, to the full extent provided under section 524(a) of the Bankruptcy Code, from "the commencement or continuation of an action, the employment of process, or an act, to collect, recover or offset any such debt as a personal liability" of the Debtor, the Debtor's estate, or the reorganized Debtor, except as otherwise set forth in this Plan. Nothing contained in the foregoing discharge shall, to the full extent provided under section 524(e) of the Bankruptcy Code, affect the liability of any other entity on, or the property of any other entity for, any debt of the Debtor that is discharged under the Plan.

(b) Vesting of Property. On the Effective Date, all property of the estate and interests of the Debtor will vest in the reorganized Debtor pursuant to § 1141(b) of the Bankruptcy Code free and clear of all claims and interests except as provided in this Plan, subject to revesting upon conversion to Chapter 7 as provided in Part 7(f) below.

(c) Plan Creates New Obligations. Except as provided in Part 7(d) and (e), the obligations to creditors and interest

holders that Debtor undertakes in the confirmed Plan replace those obligations to creditors that existed prior to the Effective Date of the Plan. Debtor's obligations under the confirmed Plan constitute binding contractual promises that, if not satisfied through performance of the Plan, create a basis for an action for breach of contract under California law. To the extent a creditor retains a lien under the Plan, that creditor retains all rights provided by such lien under applicable non-Bankruptcy law.

(d) Exculpation. To the fullest extent permissible under 11 U.S.C. §§524(e), 1103(c), 1125(e), and where not in conflict with *Resorts International, Inc. v. Lowenschuss (In re Lowenschuss)*, 67 F.3d 1394 (9th Cir. 1995), on and after the date this Plan is confirmed (the "Confirmation Date"), the Debtor, the Plan Proponents, the officers, directors, and/or managers of the Debtor and/or the Plan Proponents, and all of their agents (together, the "Exculpated Parties") shall not have or incur any liability for, and are expressly exculpated and released from, any claims (including without limitation, any claims whether known or unknown, foreseen or unforeseen, then existing or thereafter existing in law, equity or otherwise), by any person or entity for any act or omission occurring on or prior to the Confirmation Date in connection with or arising out of action or inaction taken or omitted to be taken in connection with or related to this Bankruptcy Case; the formulation, preparation, dissemination, implementation, confirmation or substantial consummation of the Plan or any other document created or entered into in connection with the Plan; or any other act taken or omitted to be taken in connection with or in contemplation of the filing of the Bankruptcy Case, except those acts arising out of its or their own willful misconduct, gross negligence, bad faith, self-dealing, breach of fiduciary duty, or ultra vires acts. Any Exculpated Party shall be entitled to reasonably rely upon the advice of counsel with respect to its duties and responsibilities (if any) under this Plan or related to the Bankruptcy Case. Without limiting the generality of the foregoing, each Exculpated Party shall be entitled to and granted the protections of section 1125(e) of the Bankruptcy Code and principles of judicial immunity, where applicable. No provision of this Plan shall be deemed to release any claims, causes of action, or liabilities that the Debtor, the reorganized Debtor, or the Debtor's estate may have against any person or entity for any act, omission, or failure to act that occurred prior to the petition date in the Debtor's bankruptcy case.

(e) Limitation of Liability. The Debtor, the Plan Proponents, the reorganized Debtor, and each of their respective agents shall

have all of the benefits and protections afforded under section 1125(e) of the Bankruptcy Code and applicable law.

PART 7: REMEDIES IF DEBTOR DEFAULTS IN PERFORMING THE PLAN

(a) Creditor and Interest Holder Action Restrained. The confirmed Plan is binding on every creditor and interest holder whose claims or interests are provided for and/or resolved in the Plan. Therefore, even though the automatic stay terminates on the Effective Date with respect to secured claims, no creditor may take any action to enforce either the pre-confirmation obligation or the obligation due under the Plan, so long as Debtor is not in material default under the Plan, except as provided in Part 7(e) below.

(b) Obligations to Each Class Separate. Debtor's obligations under the Plan are separate with respect to each class of creditors. Default in performance of an obligation due to members of one class shall not by itself constitute a default with respect to members of other classes. For purposes of this Part 7, the holders of all administrative claims shall be considered to be a single class, the holders of all priority claims shall be considered to be a single class, and each non-debtor party to an assumed executory contract or lease shall be considered to be a separate class.

(c) Material Default Defined. If the reorganized Debtor fails to make any payment, or to perform any other payment obligation required under the Plan, for more than 30 days after the time specified in the Plan for such payment, any member of a class affected by the default may serve upon Plan Proponents and Plan Proponents' attorneys a written notice of Debtor's default. If the reorganized Debtor fails within 90 days after the date of service of the notice of default either: (i) to cure the default; (ii) to obtain from the court an extension of time to cure the default; or (iii) to obtain from the court a determination that no default occurred, then the reorganized Debtor is in Material Default under the Plan to all the members of the affected class. Notwithstanding the foregoing, a default or material default under the plan may be waived in writing by holders of more than 50% of the outstanding allowed amount of the affected claim(s).

(d) Remedies Upon Material Default. Upon Material Default, any member of a class affected by the default: (i) may file and serve a motion to dismiss the case or to convert the case to Chapter 7; or (ii) without further order of the court has relief from stay to the extent necessary, and may pursue its lawful remedies to enforce and collect Debtor's pre-confirmation obligations.

(e) Claims not Affected by Plan. Upon confirmation of the Plan, and subject to Part 6(c), any creditor whose claims are left unimpaired under the Plan may, notwithstanding paragraphs (a), (b), (c), and (d) above, immediately exercise all of its contractual, legal, and equitable rights, except rights based on default of the type that need not be cured under section 1124(2)(A) and (D).

(f) Effect of Conversion to Chapter 7. If the case is at any time converted to one under Chapter 7, property of the Debtor shall vest in the Chapter 7 bankruptcy estate to the same extent provided for in section 348(f) of the Bankruptcy Code upon the conversion of a case from Chapter 13 to Chapter 7.

(g) Retention of Jurisdiction. The bankruptcy court may exercise jurisdiction over proceedings concerning: (i) whether Debtor is in Material Default of any Plan obligation; (ii) whether the time for performing any Plan obligation should be extended; (iii) adversary proceedings and contested matters pending as of the Effective Date or specifically contemplated in this Plan to be filed in this court (see Part 8(f)); (iv) whether the case should be dismissed or converted to one under Chapter 7; (v) any objections to claims; (vi) compromises of controversies under Fed. R. Bankr. Pro. 9019; (vii) compensation of professionals; and (viii) other questions regarding the interpretation and enforcement of the Plan.

PART 8: IMPLEMENTATION OF THE PLAN

(a) Funding of the Plan and Issuance of New Equity. Plan Proponents will make the following investment in the reorganized Debtor on or before the Effective Date: Matthew Luckett will make an investment of \$40,000 as his New Value Loan, and InterPrivate LLC or its designee will make an investment of \$40,000 (collectively, the "Plan Proponent Investment"). In return for making the Plan Proponent Investment, Matthew Luckett and the Class 3A Preferred Stock (Series A and Series B) shareholders who elect to make the New Value Loan will retain 20% of their Preferred Stock interests in the Debtor, and InterPrivate LLC or its designee will receive a number of shares in the reorganized Debtor equal to 99% of the aggregate number of all of the Preferred Stock equity interests in the Debtor retained by Matthew Luckett and any other holders of Preferred Stock that elect to make the New Value Loan.

The Plan Proponent Investment, together with the proceeds of any New Value Loans elected to be made by Class 3A holders of

Preferred Stock interests, will be used to make all the payments due under the Plan on the Effective Date, to repay the Plan Proponents' out of pocket costs associated with proposing the Plan, and to fund the operations of the reorganized Debtor after the Effective Date.

(b) Management of the Reorganized Debtor. The reorganized Debtor shall be managed post-Effective by the following officers and directors:

Directors

Ahmed Fattouh
Matthew Lockett
Brandon Bentley

Officers

Ahmed Fattouh, President and Secretary
Brandon Bentley, General Counsel

Mr. Lockett is a Plan Proponent in his own right and is a current equityholder of the Debtor. Mr. Fattouh and Mr. Bentley are both members of Plan Proponent InterPrivate LLC.

The foregoing officers and directors of the reorganized Debtor shall serve in accordance with applicable nonbankruptcy law and the reorganized Debtor's charter and bylaws, as the same may be amended from time to time. From and after the Effective Date, the directors and officers of the reorganized Debtor shall be selected and determined in accordance with the provisions of applicable law and the reorganized Debtor's charter and bylaws.

(c) Reorganized Debtor's Charter. Upon the Effective Date, and without any further action by the shareholders, directors, claim holders or officers of the reorganized Debtor, the reorganized Debtor's charter shall be (i) deemed amended (x) to the extent necessary, to incorporate the provisions of the Plan (including, but not limited to, the transfer restrictions applicable to holders of Preferred Shares discussed in Part 3) and (y) to prohibit the issuance by the reorganized Debtor of nonvoting securities to the extent required under section 1123(a)(6) of the Bankruptcy Code; and (ii) subject to further amendment of such charter to effectuate any other matter contemplated by this Plan and as otherwise permitted by applicable law.

(d) Section 1145 Exemption. Pursuant to section 1145 of the

Bankruptcy Code, the issuance and allocation of stock in the reorganized Debtor pursuant to the Plan shall be exempt from registration under the Securities Act of 1933 and any state or local law requiring registration for offer or sale of a security.

(e) Section 1146(c) Exemption. Pursuant to Bankruptcy Code section 1146(a): (a) the issuance, transfer, or exchange of notes or equity securities under the Plan; (b) the creation of any mortgage, deed of trust, lien, pledge, or other security interest; (c) the making or assignment of any contract, lease or sublease; or (d) the making or delivery of any deed or other instrument of transfer under, in the furtherance of, or in connection with, the Plan, including, without limitation, any merger agreements, agreements of consolidation, restructuring, disposition, liquidation, or dissolution, stock purchase agreements, stockholders agreements or stockholders rights agreements; deeds, bills of sale, or transfers of tangible property will not be subject to any stamp tax, or other similar tax or any tax held to be a stamp tax or other similar tax by applicable law.

(f) Final Decree. At any time following the Effective Date, the reorganized Debtor shall be authorized to file a motion for the entry of a final decree closing this bankruptcy case pursuant to section 350 of the Bankruptcy Code.

PART 9: GENERAL PROVISIONS

(a) Effective Date of Plan. The Effective Date of the Plan is the fifteenth day following the date of the entry of the order of confirmation, if no notice of appeal from that order has been filed. If a notice of appeal has been filed, Plan Proponents may waive the finality requirement and put the Plan into effect, unless the order confirming the Plan has been stayed. If a stay of the confirmation order has been issued, the Effective Date will be the first day after that date on which no stay of the confirmation order is in effect, provided that the confirmation order has not been vacated.

(b) Disputed Claim Reserve. At this time, the Plan Proponents are unaware that there are any disputed claims. However, to the extent that there are in the future any disputed claims, the Plan Proponents will cause the reorganized Debtor to create a reserve for disputed claims. Each time Debtor makes a distribution to the holders of allowed claims, Debtor will place into a reserve the amount that would have been distributed to the holders of disputed claims if such claims had been allowed in the full

amount claimed. If a disputed claim becomes an allowed claim, Debtor shall immediately distribute to the claimant from the reserve an amount equal to all distributions due to date under the plan calculated using the amount of the allowed claim. Any funds no longer needed in reserve shall be returned to Debtor.

(c) Cramdown. Pursuant to section 1129(b) of the Bankruptcy Code, Debtor reserves the right to seek confirmation of the Plan despite the rejection of the Plan by one or more classes of creditors.

(d) Severability. If any provision in the Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of the Plan.

(e) Governing Law. Except to the extent a federal rule of decision or procedure applies, the laws of the State of California govern the Plan.

(f) Lawsuits.

Debtor believes that causes of action for fraudulent transfers, voidable preferences, or other claims for relief exist against the following parties:

Party	Creditor Y/N	Nature of Claim	Amount of Claim	Will Debtor Prosecute Action? Y/N
None.				

(g) Notices. Any notice to the Plan Proponents or reorganized Debtor shall be in writing, and will be deemed to have been given three days after the date sent by first-class mail, postage prepaid and addressed as follows:

Wrap Media, Inc.
 c/o Sheppard Mullin Richter & Hampton LLP
 Attn: Ori Katz, Esq. and Michael Lauter, Esq.
 Four Embarcadero Center, 17th Floor
 San Francisco, CA 94111
 Phone: (415) 434-9100
 Email: okatz@sheppardmullin.com;
mlauter@sheppardmullin.com

(h) Post-Confirmation United States Trustee Fees. Following confirmation, the reorganized Debtor shall continue to pay quarterly fees to the United States Trustee to the extent, and in the amounts, required by 28 U.S.C. § 1930(a)(6). So long as Debtor is required to make these payments, the reorganized Debtor shall file with the court quarterly reports in the form specified by the United States Trustee for that purpose.

(i) Deadline for § 1111(b) Election. Creditors with an allowed secured claim can make a timely election under section 1111(b) no later than 14 days before the first date set for the hearing on confirmation of the Plan.

(j) Withdrawal or Revocation of Plan. The Plan Proponents may withdraw or revoke the Plan at any time prior to the date that it is confirmed by the Bankruptcy Court. If the Plan Proponents revoke or withdraw the Plan prior to the date that it is confirmed by the Bankruptcy Court, or if the Bankruptcy Court does not confirm the Plan, then the Plan shall be deemed null and void. In such event, nothing contained herein shall be deemed to constitute a waiver or release of any claim by or against the Debtor or any other person or entity or to prejudice in any manner the rights of the Debtor or any other person or entity in any further proceedings involving the Debtor.

(k) Effectuating Documents and Further Transactions. Upon entry of an order confirming this Plan, the Debtor, the reorganized Debtor, the Plan Proponents, the Class 3A equity holders that elect to make the New Value Loan, and their agents shall be authorized and directed to execute, deliver, file or record such contracts, instruments, releases and other agreements or documents and to take such actions as may be reasonably necessary or appropriate to effectuate and further evidence the terms and conditions of the Plan.

Each of the matters provided for under the Plan involving the corporate structure of the reorganized Debtor or corporate action to be taken by or required of the reorganized Debtor shall, as of the Effective Date, be deemed to have occurred and be effective as provided herein, and shall be authorized and approved in all respects without any requirement of further action by the Debtor, Plan Proponents, reorganized Debtor, holders of claims or interests, directors or officers of the reorganized Debtor or any other persons or entities.

(l) Modification of Plan. The Plan Proponents reserve the right, in accordance with the Bankruptcy Code and Federal Rules of Bankruptcy Procedure, to amend or modify the Plan at any time

prior to entry of an order confirming the Plan. After entry of the confirmation order but prior to the Effective Date, the Plan Proponents may seek an order of the Bankruptcy Court to amend or modify the Plan in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. On and after the Effective Date, the reorganized Debtor may seek an order of the Bankruptcy Court to amend or modify the Plan in accordance with section 1127(b) of the Bankruptcy Code, or remedy any defect or omission or reconcile any inconsistency in the Plan in such manner as may be necessary to carry out the purpose and intent of the Plan. The holder of an allowed claim that has accepted the Plan shall be deemed to have accepted the Plan as modified if the modification does not materially and adversely change the treatment of the claim of such holder.

Dated: December 7, 2017

By: _____
Matthew Lockett, Plan
Proponent

InterPrivate LLC
a Delaware limited liability
company

By: _____
Ahmed Fattouh, its CEO

Exhibit 1 - Events That Led To Bankruptcy

As described in the Declaration of Eric Greenberg in Support of First Day Motions filed on December 12, 2016, the Debtor is a holding company for an investment in Wrap Media, LLC, a debtor in a related case before the same court and judge (Case No. 16-31325). The Debtor held multiple types of equity interests in Wrap Media, LLC which collectively amounted to 58.2% of the equity interests issued and outstanding in Wrap Media, LLC.

The Debtor and Wrap Media, LLC were founded in December 2013. Pre-petition, Wrap Media, LLC was a start-up that developed a mobile messaging and engagement platform that improves the mechanism and results of business-to-business and business-to-consumer sales, marketing and customer service - a software category known as customer relationship management or "CRM."

The platform developed by the Debtor and Wrap Media, LLC is web-based and template driven, permitting users to interact with it through several messaging methods and applications, including email, texting, messaging services like Facebook Messenger or Slack, or social media like Facebook or Twitter.

The software platform is referred to as "Wrap." It uses intelligence and automation to deliver personalized messaging and customer engagement through a "native app-like" experience in the web browser - without being programmed as a native iOS or Android app or having to download a native smartphone app or operate within a native smartphone app. This saves significant time and money with building and delivering mobile user experiences to sell, market, service and support customers. Additionally, Wrap customers own their data and are not subject to the restrictions of the "walled gardens" of the social networks and messaging services and the uncertainty that the rules can change within these environments.

The patents related to the business were held by Wrap Media, LLC, not the Debtor. The business had more than 30 customers pre-petition, including T-Mobile, Sprint, Cisco, NTT, Rogers, Salesforce and others, and an annualized revenue stream pre-petition of about \$1 million.

The bankruptcy filings of the Debtor and Wrap Media, LLC were necessitated by the lack of cash at the Wrap Media, LLC (operating company) level. Pre-petition financing was sought, unsuccessfully, and so the bankruptcy was filed in order to secure post-petition debtor-in-possession financing that would

give the operating entity runway to facilitate a sale as a going concern.

During this time, the Plan Proponents identified certain opportunities to continue to commercially develop and monetize the IP assets developed by the Debtor's operating subsidiary, Wrap Media LLC, and considered proposing a Plan to reorganize both the Debtor and Wrap Media LLC; however, it quickly became evident to maximize the value of the combined estates of the Debtor and its subsidiary, it would be desirable to effect the sale of the assets of Wrap Media LLC to a third party subject to the issuance of a license permitting Debtor continued access to those assets post reorganization.

As described in the motion to sell filed on June 18, 2017 in the Wrap Media, LLC case, Wrap Media, LLC conducted and concluded an orderly shutdown of all business operations in approximately April of 2017. The case was then converted to chapter 7 on oral motion of Wrap Media, LLC, but was subsequently converted back to chapter 11 to permit Wrap Media, LLC to sell substantially all of its assets to BrunoCo, Inc. for \$1,652,700.

The sale to BrunoCo was approved by an order of the Bankruptcy Court entered on July 6, 2017. As part of the sale, the Court approved a non-exclusive, world-wide, and royalty-free license (the "License") given by Wrap Media, LLC to the Debtor (and assumed by the buyer) that allows the Debtor to use and commercialize the Wrap Media, LLC IP assets that were developed using the funds invested by the Debtor. The license is non-assignable and has a 15 year term.

The Plan Proponents seek to reorganize the Debtor around the License, which they will use to continue the pre-petition business of the Debtor and Wrap Media, LLC. The Plan Proponents filed the initial version of the Plan on November 27, 2017, and after making certain revisions submitted this version of the Plan on December 7, 2017.

Recently, since the filing of the initial version of the Plan on November 27, 2017, a dispute has arisen between the Plan Proponents and BrunoCo, Inc. concerning the License. The Plan Proponents hope to reach a consensual resolution of the dispute in advance of the hearing on approval of the disclosure statement, though it is unclear at this time whether a resolution will be achieved.

**Exhibit 2 - What Creditors Would Receive if the Case Were
Converted to a Chapter 7**

The Debtor is a holding company that was formed to hold an interest in Wrap Media, LLC, its former operating entity that is now devoid of assets, having sold them to BrunoCo., Inc. in a court-approved sale in the Wrap Media, LLC case.

The only asset remaining in this case, which provides the Debtor with continued access to the operating subsidiary's IP assets that were sold to BrunoCo, is the Debtor's rights under the License (defined in Exhibit 1, above). The License cannot be assigned, transferred or subleased, and so does not have any liquidation value. The only way to generate value from the License is to obtain additional investment and continue the pre-petition business using the License, which is what the Plan Proponents are proposing to do in this Plan.

Creditors stand to receive payment from the pot created under this Plan, and Preferred Stock equityholders also obtain the option to retain 20% their original investments in this Plan. No creditors or equityholders would receive anything in a chapter 7 liquidation. Thus, the Plan plainly meets the requirements of the "best interests of creditors" test set forth in Bankruptcy Code section 1129(a)(7).

Exhibit 3 - Effective Date Feasibility

A. Feasibility Analysis

Confirmation of this Plan is not likely to be followed by the liquidation, or need for further financial reorganization, of the Debtor or reorganized Debtor.

As set forth below in the business case section, the centerpiece of the reorganization is the License, and there are no up front payments required under the License. In addition, the Plan Proponents possess significant expertise in the CRM business, familiarity with the Wrap technology, and relationships with the Debtor's customers. Further, the Plan Proponents expect that the Debtor's pre-petition losses will permit the Debtor to make use of significant NOL carryforwards, meaning that the reorganized Debtor will be able to significantly reduce its tax burden. Indeed, as set forth in the Plan, the payments to the general unsecured creditors under the Plan will come from the tax savings generated by the NOL carryforwards, capped at \$500,000 in total. Further, the Plan Proponents have the financial wherewithal and ability to inject further funding into the reorganized Debtor as may be needed to ensure its success. Taken together, these facts demonstrate that the reorganized Debtor has the necessary runway, expertise, relationships, and financial backing to make the proposed reorganization reasonable, practical, and workable, meeting the feasibility requirement of Bankruptcy Code section 1129(a)(11).

B. Business Case for Reorganized Debtor

As explained in Exhibit 1, the Debtor entered into the License with Wrap Media LLC in June 2017. Pursuant to the License, the Debtor is permitted to utilize the technology and intellectual property (together, the "IP") developed by its subsidiary to carry on business activities including, but not limited to, conducting certain e-commerce and technology enabled service businesses incorporating the IP. The obligations of Wrap Media LLC user the License were assumed by the acquirer of the IP, BrunoCo, Inc.

The Plan Proponents intend to cause the Debtor to pursue business opportunities to utilize Wrap technology in certain industry verticals in which the Plan Proponents have significant experience and relationships to bring to bear. These industry verticals include online automotive retailing, robo-advisory financial services and technology enabled investment management.

The Plan Proponents have initiated discussions with prospective clients and strategic partners to accelerate the Debtor's introduction of the Debtor's technology into these potentially lucrative markets without significant capital expenditure.

The Plan Proponents have solicited the support of certain past employees of the Debtor and its subsidiary to facilitate the further development of the IP for commercialization and the implementation of the business plan. The Plan Proponents expect that certain former employees shall provide services to the Debtor initially under a consulting agreement, and subsequently as employees and officers of the Company. The reorganized Debtor's post-confirmation management team is listed in Section 8(b) of the Plan.

The Plan Proponents shall initially contribute their time and efforts without cash compensation until the Debtor revenues and/or funding resources can support the payment of market based compensation. The Plan Proponents shall initially allow the Debtor to operate from the office location or locations of the Plan Proponents until such time as the Debtor's revenues and/or funding resources can support independent payment of rent. Certain former executives of the Debtor have also agreed to perform services or accept employment while foregoing cash compensation until the Debtor's revenues and/or funding resources can support the payment of market based compensation. The License does not entail any up-front payments.

In light of these advantageous arrangements secured by the Plan Proponents, the Plan Proponents do not expect the reorganized Debtor to have any material cash expenses in its initial 12 months of operations beyond the costs of the reorganization.

The Plan Proponents envision an initial ramp-up period and do not expect to achieve profitability in the first 12 to 18 months following the confirmation of this Plan. As a result, it is not anticipated that there will be any payments into the pot created for the Class 2 General Unsecured Creditors for the first 12 to 18 months following confirmation of this Plan.

The Plan Proponents have adequate resources and may, in the future, provide for additional debt or equity financing to cover any cash shortfalls and fund the growth of the reorganized Debtor.

Exhibit 4 - Three Most Recently Filed Monthly Operating Reports

Attached hereto are the Debtor's three most recently filed monthly operating reports.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: WRAP MEDIA, INC

Case No. 16-31326

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Aug-17

PETITION DATE: 12/10/16

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$122	\$122	
b. Total Assets	\$122	\$122	\$186,278
c. Current Liabilities	\$10,000	\$5,000	
d. Total Liabilities	\$11,920,000	\$11,915,000	\$11,993,333
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
a. Total Receipts	\$0	\$0	\$17,050
b. Total Disbursements	\$0	\$0	\$186,489
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$0	\$0	(\$169,439)
d. Cash Balance Beginning of Month	\$122	\$122	\$169,561
e. Cash Balance End of Month (c + d)	\$122	\$122	\$122
			Cumulative
4. Profit/(Loss) from the Statement of Operations	(\$5,000)	(\$5,737)	(\$27,275)
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$10,000	\$5,000	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | | x |
| 13. Are a plan and disclosure statement on file? | | x |
| 14. Was there any post-petition borrowing during this reporting period? | | x |
15. Check if paid: Post-petition taxes x ; U.S. Trustee Quarterly Fees x ; Check if filing is current for: Post-petition tax reporting and tax returns: x .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: _____

/s/ Shaun O'Connor, Controller
Responsible Individual

STATEMENT OF OPERATIONS
(General Business Case)

For the Month Ended 08/31/17

<u>Current Month</u>				<u>Cumulative (Case to Date)</u>	<u>Next Month Forecast</u>
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>			
		\$0	Revenues:		
		\$0	1 Gross Sales		
		\$0	2 less: Sales Returns & Allowances		
\$0	\$0	\$0	3 Net Sales	\$0	\$0
\$0		\$0	4 less: Cost of Goods Sold (Schedule 'B')		
\$0	\$0	\$0	5 Gross Profit	\$0	\$0
		\$0	6 Interest		
		\$0	7 Other Income: _____		
		\$0	8 _____		
		\$0	9 _____		
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest	\$0	
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$0	\$0	\$0	35 Total Expenses	\$0	\$0
\$0	\$0	\$0	36 Subtotal	\$0	\$0
		\$5,000	Reorganization Items:		
(\$5,000)		\$5,000	37 Professional Fees	(\$25,000)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
\$0		\$0	41 U.S. Trustee Quarterly Fees	(\$2,275)	
		\$0	42 _____		
(\$5,000)	\$0	(\$5,000)	43 Total Reorganization Items	(\$27,275)	\$0
(\$5,000)	\$0	(\$5,000)	44 Net Profit (Loss) Before Federal & State Taxes	(\$27,275)	\$0
		\$0	45 Federal & State Income Taxes		
(\$5,000)	\$0	(\$5,000)	46 Net Profit (Loss)	(\$27,275)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 08/31/17

Assets		<u>From Schedules</u>	<u>Market Value</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$122
2	Cash and cash equivalents - restricted		_____
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		_____
6	Professional retainers		\$0
7	Other: _____		_____
8	_____		_____
9	Total Current Assets		<u>\$122</u>
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	_____
17	_____	D	_____
18	_____	D	_____
19	_____	D	_____
20	_____	D	_____
21	Total Property and Equipment		<u>\$0</u>
Other Assets			
22	Loans to shareholders		_____
23	Loans to affiliates		_____
24	_____		_____
25	_____		_____
26	_____		_____
27	_____		_____
28	Total Other Assets		<u>\$0</u>
29	Total Assets		<u>\$122</u>

NOTE: Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules			
Post-Petition			
Current Liabilities			
30	Salaries and wages		_____
31	Payroll taxes		_____
32	Real and personal property taxes		_____
33	Income taxes		_____
34	Sales taxes		_____
35	Notes payable (short term)		_____
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		_____
38	Personal property lease arrearage		_____
39	Accrued professional fees		\$10,000
40	Current portion of long-term post-petition debt (due within 12 months)		\$0
41	Other: US Trustee Fees		\$0
42	_____		_____
43	_____		_____
44	Total Current Liabilities		<u>\$10,000</u>
45	Long-Term Post-Petition Debt, Net of Current Portion		_____
46	Total Post-Petition Liabilities		<u>\$10,000</u>
Pre-Petition Liabilities (allowed amount)			
47	Secured claims	F	\$2,000,000
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$9,910,000
50	Total Pre-Petition Liabilities		<u>\$11,910,000</u>
51	Total Liabilities		<u>\$11,920,000</u>
Equity (Deficit)			
52	Retained Earnings/(Deficit) at time of filing		(\$28,089,632)
53	Capital Stock		_____
54	Additional paid-in capital		\$16,197,029
55	Cumulative profit/(loss) since filing of case		(\$27,275)
56	Post-petition contributions/(distributions) or (draws)		_____
57	_____		_____
58	Market value adjustment		_____
59	Total Equity (Deficit)		<u>(\$11,919,878)</u>
60	Total Liabilities and Equity (Deficit)		<u>\$122</u>

SCHEDULES TO THE BALANCE SHEET
(General Business Case)

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days	_____	_____	
31-60 Days	_____	_____	
61-90 Days	_____	_____	
91+ Days	_____	_____	
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts	_____		
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	_____
		Add -	
Retail/Restaurants -		Net purchase	_____
Product for resale	_____	Direct labor	_____
		Manufacturing overhead	_____
Distribution -		Freight in	_____
Products for resale	_____	Other:	_____

Manufacturer -			_____
Raw Materials	_____		
Work-in-progress	_____	Less -	
Finished goods	_____	Inventory End of Month	_____
		Shrinkage	_____
Other - Explain	_____	Personal Use	_____

		Cost of Goods Sold	\$0
TOTAL	\$0		

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____

Monthly _____

Quarterly _____

Semi-annually _____

Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____

LIFO cost _____

Lower of cost or market _____

Retail method _____

Other _____

Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	\$2,000,000	\$2,000,000
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$9,910,000	\$9,910,000

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Silicon Valley Bank			
Account Type	Checking			
Account No.	3301445164			
Account Purpose	Loan Int Payments			
Balance, End of Month	\$122			
Total Funds on Hand for all Accounts	<u>\$122</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 08/31/17

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected	_____	_____
2	Cash Received from Sales	_____	_____
3	Interest Received	_____	_____
4	Borrowings	_____	_____
5	Funds from Shareholders, Partners, or Other Insiders	_____	_____
6	Capital Contributions	_____	_____
7	Cash Transfer From Wrap Media LLC	_____	\$17,050
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	Total Cash Receipts	\$0	\$17,050
Cash Disbursements			
13	Payments for Inventory	_____	_____
14	Selling	_____	_____
15	Administrative	_____	_____
16	Capital Expenditures	_____	_____
17	Principal Payments on Debt	_____	_____
18	Interest Paid	_____	\$17,028
	Rent/Lease:		
19	Personal Property	_____	_____
20	Real Property	_____	_____
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries	_____	_____
22	Draws	_____	_____
23	Commissions/Royalties	_____	_____
24	Expense Reimbursements	_____	_____
25	Other	_____	_____
26	Salaries/Commissions (less employee withholding)	_____	_____
27	Management Fees	_____	_____
	Taxes:		
28	Employee Withholding	_____	_____
29	Employer Payroll Taxes	_____	_____
30	Real Property Taxes	_____	_____
31	Other Taxes	_____	_____
32	Other Cash Outflows:		
33	Cash Transfer to Wrap Media LLC	_____	\$169,461
34	_____	_____	_____
35	_____	_____	_____
36	_____	_____	_____
37	_____	_____	_____
38	Total Cash Disbursements:	\$0	\$186,489
39	Net Increase (Decrease) in Cash	\$0	(\$169,439)
40	Cash Balance, Beginning of Period	\$122	\$169,561
41	Cash Balance, End of Period	\$122	\$122

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 08/31/17

Cash Flows From Operating Activities	Actual Current Month	Cumulative (Case to Date)
1 Cash Received from Sales		
2 Rent/Leases Collected		
3 Interest Received		
4 Cash Paid to Suppliers		
5 Cash Paid for Selling Expenses		
6 Cash Paid for Administrative Expenses		
Cash Paid for Rents/Leases:		
7 Personal Property		
8 Real Property		
9 Cash Paid for Interest	\$0	\$17,028
10 Cash Paid for Net Payroll and Benefits		
Cash Paid to Owner(s)/Officer(s)		
11 Salaries		
12 Draws		
13 Commissions/Royalties		
14 Expense Reimbursements		
15 Other		
Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16 Employer Payroll Tax		
17 Employee Withholdings		
18 Real Property Taxes		
19 Other Taxes		
20 Cash Paid for General Expenses		
21		
22		
23		
24		
25		
26		
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$17,028)
Cash Flows From Reorganization Items		
28 Interest Received on Cash Accumulated Due to Chp 11 Case		
29 Professional Fees Paid for Services in Connection with Chp 11 Case		
30 U.S. Trustee Quarterly Fees		
31		
32 Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$17,028)
Cash Flows From Investing Activities		
34 Capital Expenditures		
35 Proceeds from Sales of Capital Goods due to Chp 11 Case		
36 <u>Transfer of Cash Balance to (from) Wrap LLC</u>	<u>\$0</u>	<u>\$152,411</u>
37 Net Cash Provided (Used) by Investing Activities	\$0	(\$152,411)
Cash Flows From Financing Activities		
38 Net Borrowings (Except Insiders)		
39 Net Borrowings from Shareholders, Partners, or Other Insiders		
40 Capital Contributions		
41 Principal Payments		
42		
43 Net Cash Provided (Used) by Financing Activities	\$0	\$0
44 Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$169,439)
45 Cash and Cash Equivalents at Beginning of Month	\$122	\$169,561
46 Cash and Cash Equivalents at End of Month	\$122	\$122



SiliconValley Bank

3003 Tasman Drive
Santa Clara, CA 95054

August 2017

Reporting Activity 08/01 - 08/31

Page 1 of 2

ADDRESS SERVICE REQUESTED

>038270 7885704 0001 092196 10Z
WRAP MEDIA, INC.
415 JACKSON STREET
SUITE 200
SAN FRANCISCO CA 94111

Managing Your Accounts

- Phone:** (408) 654-4636
- Toll-Free:** (800) 774-7390
- Email:** clientservice@svb.com
- Online:** www.svb.com

As a reminder, if you do not have sufficient funds in your account at the time a check, debit card transaction, or other charge is posted to your account we may charge you an overdraft fee. Please refer to the Deposit Agreement and Disclosure Statement for details.

Summary of Accounts

Account Type	Account Number	Ending Balance
Analysis Checking	XXXXXX5164	\$122.22
Total Balance		\$122.22

Analysis Checking - XXXXXX5164

Account Summary

Date	Description	
08/01/2017	Beginning Balance	\$122.22
08/31/2017	Ending Balance	\$122.22
	Total debits this period	\$0.00
	Total credits this period	\$0.00
	Service Charge	\$0.00

Account Activity

Transaction Date	Description	Debits	Credits	Balance
08/01/2017	Beginning Balance			\$122.22
	No activity this statement period			
08/31/2017	Ending Balance			\$122.22

36270 7885704 084615 169229 0001/0001



ALL SVB AUDIT CONFIRMATION REQUESTS SHOULD BE
SUBMITTED TO CAPITAL CONFIRMATION WWW.CONFIRMATION.COM

CHECKS OUTSTANDING						CHECKBOOK RECONCILIATION		
DATE OR #	AMOUNT	DATE OR #	AMOUNT	DATE OR #	AMOUNT			
						ENTER BALANCE THIS STATEMENT	\$	
						ADD RECENT DEPOSITS (NOT CREDITED ON THIS STATEMENT)	\$	
						SUBTOTAL	\$	
						SUBTRACT TOTAL ITEMS OUTSTANDING	\$	
BALANCE should agree with your checkbook balance after deducting charges and adding credits not shown in your checkbook but included on this statement as follows: Interest-ADD Overdraft-DEDUCT Automatic Payment-DEDUCT Automatic Advance-ADD Service Charge-DEDUCT						BALANCE	\$	

PLEASE REPORT ANY ERRORS OR OMISSIONS PROMPTLY TO US. ERRORS OR OMISSIONS THAT ARE REPORTED WITHIN THE FIRST 30 DAYS FROM THE DATE OF THE LAST STATEMENT CYCLE ARE USUALLY RESOLVED MUCH MORE QUICKLY THAN DATED REQUESTS. As a fraud prevention measure, you need to review your statements and report unauthorized use or errors to us, as explained in more detail below.

If your checkbook and statement do not balance have you:

- Accounted for bank charges?
 Verified additions and subtractions in your checkbook?
 Compared canceled checks to check stub?
 Compared deposit amounts on statement to your checkbook?

Any charges for imprinted checks include state sales tax computed at the current rate, when applicable. You can call (800) 774-7390 to request an item or substitute check, or a legible copy. We will without charge provide at least two items (or substitute checks or legible copies) upon request, with respect to each statement.

**IN CASE OF ERRORS OR QUESTIONS CONCERNING YOUR ELECTRONIC TRANSFERS
(For Consumer Clients)**

Telephone Silicon Valley Bank at (800) 774-7390 or write us at: Silicon Valley Bank, Attn: Client Services, 3003 Tasman Drive, Santa Clara, CA 95054, as soon as you can, if you think your statement or your receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe this is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

For questions about preauthorized transfers, please contact us at (800) 774-7390.

IN CASE OF UNAUTHORIZED USE OF YOUR CHECKS OR ACCOUNTS

You agree to review your statement and to report unauthorized use (checks or other charges that are forged, altered or other unauthorized use) or error immediately. Your deposit agreement sets specific times within which you must report unauthorized use or errors to us. In summary (and subject to special rules that may apply to consumers), if you fail to report unauthorized use or errors to us within 30 days after your statement is available, you may be liable for subsequent unauthorized use by the same wrongdoer. If you fail to report within 60 days, you may also be precluded from asserting the unauthorized use or other error against us. Your statement is deemed "available" when made available in paper or electronic form. Your deposit agreement or Related Agreements may set shorter reporting requirements, such as for ACH services.

FAIR CREDIT REPORTING ACT

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: WRAP MEDIA, INC.

Case No. 16-31327

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Sep-17

PETITION DATE: 12/10/16

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$122	\$122	
b. Total Assets	\$122	\$122	\$186,278
c. Current Liabilities	\$15,000	\$10,000	
d. Total Liabilities	\$11,925,000	\$11,920,000	\$11,993,333
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
a. Total Receipts	\$0	\$0	\$17,050
b. Total Disbursements	\$0	\$0	\$186,489
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$0	\$0	(\$169,439)
d. Cash Balance Beginning of Month	\$122	\$122	\$169,561
e. Cash Balance End of Month (c + d)	\$122	\$122	\$122
			Cumulative
4. Profit/(Loss) from the Statement of Operations	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
	(\$5,000)	(\$5,000)	(\$32,275)
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$15,000	\$10,000	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|------------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | x
_____ |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | _____ | x
_____ |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | _____ | _____ |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | _____ | x
_____ |
| 12. Is the estate insured for replacement cost of assets and for general liability? | _____ | x
_____ |
| 13. Are a plan and disclosure statement on file? | _____ | x
_____ |
| 14. Was there any post-petition borrowing during this reporting period? | _____ | x
_____ |
15. Check if paid: Post-petition taxes x ; U.S. Trustee Quarterly Fees x ; Check if filing is current for: Post-petition tax reporting and tax returns: x .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: _____

/s/ Shaun O'Connor, Controller
Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 09/30/17

<u>Current Month</u>				<u>Cumulative (Case to Date)</u>	<u>Next Month Forecast</u>
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>			
		\$0	Revenues:		
		\$0	1 Gross Sales		
		\$0	2 less: Sales Returns & Allowances		
\$0	\$0	\$0	3 Net Sales	\$0	\$0
\$0		\$0	4 less: Cost of Goods Sold (Schedule 'B')		
\$0	\$0	\$0	5 Gross Profit	\$0	\$0
		\$0	6 Interest		
		\$0	7 Other Income: _____		
		\$0	8 _____		
		\$0	9 _____		
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest	\$0	
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$0	\$0	\$0	35 Total Expenses	\$0	\$0
\$0	\$0	\$0	36 Subtotal	\$0	\$0
		\$5,000	Reorganization Items:		
(\$5,000)		\$5,000	37 Professional Fees	(\$30,000)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
\$0		\$0	41 U.S. Trustee Quarterly Fees	(\$2,275)	
		\$0	42 _____		
(\$5,000)	\$0	(\$5,000)	43 Total Reorganization Items	(\$32,275)	\$0
(\$5,000)	\$0	(\$5,000)	44 Net Profit (Loss) Before Federal & State Taxes	(\$32,275)	\$0
		\$0	45 Federal & State Income Taxes		
(\$5,000)	\$0	(\$5,000)	46 Net Profit (Loss)	(\$32,275)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 09/30/17

Assets		<u>From Schedules</u>	<u>Market Value</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$122
2	Cash and cash equivalents - restricted		_____
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		_____
6	Professional retainers		\$0
7	Other: _____		_____
8	_____		_____
9	Total Current Assets		<u>\$122</u>
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	_____
17	_____	D	_____
18	_____	D	_____
19	_____	D	_____
20	_____	D	_____
21	Total Property and Equipment		<u>\$0</u>
Other Assets			
22	Loans to shareholders		_____
23	Loans to affiliates		_____
24	_____		_____
25	_____		_____
26	_____		_____
27	_____		_____
28	Total Other Assets		<u>\$0</u>
29	Total Assets		<u>\$122</u>

NOTE: Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules			
Post-Petition			
Current Liabilities			
30	Salaries and wages		_____
31	Payroll taxes		_____
32	Real and personal property taxes		_____
33	Income taxes		_____
34	Sales taxes		_____
35	Notes payable (short term)		_____
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		_____
38	Personal property lease arrearage		_____
39	Accrued professional fees		\$15,000
40	Current portion of long-term post-petition debt (due within 12 months)		\$0
41	Other: US Trustee Fees		\$0
42	_____		_____
43	_____		_____
44	Total Current Liabilities		<u>\$15,000</u>
45	Long-Term Post-Petition Debt, Net of Current Portion		_____
46	Total Post-Petition Liabilities		<u>\$15,000</u>
Pre-Petition Liabilities (allowed amount)			
47	Secured claims	F	\$2,000,000
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$9,910,000
50	Total Pre-Petition Liabilities		<u>\$11,910,000</u>
51	Total Liabilities		<u>\$11,925,000</u>
Equity (Deficit)			
52	Retained Earnings/(Deficit) at time of filing		(\$28,089,632)
53	Capital Stock		_____
54	Additional paid-in capital		\$16,197,029
55	Cumulative profit/(loss) since filing of case		(\$32,275)
56	Post-petition contributions/(distributions) or (draws)		_____
57	_____		_____
58	Market value adjustment		_____
59	Total Equity (Deficit)		<u>(\$11,924,878)</u>
60	Total Liabilities and Equity (Deficit)		<u>\$122</u>

**SCHEDULES TO THE BALANCE SHEET
(General Business Case)**

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days	_____	_____	
31-60 Days	_____	_____	
61-90 Days	_____	_____	
91+ Days	_____	_____	\$0
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts	_____		
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold
		Inventory Beginning of Month
		Add -
Retail/Restaurants -		Net purchase
Product for resale	_____	Direct labor
		Manufacturing overhead
Distribution -		Freight in
Products for resale	_____	Other:

Manufacturer -		_____
Raw Materials	_____	
Work-in-progress	_____	Less -
Finished goods	_____	Inventory End of Month
		Shrinkage
Other - Explain	_____	Personal Use

TOTAL	\$0	Cost of Goods Sold
		\$0

Method of Inventory Control

Do you have a functioning perpetual inventory system?
Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____

Monthly _____

Quarterly _____

Semi-annually _____

Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____

LIFO cost _____

Lower of cost or market _____

Retail method _____

Other _____

Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	\$2,000,000	\$2,000,000
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$9,910,000	\$9,910,000

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Silicon Valley Bank			
Account Type	Checking			
Account No.	3301445164			
Account Purpose	Loan Int Payments			
Balance, End of Month	\$122			
Total Funds on Hand for all Accounts	<u>\$122</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 09/30/17

		<u>Actual</u> <u>Current Month</u>	<u>Cumulative</u> <u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected	_____	_____
2	Cash Received from Sales	_____	_____
3	Interest Received	_____	_____
4	Borrowings	_____	_____
5	Funds from Shareholders, Partners, or Other Insiders	_____	_____
6	Capital Contributions	_____	_____
7	Cash Transfer From Wrap Media LLC	_____	\$17,050
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	Total Cash Receipts	\$0	\$17,050
Cash Disbursements			
13	Payments for Inventory	_____	_____
14	Selling	_____	_____
15	Administrative	_____	_____
16	Capital Expenditures	_____	_____
17	Principal Payments on Debt	_____	_____
18	Interest Paid	_____	\$17,028
	Rent/Lease:		
19	Personal Property	_____	_____
20	Real Property	_____	_____
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries	_____	_____
22	Draws	_____	_____
23	Commissions/Royalties	_____	_____
24	Expense Reimbursements	_____	_____
25	Other	_____	_____
26	Salaries/Commissions (less employee withholding)	_____	_____
27	Management Fees	_____	_____
	Taxes:		
28	Employee Withholding	_____	_____
29	Employer Payroll Taxes	_____	_____
30	Real Property Taxes	_____	_____
31	Other Taxes	_____	_____
32	Other Cash Outflows:		
33	Cash Transfer to Wrap Media LLC	_____	\$169,461
34	_____	_____	_____
35	_____	_____	_____
36	_____	_____	_____
37	_____	_____	_____
38	Total Cash Disbursements:	\$0	\$186,489
39	Net Increase (Decrease) in Cash	\$0	(\$169,439)
40	Cash Balance, Beginning of Period	\$122	\$169,561
41	Cash Balance, End of Period	\$122	\$122

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 09/30/17

Cash Flows From Operating Activities	Actual Current Month	Cumulative (Case to Date)
1 Cash Received from Sales		
2 Rent/Leases Collected		
3 Interest Received		
4 Cash Paid to Suppliers		
5 Cash Paid for Selling Expenses		
6 Cash Paid for Administrative Expenses		
Cash Paid for Rents/Leases:		
7 Personal Property		
8 Real Property		
9 Cash Paid for Interest	\$0	\$17,028
10 Cash Paid for Net Payroll and Benefits		
Cash Paid to Owner(s)/Officer(s)		
11 Salaries		
12 Draws		
13 Commissions/Royalties		
14 Expense Reimbursements		
15 Other		
Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16 Employer Payroll Tax		
17 Employee Withholdings		
18 Real Property Taxes		
19 Other Taxes		
20 Cash Paid for General Expenses		
21		
22		
23		
24		
25		
26		
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$17,028)
Cash Flows From Reorganization Items		
28 Interest Received on Cash Accumulated Due to Chp 11 Case		
29 Professional Fees Paid for Services in Connection with Chp 11 Case		
30 U.S. Trustee Quarterly Fees		
31		
32 Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$17,028)
Cash Flows From Investing Activities		
34 Capital Expenditures		
35 Proceeds from Sales of Capital Goods due to Chp 11 Case		
36 Transfer of Cash Balance to (from) Wrap LLC	\$0	\$152,411
37 Net Cash Provided (Used) by Investing Activities	\$0	(\$152,411)
Cash Flows From Financing Activities		
38 Net Borrowings (Except Insiders)		
39 Net Borrowings from Shareholders, Partners, or Other Insiders		
40 Capital Contributions		
41 Principal Payments		
42		
43 Net Cash Provided (Used) by Financing Activities	\$0	\$0
44 Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$169,439)
45 Cash and Cash Equivalents at Beginning of Month	\$122	\$169,561
46 Cash and Cash Equivalents at End of Month	\$122	\$122



Silicon Valley Bank

3003 Tasman Drive
Santa Clara, CA 95054

September 2017

Reporting Activity 09/01 - 09/30

Page 1 of 2

ADDRESS SERVICE REQUESTED

>040009 7968774 0001 092196 10Z
WRAP MEDIA, INC.
415 JACKSON STREET
SUITE 200
SAN FRANCISCO CA 94111

Managing Your Accounts

- Phone:** (408) 654-4636
- Toll-Free:** (800) 774-7390
- Email:** clientservice@svb.com
- Online:** www.svb.com

As a reminder, if you do not have sufficient funds in your account at the time a check, debit card transaction, or other charge is posted to your account we may charge you an overdraft fee. Please refer to the Deposit Agreement and Disclosure Statement for details.

Summary of Accounts

Account Type	Account Number	Ending Balance
Analysis Checking	XXXXXX5164	\$122.22
Total Balance		\$122.22

Analysis Checking - XXXXXX5164

Account Summary

Date	Description	
09/01/2017	Beginning Balance	\$122.22
09/30/2017	Ending Balance	\$122.22
	Total debits this period	\$0.00
	Total credits this period	\$0.00
	Service Charge	\$0.00

Account Activity

Transaction Date	Description	Debits	Credits	Balance
09/01/2017	Beginning Balance			\$122.22
	No activity this statement period			
09/30/2017	Ending Balance			\$122.22

40009 7968774 085822 171643 0001/0001



ALL SVB AUDIT CONFIRMATION REQUESTS SHOULD BE SUBMITTED TO CAPITAL CONFIRMATION WWW.CONFIRMATION.COM

CHECKS OUTSTANDING						CHECKBOOK RECONCILIATION		
DATE OR #	AMOUNT	DATE OR #	AMOUNT	DATE OR #	AMOUNT			
						ENTER BALANCE THIS STATEMENT	\$	
						ADD RECENT DEPOSITS (NOT CREDITED ON THIS STATEMENT)	\$	
						SUBTOTAL	\$	
						SUBTRACT TOTAL ITEMS OUTSTANDING	\$	
BALANCE should agree with your checkbook balance after deducting charges and adding credits not shown in your checkbook but included on this statement as follows: Interest-ADD Overdraft-DEDUCT Automatic Payment-DEDUCT Automatic Advance-ADD Service Charge-DEDUCT						BALANCE	\$	

PLEASE REPORT ANY ERRORS OR OMISSIONS PROMPTLY TO US. ERRORS OR OMISSIONS THAT ARE REPORTED WITHIN THE FIRST 30 DAYS FROM THE DATE OF THE LAST STATEMENT CYCLE ARE USUALLY RESOLVED MUCH MORE QUICKLY THAN DATED REQUESTS. As a fraud prevention measure, you need to review your statements and report unauthorized use or errors to us, as explained in more detail below.

If your checkbook and statement do not balance have you:

- Accounted for bank charges?
 Verified additions and subtractions in your checkbook?
 Compared canceled checks to check stub?
 Compared deposit amounts on statement to your checkbook?

Any charges for imprinted checks include state sales tax computed at the current rate, when applicable. You can call (800) 774-7390 to request an item or substitute check, or a legible copy. We will without charge provide at least two items (or substitute checks or legible copies) upon request, with respect to each statement.

**IN CASE OF ERRORS OR QUESTIONS CONCERNING YOUR ELECTRONIC TRANSFERS
(For Consumer Clients)**

Telephone Silicon Valley Bank at (800) 774-7390 or write us at: Silicon Valley Bank, Attn: Client Services, 3003 Tasman Drive, Santa Clara, CA 95054, as soon as you can, if you think your statement or your receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe this is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

For questions about preauthorized transfers, please contact us at (800) 774-7390.

IN CASE OF UNAUTHORIZED USE OF YOUR CHECKS OR ACCOUNTS

You agree to review your statement and to report unauthorized use (checks or other charges that are forged, altered or other unauthorized use) or error immediately. Your deposit agreement sets specific times within which you must report unauthorized use or errors to us. In summary (and subject to special rules that may apply to consumers), if you fail to report unauthorized use or errors to us within 30 days after your statement is available, you may be liable for subsequent unauthorized use by the same wrongdoer. If you fail to report within 60 days, you may also be precluded from asserting the unauthorized use or other error against us. Your statement is deemed "available" when made available in paper or electronic form. Your deposit agreement or Related Agreements may set shorter reporting requirements, such as for ACH services.

FAIR CREDIT REPORTING ACT

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA**

In re: WRAP MEDIA, INC.

Case No. 16-31326

**CHAPTER 11
MONTHLY OPERATING REPORT
(GENERAL BUSINESS CASE)**

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: Oct-17

PETITION DATE: 12/10/16

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).
Dollars reported in \$1

	<u>End of Current Month</u>	<u>End of Prior Month</u>	<u>As of Petition Filing</u>
2. Asset and Liability Structure			
a. Current Assets	\$122	\$122	
b. Total Assets	\$122	\$122	\$186,278
c. Current Liabilities	\$20,000	\$15,000	
d. Total Liabilities	\$11,930,000	\$11,925,000	\$11,993,333
			Cumulative
3. Statement of Cash Receipts & Disbursements for Month	<u>Current Month</u>	<u>Prior Month</u>	<u>(Case to Date)</u>
a. Total Receipts	\$0	\$0	\$17,050
b. Total Disbursements	\$0	\$0	\$186,489
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$0	\$0	(\$169,439)
d. Cash Balance Beginning of Month	\$122	\$122	\$169,561
e. Cash Balance End of Month (c + d)	\$122	\$122	\$122
			Cumulative
4. Profit/(Loss) from the Statement of Operations	(\$5,000)	(\$5,000)	(\$37,275)
5. Account Receivables (Pre and Post Petition)	\$0	\$0	
6. Post-Petition Liabilities	\$20,000	\$15,000	
7. Past Due Post-Petition Account Payables (over 30 days)	\$0	\$0	

At the end of this reporting month:

- | | <u>Yes</u> | <u>No</u> |
|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|-----------|
| 8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee) | | x |
| 10. If the answer is yes to 8 or 9, were all such payments approved by the court? | | |
| 11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee) | | x |
| 12. Is the estate insured for replacement cost of assets and for general liability? | | x |
| 13. Are a plan and disclosure statement on file? | | x |
| 14. Was there any post-petition borrowing during this reporting period? | | x |
15. Check if paid: Post-petition taxes x ; U.S. Trustee Quarterly Fees x ; Check if filing is current for: Post-petition tax reporting and tax returns: x .
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.)

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: _____

/s/ Shaun O'Connor, Controller
Responsible Individual

STATEMENT OF OPERATIONS

(General Business Case)

For the Month Ended 10/31/17

<u>Current Month</u>				<u>Cumulative (Case to Date)</u>	<u>Next Month Forecast</u>
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>			
		\$0	Revenues:		
		\$0	1 Gross Sales		
		\$0	2 less: Sales Returns & Allowances		
\$0	\$0	\$0	3 Net Sales	\$0	\$0
\$0		\$0	4 less: Cost of Goods Sold (Schedule 'B')		
\$0	\$0	\$0	5 Gross Profit	\$0	\$0
		\$0	6 Interest		
		\$0	7 Other Income: _____		
		\$0	8 _____		
		\$0	9 _____		
\$0	\$0	\$0	10 Total Revenues	\$0	\$0
		\$0	Expenses:		
		\$0	11 Compensation to Owner(s)/Officer(s)		
		\$0	12 Salaries		
		\$0	13 Commissions		
		\$0	14 Contract Labor		
		\$0	Rent/Lease:		
		\$0	15 Personal Property		
		\$0	16 Real Property		
		\$0	17 Insurance		
		\$0	18 Management Fees		
		\$0	19 Depreciation		
		\$0	Taxes:		
		\$0	20 Employer Payroll Taxes		
		\$0	21 Real Property Taxes		
		\$0	22 Other Taxes		
		\$0	23 Other Selling		
		\$0	24 Other Administrative		
		\$0	25 Interest	\$0	
		\$0	26 Other Expenses: _____		
		\$0	27 _____		
		\$0	28 _____		
		\$0	29 _____		
		\$0	30 _____		
		\$0	31 _____		
		\$0	32 _____		
		\$0	33 _____		
		\$0	34 _____		
\$0	\$0	\$0	35 Total Expenses	\$0	\$0
\$0	\$0	\$0	36 Subtotal	\$0	\$0
		\$5,000	Reorganization Items:		
(\$5,000)		\$5,000	37 Professional Fees	(\$35,000)	
		\$0	38 Provisions for Rejected Executory Contracts		
		\$0	39 Interest Earned on Accumulated Cash from Resulting Chp 11 Case		
		\$0	40 Gain or (Loss) from Sale of Equipment		
\$0		\$0	41 U.S. Trustee Quarterly Fees	(\$2,275)	
		\$0	42 _____		
(\$5,000)	\$0	(\$5,000)	43 Total Reorganization Items	(\$37,275)	\$0
(\$5,000)	\$0	(\$5,000)	44 Net Profit (Loss) Before Federal & State Taxes	(\$37,275)	\$0
		\$0	45 Federal & State Income Taxes		
(\$5,000)	\$0	(\$5,000)	46 Net Profit (Loss)	(\$37,275)	\$0

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only):

BALANCE SHEET
(General Business Case)
For the Month Ended 10/31/17

Assets		<u>From Schedules</u>	<u>Market Value</u>
Current Assets			
1	Cash and cash equivalents - unrestricted		\$122
2	Cash and cash equivalents - restricted		_____
3	Accounts receivable (net)	A	\$0
4	Inventory	B	\$0
5	Prepaid expenses		_____
6	Professional retainers		\$0
7	Other: _____		_____
8	_____		_____
9	Total Current Assets		<u>\$122</u>
Property and Equipment (Market Value)			
10	Real property	C	\$0
11	Machinery and equipment	D	\$0
12	Furniture and fixtures	D	\$0
13	Office equipment	D	\$0
14	Leasehold improvements	D	\$0
15	Vehicles	D	\$0
16	Other: _____	D	_____
17	_____	D	_____
18	_____	D	_____
19	_____	D	_____
20	_____	D	_____
21	Total Property and Equipment		<u>\$0</u>
Other Assets			
22	Loans to shareholders		_____
23	Loans to affiliates		_____
24	_____		_____
25	_____		_____
26	_____		_____
27	_____		_____
28	Total Other Assets		<u>\$0</u>
29	Total Assets		<u>\$122</u>

NOTE: Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.

Liabilities and Equity
(General Business Case)

Liabilities From Schedules			
Post-Petition			
Current Liabilities			
30	Salaries and wages		_____
31	Payroll taxes		_____
32	Real and personal property taxes		_____
33	Income taxes		_____
34	Sales taxes		_____
35	Notes payable (short term)		_____
36	Accounts payable (trade)	A	\$0
37	Real property lease arrearage		_____
38	Personal property lease arrearage		_____
39	Accrued professional fees		\$20,000
40	Current portion of long-term post-petition debt (due within 12 months)		\$0
41	Other: US Trustee Fees		\$0
42	_____		_____
43	_____		_____
44	Total Current Liabilities		<u>\$20,000</u>
45	Long-Term Post-Petition Debt, Net of Current Portion		_____
46	Total Post-Petition Liabilities		<u>\$20,000</u>
Pre-Petition Liabilities (allowed amount)			
47	Secured claims	F	\$2,000,000
48	Priority unsecured claims	F	\$0
49	General unsecured claims	F	\$9,910,000
50	Total Pre-Petition Liabilities		<u>\$11,910,000</u>
51	Total Liabilities		<u>\$11,930,000</u>
Equity (Deficit)			
52	Retained Earnings/(Deficit) at time of filing		(\$28,089,632)
53	Capital Stock		_____
54	Additional paid-in capital		\$16,197,029
55	Cumulative profit/(loss) since filing of case		(\$37,275)
56	Post-petition contributions/(distributions) or (draws)		_____
57	_____		_____
58	Market value adjustment		_____
59	Total Equity (Deficit)		<u>(\$11,929,878)</u>
60	Total Liabilities and Equity (Deficit)		<u>\$122</u>

**SCHEDULES TO THE BALANCE SHEET
(General Business Case)**

Schedule A

Accounts Receivable and (Net) Payable

Receivables and Payables Agings	Accounts Receivable [Pre and Post Petition]	Accounts Payable [Post Petition]	Past Due Post Petition Debt
0 -30 Days	_____	_____	
31-60 Days	_____	_____	
61-90 Days	_____	_____	
91+ Days	_____	_____	\$0
Total accounts receivable/payable	\$0	\$0	
Allowance for doubtful accounts	_____		
Accounts receivable (net)	\$0		

Schedule B

Inventory/Cost of Goods Sold

Types and Amount of Inventory(ies)	Inventory(ies) Balance at End of Month	Cost of Goods Sold	
		Inventory Beginning of Month	_____
		Add -	
Retail/Restaurants -		Net purchase	_____
Product for resale	_____	Direct labor	_____
		Manufacturing overhead	_____
Distribution -		Freight in	_____
Products for resale	_____	Other:	_____

Manufacturer -			_____
Raw Materials	_____		
Work-in-progress	_____	Less -	
Finished goods	_____	Inventory End of Month	_____
		Shrinkage	_____
Other - Explain	_____	Personal Use	_____

		Cost of Goods Sold	\$0
TOTAL	\$0		

Method of Inventory Control

Do you have a functioning perpetual inventory system?

Yes _____ No _____

How often do you take a complete physical inventory?

Weekly _____
 Monthly _____
 Quarterly _____
 Semi-annually _____
 Annually _____

Date of last physical inventory was _____

Date of next physical inventory is _____

Inventory Valuation Methods

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost _____
 LIFO cost _____
 Lower of cost or market _____
 Retail method _____
 Other _____
 Explain _____

**Schedule C
Real Property**

Description	<u>Cost</u>	<u>Market Value</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

**Schedule D
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Market Value</u>
Machinery & Equipment -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Furniture & Fixtures -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Office Equipment -		
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Leasehold Improvements -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Vehicles -		
_____	_____	_____
_____	_____	_____
_____	_____	_____
Total	\$0	\$0

Schedule E
Aging of Post-Petition Taxes
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
Federal					
Income Tax Withholding					\$0
FICA - Employee					\$0
FICA - Employer					\$0
Unemployment (FUTA)					\$0
Income					\$0
Other (Attach List)					\$0
Total Federal Taxes	\$0	\$0	\$0	\$0	\$0
State and Local					
Income Tax Withholding					\$0
Unemployment (UT)					\$0
Disability Insurance (DI)					\$0
Empl. Training Tax (ETT)					\$0
Sales					\$0
Excise					\$0
Real property					\$0
Personal property					\$0
Income					\$0
Other (Attach List)					\$0
Total State & Local Taxes	\$0	\$0	\$0	\$0	\$0
Total Taxes	\$0	\$0	\$0	\$0	\$0

Schedule F
Pre-Petition Liabilities

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount (b)</u>
Secured claims (a)	\$2,000,000	\$2,000,000
Priority claims other than taxes		
Priority tax claims		
General unsecured claims	\$9,910,000	\$9,910,000

- (a) List total amount of claims even it under secured.
- (b) Estimated amount of claim to be allowed after compromise or litigation. As an example, you are a defendant in a lawsuit alleging damage of \$10,000,000 and a proof of claim is filed in that amount. You believe that you can settle the case for a claim of \$3,000,000. For Schedule F reporting purposes you should list \$10,000,000 as the Claimed Amount and \$3,000,000 as the Allowed Amount.

Schedule G
Rental Income Information
Not applicable to General Business Cases

Schedule H
Recapitulation of Funds Held at End of Month

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Silicon Valley Bank			
Account Type	Checking			
Account No.	3301445164			
Account Purpose	Loan Int Payments			
Balance, End of Month	\$122			
Total Funds on Hand for all Accounts	<u>\$122</u>			

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 10/31/17

		<u>Actual</u>	<u>Cumulative</u>
		<u>Current Month</u>	<u>(Case to Date)</u>
Cash Receipts			
1	Rent/Leases Collected	_____	_____
2	Cash Received from Sales	_____	_____
3	Interest Received	_____	_____
4	Borrowings	_____	_____
5	Funds from Shareholders, Partners, or Other Insiders	_____	_____
6	Capital Contributions	_____	_____
7	Cash Transfer From Wrap Media LLC	_____	\$17,050
8	_____	_____	_____
9	_____	_____	_____
10	_____	_____	_____
11	_____	_____	_____
12	Total Cash Receipts	\$0	\$17,050
Cash Disbursements			
13	Payments for Inventory	_____	_____
14	Selling	_____	_____
15	Administrative	_____	_____
16	Capital Expenditures	_____	_____
17	Principal Payments on Debt	_____	_____
18	Interest Paid	_____	\$17,028
	Rent/Lease:		
19	Personal Property	_____	_____
20	Real Property	_____	_____
	Amount Paid to Owner(s)/Officer(s)		
21	Salaries	_____	_____
22	Draws	_____	_____
23	Commissions/Royalties	_____	_____
24	Expense Reimbursements	_____	_____
25	Other	_____	_____
26	Salaries/Commissions (less employee withholding)	_____	_____
27	Management Fees	_____	_____
	Taxes:		
28	Employee Withholding	_____	_____
29	Employer Payroll Taxes	_____	_____
30	Real Property Taxes	_____	_____
31	Other Taxes	_____	_____
32	Other Cash Outflows:		
33	Cash Transfer to Wrap Media LLC	_____	\$169,461
34	_____	_____	_____
35	_____	_____	_____
36	_____	_____	_____
37	_____	_____	_____
38	Total Cash Disbursements:	\$0	\$186,489
39	Net Increase (Decrease) in Cash	\$0	(\$169,439)
40	Cash Balance, Beginning of Period	\$122	\$169,561
41	Cash Balance, End of Period	\$122	\$122

STATEMENT OF CASH FLOWS
(Optional) Increase/(Decrease) in Cash and Cash Equivalents
For the Month Ended 10/31/17

Cash Flows From Operating Activities	Actual Current Month	Cumulative (Case to Date)
1 Cash Received from Sales		
2 Rent/Leases Collected		
3 Interest Received		
4 Cash Paid to Suppliers		
5 Cash Paid for Selling Expenses		
6 Cash Paid for Administrative Expenses		
Cash Paid for Rents/Leases:		
7 Personal Property		
8 Real Property		
9 Cash Paid for Interest	\$0	\$17,028
10 Cash Paid for Net Payroll and Benefits		
Cash Paid to Owner(s)/Officer(s)		
11 Salaries		
12 Draws		
13 Commissions/Royalties		
14 Expense Reimbursements		
15 Other		
Cash Paid for Taxes Paid/Deposited to Tax Acct.		
16 Employer Payroll Tax		
17 Employee Withholdings		
18 Real Property Taxes		
19 Other Taxes		
20 Cash Paid for General Expenses		
21		
22		
23		
24		
25		
26		
27 Net Cash Provided (Used) by Operating Activities before Reorganization Items	\$0	(\$17,028)
Cash Flows From Reorganization Items		
28 Interest Received on Cash Accumulated Due to Chp 11 Case		
29 Professional Fees Paid for Services in Connection with Chp 11 Case		
30 U.S. Trustee Quarterly Fees		
31		
32 Net Cash Provided (Used) by Reorganization Items	\$0	\$0
33 Net Cash Provided (Used) for Operating Activities and Reorganization Items	\$0	(\$17,028)
Cash Flows From Investing Activities		
34 Capital Expenditures		
35 Proceeds from Sales of Capital Goods due to Chp 11 Case		
36 <u>Transfer of Cash Balance to (from) Wrap LLC</u>	\$0	\$152,411
37 Net Cash Provided (Used) by Investing Activities	\$0	(\$152,411)
Cash Flows From Financing Activities		
38 Net Borrowings (Except Insiders)		
39 Net Borrowings from Shareholders, Partners, or Other Insiders		
40 Capital Contributions		
41 Principal Payments		
42		
43 Net Cash Provided (Used) by Financing Activities	\$0	\$0
44 Net Increase (Decrease) in Cash and Cash Equivalents	\$0	(\$169,439)
45 Cash and Cash Equivalents at Beginning of Month	\$122	\$169,561
46 Cash and Cash Equivalents at End of Month	\$122	\$122



Silicon Valley Bank

3003 Tasman Drive
Santa Clara, CA 95054

October 2017

Reporting Activity 10/01 - 10/31

Page 1 of 2

ADDRESS SERVICE REQUESTED

>040143 8076857 0001 092196 10Z
WRAP MEDIA, INC.
415 JACKSON STREET
SUITE 200
SAN FRANCISCO CA 94111

Managing Your Accounts

- Phone:** (408) 654-4636
- Toll-Free:** (800) 774-7390
- Email:** clientservice@svb.com
- Online:** www.svb.com

Summary of Accounts

Account Type	Account Number	Ending Balance
Analysis Checking	XXXXXX5164	\$122.22
Total Balance		\$122.22

Analysis Checking - XXXXXX5164

Account Summary

Date	Description	
10/01/2017	Beginning Balance	\$122.22
10/31/2017	Ending Balance	\$122.22
	Total debits this period	\$0.00
	Total credits this period	\$0.00
	Service Charge	\$0.00

Account Activity

Transaction Date	Description	Debits	Credits	Balance
10/01/2017	Beginning Balance			\$122.22
	No activity this statement period			
10/31/2017	Ending Balance			\$122.22



ALL SVB AUDIT CONFIRMATION REQUESTS SHOULD BE
SUBMITTED TO CAPITAL CONFIRMATION WWW.CONFIRMATION.COM

CHECKS OUTSTANDING						CHECKBOOK RECONCILIATION		
DATE OR #	AMOUNT	DATE OR #	AMOUNT	DATE OR #	AMOUNT			
						ENTER BALANCE THIS STATEMENT	\$	
						ADD		
						RECENT DEPOSITS (NOT CREDITED ON THIS STATEMENT)	\$	
						SUBTOTAL	\$	
						SUBTRACT TOTAL ITEMS OUTSTANDING	\$	
BALANCE should agree with your checkbook balance after deducting charges and adding credits not shown in your checkbook but included on this statement as follows: Interest-ADD Overdraft-DEDUCT Automatic Payment-DEDUCT Automatic Advance-ADD Service Charge-DEDUCT						BALANCE	\$	

PLEASE REPORT ANY ERRORS OR OMISSIONS PROMPTLY TO US. ERRORS OR OMISSIONS THAT ARE REPORTED WITHIN THE FIRST 30 DAYS FROM THE DATE OF THE LAST STATEMENT CYCLE ARE USUALLY RESOLVED MUCH MORE QUICKLY THAN DATED REQUESTS. As a fraud prevention measure, you need to review your statements and report unauthorized use or errors to us, as explained in more detail below.

If your checkbook and statement do not balance have you:

- Accounted for bank charges?
 Verified additions and subtractions in your checkbook?
 Compared canceled checks to check stub?
 Compared deposit amounts on statement to your checkbook?

Any charges for imprinted checks include state sales tax computed at the current rate, when applicable. You can call (800) 774-7390 to request an item or substitute check, or a legible copy. We will without charge provide at least two items (or substitute checks or legible copies) upon request, with respect to each statement.

**IN CASE OF ERRORS OR QUESTIONS CONCERNING YOUR ELECTRONIC TRANSFERS
(For Consumer Clients)**

Telephone Silicon Valley Bank at (800) 774-7390 or write us at: Silicon Valley Bank, Attn: Client Services, 3003 Tasman Drive, Santa Clara, CA 95054, as soon as you can, if you think your statement or your receipt is wrong or if you need more information about a transfer on the statement or receipt. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- Tell us your name and account number (if any).
- Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe this is an error or why you need more information.
- Tell us the dollar amount of the suspected error.

We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this, we will credit your account for the amount you think is in error, so that you will have the use of the money during the time it takes us to complete our investigation.

For questions about preauthorized transfers, please contact us at (800) 774-7390.

IN CASE OF UNAUTHORIZED USE OF YOUR CHECKS OR ACCOUNTS

You agree to review your statement and to report unauthorized use (checks or other charges that are forged, altered or other unauthorized use) or error immediately. Your deposit agreement sets specific times within which you must report unauthorized use or errors to us. In summary (and subject to special rules that may apply to consumers), if you fail to report unauthorized use or errors to us within 30 days after your statement is available, you may be liable for subsequent unauthorized use by the same wrongdoer. If you fail to report within 60 days, you may also be precluded from asserting the unauthorized use or other error against us. Your statement is deemed "available" when made available in paper or electronic form. Your deposit agreement or Related Agreements may set shorter reporting requirements, such as for ACH services.

FAIR CREDIT REPORTING ACT

We may report information about your account to credit bureaus. Late payments, missed payments, or other defaults on your account may be reflected in your credit report.

Exhibit 5 - Copy of License Agreement

Attached hereto is a copy of the agreement governing the License defined and described in Exhibit 1.

EXHIBIT A

LICENSE AGREEMENT

This License Agreement (this "Agreement") is made and entered into as of June _____, 2017 (the "Effective Date") by and between Wrap Media LLC ("Licensor"), a Delaware limited liability company, and Wrap Media Inc. ("Licensee"), a Delaware corporation. Each of Licensor and Licensee are referred to in this Agreement singly as a "Party," and collectively as the "Parties."

WHEREAS, Licensee is a material shareholder of Licensor, and both Licensor and Licensee commenced Chapter 11 bankruptcy proceedings on or about December 10, 2016.

WHEREAS, Licensor and another party expect to enter into a certain Asset Purchase Agreement (the "Purchase Agreement") pursuant to which Licensor will transfer certain technology assets (the "Technology Assets"), to such other party (the "Sale"); and

WHEREAS, certain existing investors in Licensee have proposed to implement a plan of reorganization for Licensee to continue its business activities utilizing the Technology Assets (the "Reorganization");

WHEREAS, in connection with the Reorganization, Licensee and certain of its affiliates desire to receive a license permitting the use of the Technology Assets, and Licensor is willing to grant such a license, all subject to the terms and conditions set forth in this Agreement;

NOW, THEREFORE, in consideration of these premises and the mutual promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of all of which are hereby acknowledged, the Parties, intending to be legally bound, hereby agree as follows:

1. Definitions.

(a) "Acts of God" means any cause(s) which render(s) Licensor wholly or partly unable to perform its obligations under this Agreement, and which are neither reasonably within the control of such party nor the result of the fault or negligence of such party, and which occur despite all reasonable attempts to avoid, mitigate or remedy, and shall include without limitation acts of God, war, riots, floods, fires, explosions, earthquakes, acts or campaigns of terrorism or sabotage, blockades, embargoes, accidents or interruptions to transportation, trade restrictions, acts of any governmental authority after the date of this Agreement, and other events or circumstances beyond the reasonable control of such party.

(b) "License Reimbursement" means reimbursement of bona fide, reasonable, incremental third-party out of pocket expenses directly associated with Licensee's use of the Software to facilitate up to 1,000,000 Wrap Views per year. (c) "Material Disruptions" means disruptions materially prohibiting Licensee's use of the Software for conducting its business as contemplated hereunder. However, Material Disruptions shall not include issues arising from or relating to (1) network issues of hosting providers that are not reasonably attributable to acts or omissions of Licensor, (2) Acts of God, (3) act or omission of the Licensee other than acts or omissions taken at Licensor's express direction to Licensee, or (4) in any case a disruption that

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Licensor can reasonably cure and does actually cure within 48 hours.

(d) "Software" means the Wrap Authoring Tool, the Wrap Console, and Wrap Analytics collectively.

(e) "Term" means the fifteen (15) year period beginning on the Effective Date.

(f) "Wrap Analytics" means the online tool that allows wrap administrators to gauge individual wrap usage.

(g) "Wrap Authoring Tool" means the online tool that allows wrap administrators to create wrap HTML-5 virtual documents.

(h) "Wrap View" means each discrete usage by one user of one wrap.

(i) "Wrap Console" means the sales and marketing technology tool allowing users to select content and send a personalized Wrap to a designated recipient.

2. Ownership. Licensee agrees and acknowledges that Licensor is the sole and exclusive owner of all right, title and interest in and to the Software and all modifications and derivatives thereof.

3. License. Subject to the terms and conditions hereof, and conditioned upon the payment by Licensee of the License Reimbursement Licensor hereby grants to Licensee a non-exclusive, world-wide, non-assignable, non-transferable, non-sublicensable, royalty-free, limited right and license to use the Software to facilitate up to 1,000,000 Wrap Views per year during the Term. Should the number of Wrap Views facilitated exceed 1,000,000 for any year during the Term, Licensee will pay Licensor a market-based fee determined in good faith that is no higher than that offered to any third party customers in like circumstances. The totality of the terms offered to such third party customers shall be taken into consideration to determine whether such third party customers and Licensee are in like circumstances. Such additional amount will be due and payable within thirty (30) days following the end of such year. All rights not specifically granted herein are specifically denied. For the purposes hereof, one (1) wrap accessed ten (10) times by one (1) wrap user = 1 (one) Wrap Views; and one (1) wrap accessed once by ten (10) wrap users = 10 Wrap Views. For the avoidance of doubt, the foregoing shall not restrict the Licensee from allowing businesses in which Licensee has a controlling interest to access and use the Software during the Term provided such use is otherwise in accordance with the terms and conditions hereof.

4. Professional Services. Licensee understands the reimbursement set forth in Section 3 above covers only expenses associated with the Licensee's use of the license rights expressly granted herein. Should Licensee require professional services, Licensee further understands that payment of additional fees will be required at market-based terms determined in good faith and at no higher rates than that offered to any third party customers in like circumstances.

5. Termination; Survival.

(a) Termination for Breach. This Agreement may be terminated by either Party upon thirty (30) days' prior written notice to the other Party if the other Party is in material

breach hereof and fails to cure that material breach within that thirty (30) day period.

(b) Effect of Termination. Upon any termination hereof, Licensee will promptly return to Licensor all materials relating to the Software, and all modifications and derivatives thereof. Licensee will not have the right to retain or use any Software (or any related documentation).

(c) Survival. The provisions of Sections 1 and 2, and Sections 5 through 14 hereof, will survive any expiration or termination hereof indefinitely.

6. Warranty; Disclaimer of Warranty.

(a) Licensee warrants to Licensor that Licensee has full right and authority to (i) enter into this Agreement without breach of any other agreement to which Licensee is a party.

(b) Licensor warrants to Licensee that Licensor has full right and authority to enter into this Agreement and grant to Licensee the rights granted herein without breach of any other agreement to which Licensor is a party. EXCEPT FOR THE FOREGOING, LICENSOR MAKES NO WARRANTIES OF ANY KIND WITH RESPECT TO THE SOFTWARE. LICENSOR SPECIFICALLY DISCLAIMS ALL IMPLIED WARRANTIES OF MERCHANTABILITY AND/OR FITNESS FOR ANY PARTICULAR PURPOSE.

7. No Indemnity. No indemnity is provided by either Party hereunder.

8. Confidentiality. Except pursuant to its use of the Software as specifically permitted herein, Licensee agrees to hold the Software in strict confidence and not to disclose the Software to any third parties or use it for any purpose, without the prior written consent of Licensor. Each Party agrees to keep the terms and conditions of this Agreement confidential, and will only disclose its contents to its employees and professional advisors, or as otherwise required to enforce its rights hereunder.

9. Limitation of Liability. In no event will Licensor be liable to Licensee for any indirect, special, incidental or consequential damages hereunder including, without limitation, loss of data, use, profits or goodwill whether based on contract, tort or any other legal theory. Further, in no event will Licensor's liability hereunder, for all claims in the aggregate, exceed the amounts paid to Licensor by Licensee hereunder.

10. Assignment. The benefits and burdens of each Party under this Agreement will not be assignable without the prior written consent of the other Party hereto, and any attempt to assign them without that consent will be void. Notwithstanding the foregoing, (1) either Party may assign this Agreement to the surviving corporation in a merger or consolidation to which it is a party or to any person that acquires all or substantially all of its capital stock or assets; (2) Licensee may assign this Agreement in whole or in part to an affiliate or subsidiary in which it owns a controlling interest by providing Licensor 10 business days' prior written notice to and records evidencing that Licensee holds controlling interest in such entity; and, (3) Licensor may assign this Agreement in whole or in part to any person or entity to which it transfers its business relating to the Software.

11. Choice of Law; Severability. This Agreement will be governed by and construed in accordance with the laws of the State of California, excluding that body of law pertaining to

Handwritten initials and a signature: "lh" in a box, "CB" in a box, and "A2" written next to it.

choice of law. If any provision of this Agreement is found invalid or unenforceable, it will be enforced to the maximum extent permissible, and the legality and enforceability of the other provisions of this Agreement will not be affected.

12. Notices. All notices, requests, demands and other communications hereunder will be effective if in writing and delivered personally or sent by facsimile, Federal Express or other priority delivery service, or by certified or registered mail, postage prepaid, to the applicable Party at the addresses indicated on the signature page of this Agreement. Unless otherwise specified herein, such notices or other communications will be deemed effective (a) on the date delivered, if delivered personally, (b) two (2) business days after being sent, if sent by Federal Express or other priority delivery service, (c) one (1) business day after being sent, if sent by facsimile with confirmation of good transmission and receipt, and (d) five (5) business days after being sent, if sent by registered or certified mail. Either Party may specify another address by giving notice as provided in this Section 12 to the other Party.

13. Dispute Resolution; Attorneys' Fees. Any dispute arising out of this Agreement will be resolved as if all persons and all transactions related to this Agreement had their legal residence, situs, and employment in Santa Clara County, California. Either Party will be entitled to recover all costs, including attorney's fees, if it is awarded a recovery which is greater than the other Party's largest settlement offer made more than forty-five (45) days prior to the trial or hearing.

14. Special Termination Right. This Agreement may be terminated by Licensor in its sole discretion in the event that Licensee has not adopted a plan of reorganization proposed by Matthew Luckett or Landmark Advisors LLC within 120 days of the date of this Agreement.

15. Source Code Access. Notwithstanding anything to the contrary in this Agreement, the event that Licensor ceases operations or there is a Material Disruption to access to the Software, Licensee shall be entitled to receive a copy of the source code necessary in order to continue its business activities and which Licensee is otherwise entitled to receive hereunder; provided, however, if within one (1) month of Licensee's date of receipt of the source code, Licensor demonstrates that it has reasonably remedied the disruption to Licensee's access to the Software at no additional cost to Licensee, then Licensee shall return to Licensor or destroy any copies of the source code in its possession. Licensee's obligation to return or destroy copies of the source code as set forth in the immediately preceding sentence shall not apply if the material disruption is caused by (i) the institution by or against Licensor of insolvency, receivership or bankruptcy proceedings or any other proceedings for the settlement of its debts, (ii) Licensor making an assignment for the benefit of creditors, or (iii) Licensor's dissolution or ceasing to do business.


16. Entire Agreement; Modification. This Agreement sets forth the entire agreement between the Parties with respect to the subject matter hereof, and all prior discussions, representations, proposals, offers and oral or written communications of any nature are entirely superseded hereby and extinguished by the execution hereof. No modification hereof or waiver of any right hereunder will be effective unless it is evidenced in a writing executed by an authorized representative of the Party to be charged therewith.

[Signature Page to Follow]

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IN WITNESS WHEREOF, the Parties hereto have executed this Agreement through the signatures of their duly authorized representatives, as of the Effective Date.


Wrap Media LLC

By: 

Eric Greenberg
(Printed Name)

CEO
(Printed Title)

Wrap Media Inc.

By: 

Eric Greenberg
(Printed Name)

CEO
(Printed Title)

Address: _____

Address: _____



Exhibit 6 - List of Holders of Common Stock (Class 3B)

Following is the list of holders of Common Stock (Class 3B) in the Debtor.

Class 3B - Holders of Common Stock Interests

Name of Equity Security Holder	Type of Equity Security	Percentage Interest in Debtor	Treatment
Argo Design LLC	Common Stock	2.01%	Equity interest cancelled.
Theo Arguna	Common Stock	0.00%	Equity interest cancelled.
Eugene Arnold	Common Stock	0.00%	Equity interest cancelled.
Lori Atherton	Common Stock	0.14%	Equity interest cancelled.
Jonathan Ballon	Common Stock	0.00%	Equity interest cancelled.
Joshua Bloom	Common Stock	0.00%	Equity interest cancelled.
Chris Bruno	Common Stock	0.00%	Equity interest cancelled.
Massimo Calderoni	Common Stock	0.00%	Equity interest cancelled.
David Cheng	Common Stock	0.00%	Equity interest cancelled.
Timothy Child	Common Stock	0.00%	Equity interest cancelled.
Jeanne Chung	Common Stock	0.00%	Equity interest cancelled.
Mike Cohen	Common Stock	0.00%	Equity interest cancelled.
Patrick Costello	Common Stock	0.00%	Equity interest cancelled.
Elizabeth Daniels	Common Stock	0.00%	Equity interest cancelled.
James Donelan	Common Stock	0.00%	Equity interest cancelled.
Anne Driscoll	Common Stock	0.00%	Equity interest cancelled.

Sylvio Drouin	Common Stock	0.00%	Equity interest cancelled.
Gerard Fane	Common Stock	0.00%	Equity interest cancelled.
FLG Partners, LLC	Common Stock	0.00%	Equity interest cancelled.
Mason Foster	Common Stock	0.00%	Equity interest cancelled.
Peter Foster	Common Stock	0.00%	Equity interest cancelled.
John Garris	Common Stock	6.80%	Equity interest cancelled.
Natali Gaysinsky	Common Stock	0.00%	Equity interest cancelled.
David Ginsburg	Common Stock	1.02%	Equity interest cancelled.
Carmel Greenberg	Common Stock	0.19%	Equity interest cancelled.
Geoffrey Greenberg	Common Stock	0.05%	Equity interest cancelled.
Grace Greenberg	Common Stock	0.05%	Equity interest cancelled.
Hayli Greenberg	Common Stock	0.19%	Equity interest cancelled.
Joshua Greenberg	Common Stock	0.19%	Equity interest cancelled.
Marc Greenberg	Common Stock	0.19%	Equity interest cancelled.
James Gross	Common Stock	0.00%	Equity interest cancelled.
James Hall	Common Stock	0.00%	Equity interest cancelled.
Jared Hand	Common Stock	0.00%	Equity interest cancelled.
Dave Hersh	Common Stock	0.35%	Equity interest cancelled.
David Ilizarov	Common Stock	0.00%	Equity interest cancelled.
Eric Jeffries	Common Stock	0.00%	Equity interest cancelled.

Zem Joaquin	Common Stock	0.00%	Equity interest cancelled.
Rohan Kapuria	Common Stock	0.00%	Equity interest cancelled.
Austen Kim	Common Stock	0.00%	Equity interest cancelled.
Elie Kiwan	Common Stock	0.00%	Equity interest cancelled.
Jeffrey Klein	Common Stock	0.00%	Equity interest cancelled.
Kranz & Associates	Common Stock	0.00%	Equity interest cancelled.
Rich LeFurgy	Common Stock	0.00%	Equity interest cancelled.
Dana Levine	Common Stock	0.50%	Equity interest cancelled.
Francis Li	Common Stock	0.00%	Equity interest cancelled.
Gary Liang	Common Stock	0.00%	Equity interest cancelled.
Eva Lorenzotti	Common Stock	0.00%	Equity interest cancelled.
Ian McFarland	Common Stock	0.94%	Equity interest cancelled.
Luke Mitchell	Common Stock	0.05%	Equity interest cancelled.
Matthew Mitchell	Common Stock	0.05%	Equity interest cancelled.
Gayatri Moray	Common Stock	0.00%	Equity interest cancelled.
Cameron Myers	Common Stock	0.00%	Equity interest cancelled.
Kelly Nichols	Common Stock	0.00%	Equity interest cancelled.
Justas Palumickas	Common Stock	0.00%	Equity interest cancelled.
Patrick Paul	Common Stock	0.00%	Equity interest cancelled.
Pete Petras	Common Stock	0.00%	Equity interest cancelled.

Daniel Phung	Common Stock	0.00%	Equity interest cancelled.
Nikas Praninskas	Common Stock	0.00%	Equity interest cancelled.
Laurynas Ragauskas	Common Stock	0.00%	Equity interest cancelled.
Jacqueline Reses	Common Stock	0.00%	Equity interest cancelled.
Riviera Partners Investments, LLC	Common Stock	0.00%	Equity interest cancelled.
Jim Rose	Common Stock	2.78%	Equity interest cancelled.
Gordon Rubenstein	Common Stock	0.00%	Equity interest cancelled.
Lukas Schubsda	Common Stock	0.00%	Equity interest cancelled.
Dave Scott	Common Stock	0.00%	Equity interest cancelled.
Tatyana Shapiro	Common Stock	0.00%	Equity interest cancelled.
Tina Sharkey	Common Stock	0.00%	Equity interest cancelled.
Silicon Valley Bank	Common Stock	0.00%	Equity interest cancelled.
Eric Smith	Common Stock	0.00%	Equity interest cancelled.
Daniel Stenger	Common Stock	0.00%	Equity interest cancelled.
Arthur Svider	Common Stock	0.00%	Equity interest cancelled.
Melissa Taunton	Common Stock	0.00%	Equity interest cancelled.
Lyhua Teng	Common Stock	2.30%	Equity interest cancelled.
Hannah Tosi	Common Stock	0.00%	Equity interest cancelled.
Trust FBO Charles Dane Greenberg	Common Stock	2.78%	Equity interest cancelled.
Trust FBO Jackson Louis Greenberg	Common Stock	2.78%	Equity interest cancelled.

Vinod Uddaraju	Common Stock	0.00%	Equity interest cancelled.
Mei Yeh	Common Stock	0.00%	Equity interest cancelled.
Joyce Younes	Common Stock	0.00%	Equity interest cancelled.