

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

DRAW ANOTHER CIRCLE, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No. 16-11452 (KJC)

(Jointly Administered)

**VERIFIED STATEMENT OF COUNSEL TO THE OFFICIAL
COMMITTEE OF UNSECURED CREDITORS PURSUANT
TO FEDERAL RULE OF BANKRUPTCY PROCEDURE 2019**

Pursuant to Rule 2019 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”), the Official Committee of Unsecured Creditors (the “Committee”) appointed in the chapter 11 cases (the “Chapter 11 Cases”) of the above-captioned debtors and debtors-in-possession (collectively, the “Debtors”), by and through its proposed undersigned counsel, hereby submits this verified statement (the “Verified Statement”) and, in support thereof, states:

1. On June 21, 2016 (the “Formation Date”), the Office of the United States Trustee appointed the Committee pursuant to section 1102(a)(1) of the Bankruptcy Code. *See* D.I. 132. The Committee is comprised of seven members: (a) Universal Studios Home Entertainment, (b) Warner Home Video, (c) Penguin Random House LLC, (d) Funko LLC, (e) Hachette Book Group, Inc., (f) Ingram Entertainment, Inc., and (g) Diamond Comic Distributors, Inc. On the same day, the Committee selected Lowenstein Sandler LLP and Goldstein & McClintock LLLP to serve as its co-counsel, and on June 24, 2016 selected BDO Consultants to serve as its financial advisor in the Chapter 11 Cases.

¹ The Debtors and the last four digits of their respective federal taxpayer identification numbers are as follows: Draw Another Circle, LLC (2102); Hastings Entertainment, Inc. (6375); MovieStop, LLC (9645); SP Images, Inc. (7773); and Hastings Internet, Inc. (0809). The Debtors’ executive headquarters are located at 3601 Plains Boulevard, Amarillo, TX 79102.

2. The Committee members hold certain unsecured claims against the Debtors' estates arising primarily from trade relationships. In accordance with Bankruptcy Rule 2019 and based upon information provided to proposed counsel to the Committee by each member of the Committee, attached hereto as **Exhibit A** is a list of the names, addresses, and the nature and amount of all disclosable economic interests held by each Committee member in relation to the Debtors as of the Formation Date. Each description set forth on Exhibit A hereto was provided by the applicable Committee member.

3. By filing this Verified Statement, the Committee makes no representation regarding the amount, allowance, or priority of such claims and reserves all rights with respect thereto.

4. Nothing contained in this Verified Statement (or any attachment hereto) should be construed as a limitation upon, or waiver of, any Committee member's rights to assert, file and/or amend any claim(s) or proofs of claim(s) in accordance with applicable law and any orders entered in this case establishing procedures for filing proofs of claim.

5. The Committee reserves the right to amend, supplement or otherwise modify this Verified Statement in accordance with Bankruptcy Rule 2019.

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Dated: July 25, 2016

LOWENSTEIN SANDLER LLP

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*Proposed Co-Counsel to the Official Committee of
Unsecured Creditors*

EXHIBIT A

<u>COMMITTEE MEMBER</u>	<u>ADDRESS</u>	<u>NATURE OF AND AMOUNT OF DISCLOSABLE ECONOMIC INTEREST</u>
Universal Studios Home Entertainment	100 Universal City Plaza 1440/19 University City, CA 91608	Unsecured claim in the approximate amount of \$3,508,480.24 arising out of the sale of goods and/or provision of services.
Ingram Entertainment, Inc.	Two Ingram Boulevard La Vergne, TN 37089	Unsecured claim in the approximate amount of \$1,586,154.25 arising out of the sale of goods and/or provision of services.
Hachette Book Group, Inc.	53 State Street 9 th Floor Boston, MA 02109	Unsecured claim in the approximate amount of \$2,005,418.44 arising out of the sale of goods and/or provision of services.
Penguin Random House LLC	1745 Broadway New York, NY 10019	Unsecured claim in the approximate amount of \$2,575,214.79 arising out of the sale of goods and/or provision of services.
Funko LLC	1202 Shuksan Way Everett, WA 98203	Unsecured claim in the approximate amount of \$2,536,865.33 arising out of the sale of goods and/or provision of services.
Diamond Comic Distributors, Inc.	10150 York Road Suite 300 Hunt Valley, MD 21030	Unsecured claim in the approximate amount of \$2,154,030.90 arising out of the sale of goods and/or provision of services.
Warner Home Video, a division of Warner Bros. Home Entertainment Inc.	4000 Warner Boulevard Burbank, CA 91522	Unsecured claim in the approximate amount of \$3,336,435.99 arising out of the sale of goods and/or provision of services.

CERTIFICATE OF SERVICE

I, Maria Aprile Sawczuk, hereby certify that on July 25, 2016, in addition to service via the Court's CM/ECF system, I caused a copy of the *Verified Statement of Counsel to the Official Committee of Unsecured Creditors pursuant to Federal Rule of Bankruptcy Procedure 2019* to be served upon the parties listed below via U.S. Mail, postage prepaid.

<p>Hastings Entertainment, Inc. 3601 Plains Boulevard Amarillo, Texas 79102 Attn: Jim Litwak and Duane Huesers</p>	<p>Cathy Hershcopf, Esq. Michael A. Klein, Esq. Cooley LLP 1114 Avenue of the Americas New York, New York 10036 Email: chershcopf@cooley.com mklein@cooley.com</p>
<p>Christopher M. Samis, Esq. L. Katherine Good, Esq. Whiteford, Taylor & Preston LLC The Renaissance Centre 405 North King Street, Suite 500 Wilmington, Delaware 19801 Email: csamis@wtplaw.com kgood@wtplaw.com</p>	<p>Donald E. Rothman, Esq. Steven E. Fox, Esq. Riemer & Braunstein, LLP Times Square Tower Seven Times Square, Suite 2506 New York, New York 10036 Email: drothman@rimerlaw.com sfox@riemerlaw.com</p>
<p>Gregory Taylor, Esq. Ashby & Geddes, P.A. 500 Delaware Avenue P.O. Box 1150 Wilmington, Delaware 19899 Email: GTaylor@ashby-geddes.com</p>	<p>Kevin Simard, Esq. Choate, Hall & Stewart LLP Two International Place Boston, Massachusetts 02110 Email: ksimard@choate.com</p>
<p>Mark D. Collins, Esq. John H. Knight, Esq. Richards, Layton & Finger, P.A. One Rodney Square 920 North King Street Wilmington, Delaware 19801 Email: collins@rlf.com knight@rlf.com</p>	<p>Hannah McCollum, Esq. Office of the United States Trustee for the District of Delaware J. Caleb Boggs Building 844 King Street, Room 2207 Lockbox 35 Wilmington, Delaware 19801 Email: hannah.mccollum@usdoj.gov</p>

/s/ Maria Aprile Sawczuk
Maria Aprile Sawczuk (No. 3320)