

**United States Bankruptcy Court
Eastern District of Virginia**

Voluntary Petition

| | |
|---|---|
| Name of Debtor (if individual, enter Last, First, Middle): Souvenir City, Inc. | Name of Joint Debtor (Spouse) (Last, First, Middle): |
| All Other Names used by the Debtor in the last 8 years (include married, maiden, and trade names): | All Other Names used by the Joint Debtor in the last 8 years (include married, maiden, and trade names): |
| Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) 54-1607250 | Last four digits of Soc. Sec. or Individual-Taxpayer I.D. (ITIN) No./Complete EIN (if more than one, state all) |
| Street Address of Debtor (No. and Street, City, and State): 1102 Atlantic Avenue, Unit 101 Virginia Beach, VA ZIP Code 23451 | Street Address of Joint Debtor (No. and Street, City, and State): ZIP Code |
| County of Residence or of the Principal Place of Business: Virginia Beach | County of Residence or of the Principal Place of Business: |
| Mailing Address of Debtor (if different from street address): ZIP Code | Mailing Address of Joint Debtor (if different from street address): ZIP Code |
| Location of Principal Assets of Business Debtor (if different from street address above): 1102 Atlantic Avenue, Unit 101 Virginia Beach, VA 23451 | |

| | | |
|---|---|---|
| Type of Debtor (Form of Organization) (Check one box) <input type="checkbox"/> Individual (includes Joint Debtors) <i>See Exhibit D on page 2 of this form.</i> <input checked="" type="checkbox"/> Corporation (includes LLC and LLP) <input type="checkbox"/> Partnership <input type="checkbox"/> Other (If debtor is not one of the above entities, check this box and state type of entity below.) | Nature of Business (Check one box) <input type="checkbox"/> Health Care Business <input type="checkbox"/> Single Asset Real Estate as defined in 11 U.S.C. § 101 (51B) <input type="checkbox"/> Railroad <input type="checkbox"/> Stockbroker <input type="checkbox"/> Commodity Broker <input type="checkbox"/> Clearing Bank <input checked="" type="checkbox"/> Other <hr/> Tax-Exempt Entity (Check box, if applicable) <input type="checkbox"/> Debtor is a tax-exempt organization under Title 26 of the United States Code (the Internal Revenue Code). | Chapter of Bankruptcy Code Under Which the Petition is Filed (Check one box) <input type="checkbox"/> Chapter 7 <input type="checkbox"/> Chapter 9 <input checked="" type="checkbox"/> Chapter 11 <input type="checkbox"/> Chapter 12 <input type="checkbox"/> Chapter 13 <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Main Proceeding <input type="checkbox"/> Chapter 15 Petition for Recognition of a Foreign Nonmain Proceeding Nature of Debts (Check one box) <input type="checkbox"/> Debts are primarily consumer debts, defined in 11 U.S.C. § 101(8) as "incurred by an individual primarily for a personal, family, or household purpose." <input checked="" type="checkbox"/> Debts are primarily business debts. |
|---|---|---|

| | |
|--|--|
| Filing Fee (Check one box) <input checked="" type="checkbox"/> Full Filing Fee attached <input type="checkbox"/> Filing Fee to be paid in installments (applicable to individuals only). Must attach signed application for the court's consideration certifying that the debtor is unable to pay fee except in installments. Rule 1006(b). See Official Form 3A. <input type="checkbox"/> Filing Fee waiver requested (applicable to chapter 7 individuals only). Must attach signed application for the court's consideration. See Official Form 3B. | Chapter 11 Debtors Check one box: <input checked="" type="checkbox"/> Debtor is a small business debtor as defined in 11 U.S.C. § 101(51D). <input type="checkbox"/> Debtor is not a small business debtor as defined in 11 U.S.C. § 101(51D). Check if: <input type="checkbox"/> Debtor's aggregate noncontingent liquidated debts (excluding debts owed to insiders or affiliates) are less than \$2,190,000. Check all applicable boxes: <input type="checkbox"/> A plan is being filed with this petition. <input type="checkbox"/> Acceptances of the plan were solicited prepetition from one or more classes of creditors, in accordance with 11 U.S.C. § 1126(b). |
|--|--|

| | | | | | | | | | |
|---|--|--|--|--|--|--|--|--|--|
| Statistical/Administrative Information <input checked="" type="checkbox"/> Debtor estimates that funds will be available for distribution to unsecured creditors. <input type="checkbox"/> Debtor estimates that, after any exempt property is excluded and administrative expenses paid, there will be no funds available for distribution to unsecured creditors. | | | | | | | | | |
| Estimated Number of Creditors <input checked="" type="checkbox"/> 1-49 <input type="checkbox"/> 50-99 <input type="checkbox"/> 100-199 <input type="checkbox"/> 200-999 <input type="checkbox"/> 1,000-5,000 <input type="checkbox"/> 5,001-10,000 <input type="checkbox"/> 10,001-25,000 <input type="checkbox"/> 25,001-50,000 <input type="checkbox"/> 50,001-100,000 <input type="checkbox"/> OVER 100,000 | | | | | | | | | |
| Estimated Assets <input type="checkbox"/> \$0 to \$50,000 <input checked="" type="checkbox"/> \$50,001 to \$100,000 <input type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion | | | | | | | | | |
| Estimated Liabilities <input type="checkbox"/> \$0 to \$50,000 <input type="checkbox"/> \$50,001 to \$100,000 <input checked="" type="checkbox"/> \$100,001 to \$500,000 <input type="checkbox"/> \$500,001 to \$1 million <input type="checkbox"/> \$1,000,001 to \$10 million <input type="checkbox"/> \$10,000,001 to \$50 million <input type="checkbox"/> \$50,000,001 to \$100 million <input type="checkbox"/> \$100,000,001 to \$500 million <input type="checkbox"/> \$500,000,001 to \$1 billion <input type="checkbox"/> More than \$1 billion | | | | | | | | | |

THIS SPACE IS FOR COURT USE ONLY

| | |
|--|--|
| <p>Voluntary Petition</p> <p><i>(This page must be completed and filed in every case)</i></p> | <p>Name of Debtor(s): Souvenir City, Inc.</p> |
|--|--|

All Prior Bankruptcy Cases Filed Within Last 8 Years (If more than two, attach additional sheet)

| | | |
|---------------------------------------|--------------|-------------|
| Location Where Filed: - None - | Case Number: | Date Filed: |
| Location Where Filed: | Case Number: | Date Filed: |

Pending Bankruptcy Case Filed by any Spouse, Partner, or Affiliate of this Debtor (If more than one, attach additional sheet)

| | | |
|------------------------------------|---------------|-------------|
| Name of Debtor: - None - | Case Number: | Date Filed: |
| District: | Relationship: | Judge: |

| | |
|---|--|
| <p style="text-align: center;">Exhibit A</p> <p>(To be completed if debtor is required to file periodic reports (e.g., forms 10K and 10Q) with the Securities and Exchange Commission pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934 and is requesting relief under chapter 11.)</p> <p><input type="checkbox"/> Exhibit A is attached and made a part of this petition.</p> | <p style="text-align: center;">Exhibit B</p> <p>(To be completed if debtor is an individual whose debts are primarily consumer debts.)</p> <p>I, the attorney for the petitioner named in the foregoing petition, declare that I have informed the petitioner that [he or she] may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, and have explained the relief available under each such chapter. I further certify that I delivered to the debtor the notice required by 11 U.S.C. §342(b).</p> <p>X _____ Signature of Attorney for Debtor(s) (Date)</p> |
|---|--|

Exhibit C

Does the debtor own or have possession of any property that poses or is alleged to pose a threat of imminent and identifiable harm to public health or safety?

Yes, and Exhibit C is attached and made a part of this petition.

No.

Exhibit D

(To be completed by every individual debtor. If a joint petition is filed, each spouse must complete and attach a separate Exhibit D.)

Exhibit D completed and signed by the debtor is attached and made a part of this petition.

If this is a joint petition:

Exhibit D also completed and signed by the joint debtor is attached and made a part of this petition.

Information Regarding the Debtor - Venue

(Check any applicable box)

Debtor has been domiciled or has had a residence, principal place of business, or principal assets in this District for 180 days immediately preceding the date of this petition or for a longer part of such 180 days than in any other District.

There is a bankruptcy case concerning debtor's affiliate, general partner, or partnership pending in this District.

Debtor is a debtor in a foreign proceeding and has its principal place of business or principal assets in the United States in this District, or has no principal place of business or assets in the United States but is a defendant in an action or proceeding [in a federal or state court] in this District, or the interests of the parties will be served in regard to the relief sought in this District.

Certification by a Debtor Who Resides as a Tenant of Residential Property

(Check all applicable boxes)

Landlord has a judgment against the debtor for possession of debtor's residence. (If box checked, complete the following.)

(Name of landlord that obtained judgment)

(Address of landlord)

Debtor claims that under applicable nonbankruptcy law, there are circumstances under which the debtor would be permitted to cure the entire monetary default that gave rise to the judgment for possession, after the judgment for possession was entered, and

Debtor has included in this petition the deposit with the court of any rent that would become due during the 30-day period after the filing of the petition.

Debtor certifies that he/she has served the Landlord with this certification. (11 U.S.C. § 362(l)).

Voluntary Petition
(This page must be completed and filed in every case)

Name of Debtor(s):
Souvenir City, Inc.

Signatures

Signature(s) of Debtor(s) (Individual/Joint)

I declare under penalty of perjury that the information provided in this petition is true and correct.
[If petitioner is an individual whose debts are primarily consumer debts and has chosen to file under chapter 7] I am aware that I may proceed under chapter 7, 11, 12, or 13 of title 11, United States Code, understand the relief available under each such chapter, and choose to proceed under chapter 7.
[If no attorney represents me and no bankruptcy petition preparer signs the petition] I have obtained and read the notice required by 11 U.S.C. §342(b).

I request relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X _____
Signature of Debtor

X _____
Signature of Joint Debtor

Telephone Number (If not represented by attorney)

Date

Signature of a Foreign Representative

I declare under penalty of perjury that the information provided in this petition is true and correct, that I am the foreign representative of a debtor in a foreign proceeding, and that I am authorized to file this petition.

(Check only one box.)

I request relief in accordance with chapter 15 of title 11, United States Code. Certified copies of the documents required by 11 U.S.C. §1515 are attached.

Pursuant to 11 U.S.C. §1511, I request relief in accordance with the chapter of title 11 specified in this petition. A certified copy of the order granting recognition of the foreign main proceeding is attached.

X _____
Signature of Foreign Representative

Printed Name of Foreign Representative

Date

Signature of Attorney*

X /s/ Harry W. Jernigan, III
Signature of Attorney for Debtor(s)

Harry W. Jernigan, III 30278
Printed Name of Attorney for Debtor(s)

HARRY JERNIGAN CPA ATTORNEY, P.C.
Firm Name

258 N Witchduck Road
Suite C
Virginia Beach, VA 23462

Address

757-490-2200 Fax: 757-490-0280
Telephone Number

January 4, 2010
Date

*In a case in which § 707(b)(4)(D) applies, this signature also constitutes a certification that the attorney has no knowledge after an inquiry that the information in the schedules is incorrect.

Signature of Non-Attorney Bankruptcy Petition Preparer

I declare under penalty of perjury that: (1) I am a bankruptcy petition preparer as defined in 11 U.S.C. § 110; (2) I prepared this document for compensation and have provided the debtor with a copy of this document and the notices and information required under 11 U.S.C. §§ 110(b), 110(h), and 342(b); and, (3) if rules or guidelines have been promulgated pursuant to 11 U.S.C. § 110(h) setting a maximum fee for services chargeable by bankruptcy petition preparers, I have given the debtor notice of the maximum amount before preparing any document for filing for a debtor or accepting any fee from the debtor, as required in that section. Official Form 19 is attached.

Printed Name and title, if any, of Bankruptcy Petition Preparer

Social-Security number (If the bankruptcy petition preparer is not an individual, state the Social Security number of the officer, principal, responsible person or partner of the bankruptcy petition preparer.) (Required by 11 U.S.C. § 110.)

Address

X _____
Date

Date

Signature of Bankruptcy Petition Preparer or officer, principal, responsible person, or partner whose Social Security number is provided above.

Names and Social-Security numbers of all other individuals who prepared or assisted in preparing this document unless the bankruptcy petition preparer is not an individual:

If more than one person prepared this document, attach additional sheets conforming to the appropriate official form for each person.

A bankruptcy petition preparer's failure to comply with the provisions of title 11 and the Federal Rules of Bankruptcy Procedure may result in fines or imprisonment or both 11 U.S.C. §110; 18 U.S.C. §156.

Signature of Debtor (Corporation/Partnership)

I declare under penalty of perjury that the information provided in this petition is true and correct, and that I have been authorized to file this petition on behalf of the debtor.

The debtor requests relief in accordance with the chapter of title 11, United States Code, specified in this petition.

X /s/ Kevin B. Sherman
Signature of Authorized Individual

Kevin B. Sherman
Printed Name of Authorized Individual

President
Title of Authorized Individual

January 4, 2010
Date

RESOLUTION OF THE DIRECTORS AND SHAREHOLDERS

OF

SOUVENIR CITY, INC.

**ACTION BY DIRECTORS AND SHARHOLDERS
WITHOUT A SPECIAL MEETING**

I, the undersigned, being the sole-director and sole-shareholder of Souvenir City, Inc., a Virginia corporation, do hereby unanimously consent, and agree to the adoption without a meeting of the following resolutions:

RESOLVED, that the corporation is hereby authorized to file a petition pursuant to Chapter 11, Title of the United Stated Code and thereafter proceed to effect a financial reorganization in accordance with the Federal Bankruptcy Code, and it is

RESOLVED, that the corporation engaged Harry Jernigan CPA Attorney, P.C. to represent the corporation during and in connection with the aforementioned bankruptcy proceedings and to perform all legal services as general counsel for the corporation, and it is

RESOLVED, that Kevin Sherman, President, will be the designated representative for the corporation, and it is

FURTHER RESOLVED, that the officers be authorized and directed to execute any and all documents and do all other things necessary to effect the intentions of the above resolutions.

There being no further resolutions required at this time, the above is hereby agreed and approved.



Kevin Sherman
Kevin Sherman, Director and Shareholder

United States Bankruptcy Court
Eastern District of Virginia

In re **Souvenir City, Inc.**

Debtor(s)

Case No. _____

Chapter **11**

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

Following is the list of the debtor's creditors holding the 20 largest unsecured claims. The list is prepared in accordance with Fed. R. Bankr. P. 1007(d) for filing in this chapter 11 [or chapter 9] case. The list does not include (1) persons who come within the definition of "insider" set forth in 11 U.S.C. § 101, or (2) secured creditors unless the value of the collateral is such that the unsecured deficiency places the creditor among the holders of the 20 largest unsecured claims. If a minor child is one of the creditors holding the 20 largest unsecured claims, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See 11 U.S.C. § 112; Fed. R. Bankr. P. 1007(m).

| (1) | (2) | (3) | (4) | (5) |
|--|--|---|--|---|
| <i>Name of creditor and complete mailing address including zip code</i> | <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | <i>Amount of claim [if secured, also state value of security]</i> |
| American Gift Corporation 6600 NW 74th Ave Miami, FL 33166-2839 | American Gift Corporation 6600 NW 74th Ave Miami, FL 33166-2839 | Supplies | | 12,962.00 |
| B.E. Brooks Heating & Cooling, Inc. P.O. Box 2304 Chesapeake, VA 23327 | B.E. Brooks Heating & Cooling, Inc. P.O. Box 2304 Chesapeake, VA 23327 | Heating and Air Services | Contingent Unliquidated | 2,500.00 |
| BASIX USA Vacation Clothing Exchange 2778 NW 31st. Avenue Lauderdale Lakes, FL 33311 | BASIX USA Vacation Clothing Exchange 2778 NW 31st. Avenue Lauderdale Lakes, FL 33311 | Supplies | | 4,597.00 |
| Beach Club Promotions 115 Business Center Dr, Ste 2 Ormond Beach, FL 32174 | Beach Club Promotions 115 Business Center Dr, Ste 2 Ormond Beach, FL 32174 | Supplies | | 4,513.00 |
| Blair Cedar and Novelty Works 680 W. Hwy. 54 Camdenton, MO 65020 | Blair Cedar and Novelty Works 680 W. Hwy. 54 Camdenton, MO 65020 | Supplies | | 2,875.00 |
| Dainty Miss 6120- 5th Avenue Brooklyn, NY 11220 | Dainty Miss 6120- 5th Avenue Brooklyn, NY 11220 | Supplies | | 6,654.00 |
| DM Merchandising, Inc. 835 N. Church Court Elmhurst, IL 60126 | DM Merchandising, Inc. 835 N. Church Court Elmhurst, IL 60126 | Supplies | | 1,163.00 |
| Herzfeld's 6180 NW 84th Avenue Miami, FL 33166 | Herzfeld's 6180 NW 84th Avenue Miami, FL 33166 | Inventory | | 8,470.68 |
| Internal Revenue Service Centralized Insolvency Operati Operati P.O. Box 21126 Philadelphia, PA 19114 | Internal Revenue Service Centralized Insolvency Operati P.O. Box 21126 Philadelphia, PA 19114 | Payroll taxes | | 9,523.00 |
| Laser Gifts, a division of Orion Photo Industries, Inc. P.O. Box 10035 Prescott, AZ 86304-0035 | Laser Gifts, a division of Orion Photo Industries, Inc. P.O. Box 10035 Prescott, AZ 86304-0035 | Supplies | | 2,492.00 |

B4 (Official Form 4) (12/07) - Cont.

In re **Souvenir City, Inc.**

Case No. _____

Debtor(s) _____

LIST OF CREDITORS HOLDING 20 LARGEST UNSECURED CLAIMS

(Continuation Sheet)

| (1) <i>Name of creditor and complete mailing address including zip code</i> | (2) <i>Name, telephone number and complete mailing address, including zip code, of employee, agent, or department of creditor familiar with claim who may be contacted</i> | (3) <i>Nature of claim (trade debt, bank loan, government contract, etc.)</i> | (4) <i>Indicate if claim is contingent, unliquidated, disputed, or subject to setoff</i> | (5) <i>Amount of claim [if secured, also state value of security]</i> |
|---|---|--|---|--|
| Ocean Drive USA/Vintage 1430 Chestnut Avenue Hillside, NJ 07205 | Ocean Drive USA/Vintage 1430 Chestnut Avenue Hillside, NJ 07205 | Supplies | | 8,504.00 |
| Strand Import & Distributors P.O. Box 16530 Surfside Beach, SC 29587 | Strand Import & Distributors P.O. Box 16530 Surfside Beach, SC 29587 | Supplies | | 26,838.00 |
| SunSpecs of Ocean City 9529 Stephen Decatur Hwy Berlin, MD 21811 | SunSpecs of Ocean City 9529 Stephen Decatur Hwy Berlin, MD 21811 | Supplies | | 11,643.00 |
| SWIBCO, Inc. 4810 Venture Road Lisle, IL 60532 | SWIBCO, Inc. 4810 Venture Road Lisle, IL 60532 | Supplies | | 4,724.00 |
| Swimsuit Station, Inc. 3501 Rose Avenue Ocean, NJ 07712 | Swimsuit Station, Inc. 3501 Rose Avenue Ocean, NJ 07712 | Supplies | | 6,418.00 |
| Trendy, LLC 170 High Street Waltham, MA 02453 | Trendy, LLC 170 High Street Waltham, MA 02453 | Supplies | | 4,651.00 |
| Virginia Department of Taxation P.O. Box 2156 Richmond, VA 23218 | Virginia Department of Taxation P.O. Box 2156 Richmond, VA 23218 | Sales and withholding taxes | | 38,691.00 |
| Virginia T's, Inc. P.O. Box 2189 2001 Anchor Avenue Petersburg, VA 23804 | Virginia T's, Inc. P.O. Box 2189 2001 Anchor Avenue Petersburg, VA 23804 | Supplies | | 4,150.00 |
| Wayne Carver Woodworking Co 225 12th Street Rockford, IL 61104 | Wayne Carver Woodworking Co 225 12th Street Rockford, IL 61104 | Supplies | | 8,100.00 |
| World Shells & Co 14440 S.E. Hwy. 19 Inglis, FL 34449 | World Shells & Co 14440 S.E. Hwy. 19 Inglis, FL 34449 | Supplies | | 6,387.00 |

**DECLARATION UNDER PENALTY OF PERJURY
ON BEHALF OF A CORPORATION OR PARTNERSHIP**

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing list and that it is true and correct to the best of my information and belief.

Date January 4, 2010Signature /s/ Kevin B. Sherman
Kevin B. Sherman
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

United States Bankruptcy Court
Eastern District of Virginia

In re Souvenir City, Inc.
Debtor

Case No. _____

Chapter 11

SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts of all claims from Schedules D, E, and F to determine the total amount of the debtor's liabilities. Individual debtors must also complete the "Statistical Summary of Certain Liabilities and Related Data" if they file a case under chapter 7, 11, or 13.

| NAME OF SCHEDULE | ATTACHED (YES/NO) | NO. OF SHEETS | ASSETS | LIABILITIES | OTHER |
|--|----------------------|------------------|--------------------------|-------------------|------------|
| A - Real Property | Yes | 1 | 0.00 | | |
| B - Personal Property | Yes | 5 | 76,930.48 | | |
| C - Property Claimed as Exempt | No | 0 | | | |
| D - Creditors Holding Secured Claims | Yes | 1 | | 0.00 | |
| E - Creditors Holding Unsecured Priority Claims (Total of Claims on Schedule E) | Yes | 2 | | 48,214.00 | |
| F - Creditors Holding Unsecured Nonpriority Claims | Yes | 5 | | 131,645.92 | |
| G - Executory Contracts and Unexpired Leases | Yes | 1 | | | |
| H - Codebtors | Yes | 3 | | | |
| I - Current Income of Individual Debtor(s) | No | 0 | | | N/A |
| J - Current Expenditures of Individual Debtor(s) | No | 0 | | | N/A |
| Total Number of Sheets of ALL Schedules | | 18 | | | |
| | | | Total Assets | 76,930.48 | |
| | | | Total Liabilities | 179,859.92 | |

**United States Bankruptcy Court
Eastern District of Virginia**

In re Souvenir City, Inc.
Debtor

Case No. _____

Chapter 11

STATISTICAL SUMMARY OF CERTAIN LIABILITIES AND RELATED DATA (28 U.S.C. § 159)

If you are an individual debtor whose debts are primarily consumer debts, as defined in § 101(8) of the Bankruptcy Code (11 U.S.C. § 101(8)), filing a case under chapter 7, 11 or 13, you must report all information requested below.

Check this box if you are an individual debtor whose debts are NOT primarily consumer debts. You are not required to report any information here.

This information is for statistical purposes only under 28 U.S.C. § 159.

Summarize the following types of liabilities, as reported in the Schedules, and total them.

| Type of Liability | Amount |
|---|--------|
| Domestic Support Obligations (from Schedule E) | |
| Taxes and Certain Other Debts Owed to Governmental Units (from Schedule E) | |
| Claims for Death or Personal Injury While Debtor Was Intoxicated (from Schedule E) (whether disputed or undisputed) | |
| Student Loan Obligations (from Schedule F) | |
| Domestic Support, Separation Agreement, and Divorce Decree Obligations Not Reported on Schedule E | |
| Obligations to Pension or Profit-Sharing, and Other Similar Obligations (from Schedule F) | |
| TOTAL | |

State the following:

| | |
|---|--|
| Average Income (from Schedule I, Line 16) | |
| Average Expenses (from Schedule J, Line 18) | |
| Current Monthly Income (from Form 22A Line 12; OR, Form 22B Line 11; OR, Form 22C Line 20) | |

State the following:

| | | |
|--|--|--|
| 1. Total from Schedule D, "UNSECURED PORTION, IF ANY" column | | |
| 2. Total from Schedule E, "AMOUNT ENTITLED TO PRIORITY" column | | |
| 3. Total from Schedule E, "AMOUNT NOT ENTITLED TO PRIORITY, IF ANY" column | | |
| 4. Total from Schedule F | | |
| 5. Total of non-priority unsecured debt (sum of 1, 3, and 4) | | |

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor's own benefit. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor holds no interest in real property, write "None" under "Description and Location of Property."

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write "None" in the column labeled "Amount of Secured Claim." If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

| Description and Location of Property | Nature of Debtor's Interest in Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption | Amount of Secured Claim |
|--------------------------------------|---|------------------------------------|--|-------------------------|
|--------------------------------------|---|------------------------------------|--|-------------------------|

None

Sub-Total > **0.00** (Total of this page)
 Total > **0.00**
 (Report also on Summary of Schedules)

0 continuation sheets attached to the Schedule of Real Property

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE B - PERSONAL PROPERTY

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petitioner is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. § 112 and Fed. R. Bankr. P. 1007(m).

| Type of Property | N O N E | Description and Location of Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption |
|--|------------------|--|---|---|
| 1. Cash on hand | | Cash Register | - | 400.00 |
| 2. Checking, savings or other financial accounts, certificates of deposit, or shares in banks, savings and loan, thrift, building and loan, and homestead associations, or credit unions, brokerage houses, or cooperatives. | | Towne Bank Checking Account | - | 300.00 |
| 3. Security deposits with public utilities, telephone companies, landlords, and others. | | Virginia Power Security Deposit | - | 1,000.00 |
| 4. Household goods and furnishings, including audio, video, and computer equipment. | X | | | |
| 5. Books, pictures and other art objects, antiques, stamp, coin, record, tape, compact disc, and other collections or collectibles. | X | | | |
| 6. Wearing apparel. | X | | | |
| 7. Furs and jewelry. | X | | | |
| 8. Firearms and sports, photographic, and other hobby equipment. | X | | | |
| 9. Interests in insurance policies. Name insurance company of each policy and itemize surrender or refund value of each. | X | | | |
| 10. Annuities. Itemize and name each issuer. | X | | | |
| | | | Sub-Total > | 1,700.00 |
| | | | (Total of this page) | |

4 continuation sheets attached to the Schedule of Personal Property

In re Souvenir City, Inc.
Debtor

Case No. _____

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

| Type of Property | N O N E | Description and Location of Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption |
|---|------------------|--------------------------------------|---|---|
| 11. Interests in an education IRA as defined in 26 U.S.C. § 530(b)(1) or under a qualified State tuition plan as defined in 26 U.S.C. § 529(b)(1). Give particulars. (File separately the record(s) of any such interest(s). 11 U.S.C. § 521(c).) | X | | | |
| 12. Interests in IRA, ERISA, Keogh, or other pension or profit sharing plans. Give particulars. | X | | | |
| 13. Stock and interests in incorporated and unincorporated businesses. Itemize. | X | | | |
| 14. Interests in partnerships or joint ventures. Itemize. | X | | | |
| 15. Government and corporate bonds and other negotiable and nonnegotiable instruments. | X | | | |
| 16. Accounts receivable. | X | | | |
| 17. Alimony, maintenance, support, and property settlements to which the debtor is or may be entitled. Give particulars. | X | | | |
| 18. Other liquidated debts owed to debtor including tax refunds. Give particulars. | X | | | |
| 19. Equitable or future interests, life estates, and rights or powers exercisable for the benefit of the debtor other than those listed in Schedule A - Real Property. | X | | | |
| 20. Contingent and noncontingent interests in estate of a decedent, death benefit plan, life insurance policy, or trust. | X | | | |
| 21. Other contingent and unliquidated claims of every nature, including tax refunds, counterclaims of the debtor, and rights to setoff claims. Give estimated value of each. | X | | | |

Sub-Total > **0.00**
(Total of this page)

Sheet 1 of 4 continuation sheets attached to the Schedule of Personal Property

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE B - PERSONAL PROPERTY
 (Continuation Sheet)

| Type of Property | N O N E | Description and Location of Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption |
|---|------------------|--|---|---|
| 22. Patents, copyrights, and other intellectual property. Give particulars. | X | | | |
| 23. Licenses, franchises, and other general intangibles. Give particulars. | X | | | |
| 24. Customer lists or other compilations containing personally identifiable information (as defined in 11 U.S.C. § 101(41A)) provided to the debtor by individuals in connection with obtaining a product or service from the debtor primarily for personal, family, or household purposes. | X | | | |
| 25. Automobiles, trucks, trailers, and other vehicles and accessories. | X | | | |
| 26. Boats, motors, and accessories. | X | | | |
| 27. Aircraft and accessories. | X | | | |
| 28. Office equipment, furnishings, and supplies. | | Office equipment, furnishings and supplies located at the store: 1102 Atlantic Avenue, Virginia Beach, Virginia, including: One cash register \$300, One transfer machine \$1,000, One fax machine \$70, One refrigerator \$120, One desk and chair \$50, One filing cabinet \$50, One telephone \$50, One lot of paper supplies \$100, and one safe \$200. | - | 1,940.00 |
| | | Office equipment, furnishings and supplies located at the store: 2900 Atlantic Avenue, Virginia Beach, Virginia, including: One safe \$200, one refrigerator \$120, and one telephone \$50. | - | 370.00 |

Sub-Total > **2,310.00**
 (Total of this page)

Sheet 2 of 4 continuation sheets attached to the Schedule of Personal Property

In re Souvenir City, Inc.

Case No. _____

Debtor

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

| Type of Property | N O N E | Description and Location of Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption |
|--|------------------|---|---|---|
| 29. Machinery, fixtures, equipment, and supplies used in business. | | <p>Fixtures located at the store: 1102 Atlantic Avenue, Virginia Beach, Virginia, including: Twelve 6-foot tables with shelves \$1200, One 8-foot flat table \$75, One 4-foot table \$50, Three sunglass racks \$150, One bookcase \$75, One metal grid shelf \$100, Four metal clothing racks \$120, Six metal clothing racks \$150, One chime rack \$25, One tumbled stone cart \$150, Four jewelry racks \$200, Seven keychain racks \$0, Four metal display racks \$100, Two coffee mug displays \$300, One hundred metal wall hooks \$150, One hundred metal wall hooks \$50, Seventeen shelves \$85, Fifty metal hooks \$50, Three metal dump bins \$150, Twelve metal buckets \$60, Two glass display cases \$150.</p> | - | 3,390.00 |
| | | <p>Fixtures located at the store: 2900 Atlantic Avenue, Virginia Beach, Virginia, including: Three jewelry display cases \$225, One checkout counter \$50, Two 8-foot tables with shelves \$300, Five tables with shelves \$317.50, One glass shelved table \$50, Four tables with slate wall shelf \$400, Two square 2-tiered tables \$125, Four slate wall shelved displays \$700, One long glass display case \$100, one metal unit with metal shelves \$75, Three hundred metal wall hooks \$300, Six metal dump bins \$225, One wood bin \$100, One tumbled stone cart \$150, One bookcase \$75, One metal unit with sections \$62.50, One flat table \$25, One metal grid shelf \$100, Three sunglass racks \$150, One skim board rack \$17.50, Twelve Metal Grids with hooks \$285, One hundred fifty metal hooks for grid \$150, Six metal clothing racks \$190, Seven keychain racks \$0, Two jewelry racks \$100, Four metal jewelry racks \$100, and Two coffee mug displays \$300.</p> | - | 4,167.50 |
| 30. Inventory. | | <p>Inventory located at the warehouse, including novelty items, souvenirs, shirts, glassware, sports equipment, wind chimes, sculptures, figurines, stuffed animals, frames, rings, hats, shoes, and towels. Age: 3 years+, out-of-fashion, unlikely to sell (Reduced original cost value by 70% given age, condition and other costs related to holding inventory over a longer period.) Location: 589 South Birdneck Road, Virginia Beach, VA</p> | - | 9,726.00 |
| Sub-Total > | | | | 17,283.50 |
| (Total of this page) | | | | |

Sheet 3 of 4 continuation sheets attached to the Schedule of Personal Property

In re Souvenir City, Inc., Debtor Case No. _____

SCHEDULE B - PERSONAL PROPERTY
(Continuation Sheet)

| Type of Property | N O N E | Description and Location of Property | Husband, Wife, Joint, or Community | Current Value of Debtor's Interest in Property, without Deducting any Secured Claim or Exemption |
|--|------------------|---|---|---|
| | | Inventory located at 1102 Atlantic Avenue, Virginia Beach, Virginia, including sweatsuits, chains, mugs, novelty items, souvenirs, shirts, glassware, picture frames, wind chimes, sculptures, figurines, stuffed animals, frames, rings, hats, shoes, shorts, jackets, dresses, printed T-shirts, tank tops, swimsuits, flip flops, swim gear, and towels. Age: 1+ year old, Good condition, half of the items are likely to sell. (Reduced original cost value by 50% given age, condition and other costs related to holding inventory over a longer period.) | - | 27,417.99 |
| | | Inventory located at 2900 Atlantic Avenue, Virginia Beach, Virginia, including sweatsuits, chains, mugs, novelty items, souvenirs, shirts, glassware, picture frames, wind chimes, sculptures, figurines, stuffed animals, frames, rings, hats, shoes, shorts, jackets, dresses, printed T-shirts, tank tops, swimsuits, flip flops, swim gear, and towels. Age: 1+ year old, Good condition, half of the items are likely to sell. (Reduced original cost value by 50% given age, condition and other costs related to holding inventory over a longer period.) | - | 28,218.99 |
| 31. Animals. | X | | | |
| 32. Crops - growing or harvested. Give particulars. | X | | | |
| 33. Farming equipment and implements. | X | | | |
| 34. Farm supplies, chemicals, and feed. | X | | | |
| 35. Other personal property of any kind not already listed. Itemize. | X | | | |

| | |
|----------------------|------------------|
| Sub-Total > | 55,636.98 |
| (Total of this page) | |
| Total > | 76,930.48 |

(Report also on Summary of Schedules)

Sheet 4 of 4 continuation sheets attached to the Schedule of Personal Property

In re Souvenir City, Inc.

Case No. _____

Debtor

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

 Domestic support obligations

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

 Extensions of credit in an involuntary case

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

 Wages, salaries, and commissions

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

 Contributions to employee benefit plans

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

 Certain farmers and fishermen

Claims of certain farmers and fishermen, up to \$5,400* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

 Deposits by individuals

Claims of individuals up to \$2,425* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

 Taxes and certain other debts owed to governmental units

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

 Commitments to maintain the capital of an insured depository institution

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507(a)(9).

 Claims for death or personal injury while debtor was intoxicated

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

* Amounts are subject to adjustment on April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

1 continuation sheets attached

In re Souvenir City, Inc.
Debtor

Case No. _____

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS
(Continuation Sheet)

**Taxes and Certain Other Debts
Owed to Governmental Units**

TYPE OF PRIORITY

| CREDITOR'S NAME, AND MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions.) | C O D E B O R | H W J C | Husband, Wife, Joint, or Community DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | AMOUNT OF CLAIM | AMOUNT NOT ENTITLED TO PRIORITY, IF ANY |
|---|---------------------------------|------------------|--|--|--|--------------------------------------|--------------------|---|
| | | | | | | | | AMOUNT ENTITLED TO PRIORITY |
| Account No. 54-1607250 Internal Revenue Service Centralized Insolvency Operati P.O. Box 21126 Philadelphia, PA 19114 | | | 2008/2009 Payroll taxes | | | | | 0.00 |
| | | | | | | | 9,523.00 | 9,523.00 |
| Account No. 54-1607250 Virginia Department of Taxation P.O. Box 2156 Richmond, VA 23218 | | | 2008 and 2009 Sales and withholding taxes | | | | | 0.00 |
| | | | | | | | 38,691.00 | 38,691.00 |
| Account No. | | | | | | | | |
| Account No. | | | | | | | | |
| Account No. | | | | | | | | |

Sheet 1 of 1 continuation sheets attached to
Schedule of Creditors Holding Unsecured Priority Claims

| | | | |
|---|------------------|-------------|------------------|
| Subtotal (Total of this page) | 48,214.00 | 0.00 | 48,214.00 |
| Total (Report on Summary of Schedules) | 48,214.00 | 0.00 | 48,214.00 |

In re Souvenir City, Inc.
Debtor

Case No. _____

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Check this box if debtor has no creditors holding unsecured claims to report on this Schedule F.

| CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.) | C O D E B T O R | Husband, Wife, Joint, or Community | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | AMOUNT OF CLAIM |
|--|--------------------------------------|---|--|--|--------------------------------------|------------------|
| | | H W J C | | | | |
| Account No. 318185 American Gift Corporation 6600 NW 74th Ave Miami, FL 33166-2839 | - | 2008 Supplies | | | | 12,962.00 |
| Account No. B.E. Brooks Heating & Cooling, Inc. P.O. Box 2304 Chesapeake, VA 23327 | - | July 2009 Heating and Air Services | X | X | | 2,500.00 |
| Account No. BASIX USA Vacation Clothing Exchange 2778 NW 31st. Avenue Lauderdale Lakes, FL 33311 | - | 2008 Supplies | | | | 4,597.00 |
| Account No. Beach Club Promotions 115 Business Center Dr, Ste 2 Ormond Beach, FL 32174 | - | 2009 Supplies | | | | 4,513.00 |
| Subtotal (Total of this page) | | | | | | 24,572.00 |

4 continuation sheets attached

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
 (Continuation Sheet)

| CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.) | C O D E B O R | Husband, Wife, Joint, or Community | D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E. | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | A M O U N T O F C L A I M | |
|---|---------------------------------|------------------------------------|--|--|--|--------------------------------------|---|------------------|
| | | H W J C | | | | | | |
| Account No. 45804 Blair Cedar and Novelty Works 680 W. Hwy. 54 Camdenton, MO 65020 | | - | 2008 Supplies | | | | 2,875.00 | |
| Account No. Dainty Miss 6120- 5th Avenue Brooklyn, NY 11220 | | - | 2008 Supplies | | | | 6,654.00 | |
| Account No. 94096 DM Merchandising, Inc. 835 N. Church Court Elmhurst, IL 60126 | | - | 2009 Supplies | | | | 1,163.00 | |
| Account No. Herzfeld's 6180 NW 84th Avenue Miami, FL 33166 | | - | 2009 Inventory | | | | 8,470.68 | |
| Account No. 18721 Kalan LP P.O. Box 1029 Lansdowne, PA 19050 | | - | 2008 Supplies | | | | 951.00 | |
| Sheet no. <u>1</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims | | | | | | | Subtotal (Total of this page) | 20,113.68 |

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
 (Continuation Sheet)

| CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.) | C O D E B T O R | Husband, Wife, Joint, or Community | | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | AMOUNT OF CLAIM |
|--|--------------------------------------|------------------------------------|---|--|--|--------------------------------------|------------------|
| | | H W J C | DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE. | | | | |
| Account No. Laser Gifts, a division of Orion Photo Industries, Inc. P.O. Box 10035 Prescott, AZ 86304-0035 | | | 2009 Supplies | | | | 2,492.00 |
| Account No. Ocean Drive USA/Vintage 1430 Chestnut Avenue Hillside, NJ 07205 | | | 2009 Supplies | | | | 8,504.00 |
| Account No. SOCIT3 Silver Streak Ind. 1604 S. Edward Drive Tempe, AZ 85281 | | | 2009 Supplies | | | | 1,148.00 |
| Account No. 2000259 Strand Import & Distributors P.O. Box 16530 Surfside Beach, SC 29587 | | | 2009 Supplies | | | | 26,838.00 |
| Account No. 46692 Strickland and Jones, P.C. 749 Boush Street Norfolk, VA 23510 | | | 2008 Accounting Services | | | | 749.24 |
| Sheet no. <u>2</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims | | | | | | Subtotal (Total of this page) | 39,731.24 |

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
 (Continuation Sheet)

| CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.) | C O D E B O R | Husband, Wife, Joint, or Community | D A T E C L A I M W A S I N C U R R E D A N D C O N S I D E R A T I O N F O R C L A I M. I F C L A I M I S S U B J E C T T O S E T O F F, S O S T A T E. | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | A M O U N T O F C L A I M | |
|--|---------------------------------|------------------------------------|--|--|--|--------------------------------------|---|------------------|
| | | H W J C | | | | | | |
| Account No. SunSpecs of Ocean City 9529 Stephen Decatur Hwy Berlin, MD 21811 | | - | 2009 Supplies | | | | 11,643.00 | |
| Account No. 251383 SWIBCO, Inc. 4810 Venture Road Lisle, IL 60532 | | - | 2008 Supplies | | | | 4,724.00 | |
| Account No. Swimsuit Station, Inc. 3501 Rose Avenue Ocean, NJ 07712 | | - | 4/13/2009 Supplies | | | | 6,418.00 | |
| Account No. 2889 T Line 158 SW 1st Avenue Canby, OR 97013 | | - | 2009 Supplies | | | | 1,156.00 | |
| Account No. 001685 Trendy, LLC 170 High Street Waltham, MA 02453 | | - | 2008 Supplies | | | | 4,651.00 | |
| Sheet no. <u>3</u> of <u>4</u> sheets attached to Schedule of Creditors Holding Unsecured Nonpriority Claims | | | | | | | Subtotal (Total of this page) | 28,592.00 |

In re Souvenir City, Inc. Case No. _____
 Debtor

SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS
 (Continuation Sheet)

| CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER (See instructions above.) | C O D E B O R | Husband, Wife, Joint, or Community | C O N T I N G E N T | U N L I Q U I D A T E D | D I S P U T E D | AMOUNT OF CLAIM |
|---|---------------------------------|------------------------------------|--|--|--------------------------------------|-----------------|
| | | H W J C | | | | |
| Account No. -0777 Virginia T's, Inc. P.O. Box 2189 2001 Anchor Avenue Petersburg, VA 23804 | X | - | 2009 Supplies | | | 4,150.00 |
| Account No. Wayne Carver Woodworking Co 225 12th Street Rockford, IL 61104 | | - | 2009 Supplies | | | 8,100.00 |
| Account No. World Shells & Co 14440 S.E. Hwy. 19 Inglis, FL 34449 | | - | 2009 Supplies | | | 6,387.00 |
| Account No. | | | | | | |
| Account No. | | | | | | |

Sheet no. 4 of 4 sheets attached to Schedule of
 Creditors Holding Unsecured Nonpriority Claims

Subtotal
 (Total of this page) **18,637.00**

Total
 (Report on Summary of Schedules) **131,645.92**

In re Souvenir City, Inc.

Case No. _____

Debtor

SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser", "Agent", etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no executory contracts or unexpired leases.

| Name and Mailing Address, Including Zip Code, of Other Parties to Lease or Contract | Description of Contract or Lease and Nature of Debtor's Interest. State whether lease is for nonresidential real property. State contract number of any government contract. |
|---|---|
| 589 LLC 589 South Birdneck Road Virginia Beach, VA 23451 | Warehouse Unit, Lease for 2,000 square feet expiring in February 2011 with monthly rent \$1,030 until February 2010 and \$1,100 from March 2010 through February 2011. |
| Atlantic Enterprises, Inc. 2901 Atlantic Avenue Virginia Beach, VA 23451 | Five-year Lease commencing January 1, 2008 for Units 1, 2, and 3 located in the Oceanfront Inn Parking Garage, 2900 Atlantic Avenue, Virginia Beach. |
| Prime Real Estate Corporation Edmund Ruffin 932 Laskin Road Virginia Beach, VA 23451 | Sublease of 1102 Atlantic Avenue, Units 101 & 102, Virginia Beach, Virginia commencing October 1, 2007 through December 31, 2009, with five-year renewal period. |

In re Souvenir City, Inc.
 Debtor

Case No. _____

SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

Check this box if debtor has no codebtors.

| NAME AND ADDRESS OF CODEBTOR | NAME AND ADDRESS OF CREDITOR |
|---|---|
| Kevin Sherman 1847 Calash Way Virginia Beach, VA 23451 | Virginia T's, Inc. P.O. Box 2189 2001 Anchor Avenue Petersburg, VA 23804 |

In re _____,
Debtor

Case No. _____
(if known)

NOT APPLICABLE

SCHEDULE J - CURRENT EXPENDITURES OF INDIVIDUAL DEBTOR(S)

Complete this schedule by estimating the average or projected monthly expenses of the debtor and the debtor's family at time case filed. Prorate any payments made bi-weekly, quarterly, semi-annually, or annually to show monthly rate. The average monthly expenses calculated on this form may differ from the deductions from income allowed on Form 22A or 22C.

Check this box if a joint petition is filed and debtor's spouse maintains a separate household. Complete a separate schedule of expenditures labeled "Spouse."

- 1. Rent or home mortgage payment (include lot rented for mobile home) \$ _____
 - a. Are real estate taxes included? Yes _____ No _____
 - b. Is property insurance included? Yes _____ No _____
- 2. Utilities:
 - a. Electricity and heating fuel \$ _____
 - b. Water and sewer \$ _____
 - c. Telephone \$ _____
 - d. Other _____ \$ _____
- 3. Home maintenance (repairs and upkeep) \$ _____
- 4. Food \$ _____
- 5. Clothing \$ _____
- 6. Laundry and dry cleaning \$ _____
- 7. Medical and dental expenses \$ _____
- 8. Transportation (not including car payments) \$ _____
- 9. Recreation, clubs and entertainment, newspapers, magazines, etc. \$ _____
- 10. Charitable contributions \$ _____
- 11. Insurance (not deducted from wages or included in home mortgage payments)
 - a. Homeowner's or renter's \$ _____
 - b. Life \$ _____
 - c. Health \$ _____
 - d. Auto \$ _____
 - e. Other _____ \$ _____
- 12. Taxes (not deducted from wages or included in home mortgage payments)
(Specify) _____ \$ _____
- 13. Installment payments: (In chapter 11, 12, and 13 cases, do not list payments to be included in the plan)
 - a. Auto \$ _____
 - b. Other _____ \$ _____
 - c. Other _____ \$ _____
- 14. Alimony, maintenance, and support paid to others \$ _____
- 15. Payments for support of additional dependents not living at your home \$ _____
- 16. Regular expenses from operation of business, profession, or farm (attach detailed statement) \$ _____
- 17. Other _____ \$ _____
- 18. AVERAGE MONTHLY EXPENSES (Total lines 1-17. Report also on Summary of Schedules and, if applicable, on the Statistical Summary of Certain Liabilities and Related Data.) \$ _____
- 19. Describe any increase or decrease in expenditures reasonably anticipated to occur within the year following the filing of this document:

- 20. STATEMENT OF MONTHLY NET INCOME
 - a. Average monthly income from Line 15 of Schedule I \$ _____
 - b. Average monthly expenses from Line 18 above \$ _____
 - c. Monthly net income (a. minus b.) \$ _____

**United States Bankruptcy Court
Eastern District of Virginia**

In re **Souvenir City, Inc.**
Debtor(s)

Case No. _____
Chapter **11**

DECLARATION CONCERNING DEBTOR'S SCHEDULES

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President of the corporation named as debtor in this case, declare under penalty of perjury that I have read the foregoing summary and schedules, consisting of 20 sheets, and that they are true and correct to the best of my knowledge, information, and belief.

Date **January 4, 2010**

Signature **/s/ Kevin B. Sherman**
Kevin B. Sherman
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C. §§ 152 and 3571.

United States Bankruptcy Court
Eastern District of Virginia

In re Souvenir City, Inc.

Debtor(s)

Case No.

Chapter

11

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.

Questions 1 - 18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19 - 25. If the answer to an applicable question is "None," mark the box labeled "None."

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within six years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed full-time or part-time.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101.

1. Income from employment or operation of business

None

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business, including part-time activities either as an employee or in independent trade or business, from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the two years immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

Table with 2 columns: AMOUNT and SOURCE. Rows include 2009 Gross Receipts (Estimated) at \$465,996.25, 2008 Gross Receipts at \$483,334.00, and 2007 Gross Receipts at \$568,872.00.

2. Income other than from employment or operation of business

None State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| AMOUNT | SOURCE |
|--------|--------|
|--------|--------|

3. Payments to creditors

None *Complete a. or b., as appropriate, and c.*

a. *Individual or joint debtor(s) with primarily consumer debts.* List all payments on loans, installment purchases of goods or services, and other debts to any creditor made within **90 days** immediately preceding the commencement of this case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$600. Indicate with an (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CREDITOR | DATES OF PAYMENTS | AMOUNT PAID | AMOUNT STILL OWING |
|---------------------------------|----------------------|-------------|-----------------------|
|---------------------------------|----------------------|-------------|-----------------------|

None b. *Debtor whose debts are not primarily consumer debts:* List each payment or other transfer to any creditor made within **90 days** immediately preceding the commencement of the case unless the aggregate value of all property that constitutes or is affected by such transfer is less than \$5,475. If the debtor is an individual, indicate with an asterisk (*) any payments that were made to a creditor on account of a domestic support obligation or as part of an alternative repayment schedule under a plan by an approved nonprofit budgeting and creditor counseling agency. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CREDITOR | DATES OF PAYMENTS/ TRANSFERS | AMOUNT PAID OR VALUE OF TRANSFERS | AMOUNT STILL OWING |
|------------------------------|------------------------------------|--|-----------------------|
|------------------------------|------------------------------------|--|-----------------------|

None c. *All debtors:* List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CREDITOR AND RELATIONSHIP TO DEBTOR | DATE OF PAYMENT | AMOUNT PAID | AMOUNT STILL OWING |
|--|-----------------|-------------|-----------------------|
|--|-----------------|-------------|-----------------------|

4. Suits and administrative proceedings, executions, garnishments and attachments

None a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| CAPTION OF SUIT AND CASE NUMBER | NATURE OF PROCEEDING | COURT OR AGENCY AND LOCATION | STATUS OR DISPOSITION |
|------------------------------------|----------------------|---------------------------------|--------------------------|
|------------------------------------|----------------------|---------------------------------|--------------------------|

None b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED | DATE OF SEIZURE | DESCRIPTION AND VALUE OF PROPERTY |
|---|-----------------|--------------------------------------|
|---|-----------------|--------------------------------------|

5. Repossessions, foreclosures and returns

- None List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CREDITOR OR SELLER | DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSFER OR RETURN | DESCRIPTION AND VALUE OF PROPERTY |
|--|--|-----------------------------------|
|--|--|-----------------------------------|

6. Assignments and receiverships

- None a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF ASSIGNEE | DATE OF ASSIGNMENT | TERMS OF ASSIGNMENT OR SETTLEMENT |
|------------------------------|--------------------|-----------------------------------|
|------------------------------|--------------------|-----------------------------------|

- None b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CUSTODIAN | NAME AND LOCATION OF COURT CASE TITLE & NUMBER | DATE OF ORDER | DESCRIPTION AND VALUE OF PROPERTY |
|-------------------------------|--|---------------|-----------------------------------|
|-------------------------------|--|---------------|-----------------------------------|

7. Gifts

- None List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF PERSON OR ORGANIZATION | RELATIONSHIP TO DEBTOR, IF ANY | DATE OF GIFT | DESCRIPTION AND VALUE OF GIFT |
|--|--------------------------------|--------------|-------------------------------|
|--|--------------------------------|--------------|-------------------------------|

8. Losses

- None List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| DESCRIPTION AND VALUE OF PROPERTY | DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS | DATE OF LOSS |
|-----------------------------------|--|--------------|
|-----------------------------------|--|--------------|

9. Payments related to debt counseling or bankruptcy

- None List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of the petition in bankruptcy within **one year** immediately preceding the commencement of this case.

| NAME AND ADDRESS OF PAYEE | DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY |
|--|---|--|
| Harry Jernigan CPA Attorney PC 258 N. Witchduck Road, Suite C Virginia Beach, VA 23462 | 9/30/09, \$5,000 10/14/09, \$2,000 12/11/09, \$2,000, Kevin Sherman | \$9,000 Chapter 11 Bankruptcy Retainer, including \$7,500 for attorney's fees and \$1,500 costs. |

10. Other transfers

- None
 a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **two years** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR | DATE | DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED |
|---|------|---|
|---|------|---|

- None
 b. List all property transferred by the debtor within **ten years** immediately preceding the commencement of this case to a self-settled trust or similar device of which the debtor is a beneficiary.

| NAME OF TRUST OR OTHER DEVICE | DATE(S) OF TRANSFER(S) | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY OR DEBTOR'S INTEREST IN PROPERTY |
|----------------------------------|---------------------------|---|
|----------------------------------|---------------------------|---|

11. Closed financial accounts

- None
 List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF INSTITUTION | TYPE OF ACCOUNT, LAST FOUR DIGITS OF ACCOUNT NUMBER, AND AMOUNT OF FINAL BALANCE | AMOUNT AND DATE OF SALE OR CLOSING |
|---------------------------------|--|---------------------------------------|
|---------------------------------|--|---------------------------------------|

12. Safe deposit boxes

- None
 List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY | NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY | DESCRIPTION OF CONTENTS | DATE OF TRANSFER OR SURRENDER, IF ANY |
|---|---|----------------------------|--|
|---|---|----------------------------|--|

13. Setoffs

- None
 List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME AND ADDRESS OF CREDITOR | DATE OF SETOFF | AMOUNT OF SETOFF |
|------------------------------|----------------|------------------|
|------------------------------|----------------|------------------|

14. Property held for another person

- None
 List all property owned by another person that the debtor holds or controls.

| NAME AND ADDRESS OF OWNER | DESCRIPTION AND VALUE OF PROPERTY | LOCATION OF PROPERTY |
|---------------------------|-----------------------------------|----------------------|
|---------------------------|-----------------------------------|----------------------|

15. Prior address of debtor

- None If the debtor has moved within **three years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

| ADDRESS | NAME USED | DATES OF OCCUPANCY |
|---|----------------------------|--|
| 2508 Atlantic Avenue, Virginia Beach, VA 23451 | Souvenir City, Inc. | January 1992 through October 2007 |

16. Spouses and Former Spouses

- None If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within **eight years** immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

NAME

17. Environmental Information.

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law

- None a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law:

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|-----------------------|---------------------------------------|----------------|-------------------|
|-----------------------|---------------------------------------|----------------|-------------------|

- None b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|-----------------------|---------------------------------------|----------------|-------------------|
|-----------------------|---------------------------------------|----------------|-------------------|

- None c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

| NAME AND ADDRESS OF GOVERNMENTAL UNIT | DOCKET NUMBER | STATUS OR DISPOSITION |
|---------------------------------------|---------------|-----------------------|
|---------------------------------------|---------------|-----------------------|

18 . Nature, location and name of business

- None
 a. *If the debtor is an individual*, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partner in a partnership, sole proprietor, or was self-employed in a trade, profession, or other activity either full- or part-time within **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within **six years** immediately preceding the commencement of this case.

| NAME | LAST FOUR DIGITS OF SOCIAL-SECURITY OR OTHER INDIVIDUAL TAXPAYER-I.D. NO. (ITIN)/ COMPLETE EIN | ADDRESS | NATURE OF BUSINESS | BEGINNING AND ENDING DATES |
|------|--|---------|--------------------|-------------------------------|
|------|--|---------|--------------------|-------------------------------|

- None
 b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

| NAME | ADDRESS |
|------|---------|
|------|---------|

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership, a sole proprietor or self-employed in a trade, profession, or other activity, either full- or part-time.

*(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)*

19. Books, records and financial statements

- None
 a. List all bookkeepers and accountants who within **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

| NAME AND ADDRESS | DATES SERVICES RENDERED |
|------------------|-------------------------|
|------------------|-------------------------|

- None
 b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

| NAME | ADDRESS | DATES SERVICES RENDERED |
|------|---------|-------------------------|
|------|---------|-------------------------|

- None
 c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

| NAME | ADDRESS |
|------|---------|
|------|---------|

- None
 d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued by the debtor within **two years** immediately preceding the commencement of this case.

| NAME AND ADDRESS | DATE ISSUED |
|------------------|-------------|
|------------------|-------------|

20. Inventories

- None a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

| DATE OF INVENTORY | INVENTORY SUPERVISOR | DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis) |
|---------------------|-------------------------|--|
| October 2009 | Kevin B. Sherman | Lower of cost or market, Prepared for bankruptcy schedule work-up |

- None b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

| DATE OF INVENTORY | NAME AND ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS |
|---------------------|--|
| October 2009 | Souvenir City, Inc. 1102 Atlantic Avenue, Unit 101 Virginia Beach, VA 23451 |

21 . Current Partners, Officers, Directors and Shareholders

- None a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

| NAME AND ADDRESS | NATURE OF INTEREST | PERCENTAGE OF INTEREST |
|------------------|--------------------|------------------------|
|------------------|--------------------|------------------------|

- None b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

| NAME AND ADDRESS | TITLE | NATURE AND PERCENTAGE OF STOCK OWNERSHIP |
|--|--|---|
| Kevin B. Sherman 1847 Calash Way Virginia Beach, VA 23451 | President, VP, Sec, Treasurer, Director | Common stock, 100% |

22 . Former partners, officers, directors and shareholders

- None a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

| NAME | ADDRESS | DATE OF WITHDRAWAL |
|------|---------|--------------------|
|------|---------|--------------------|

- None b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

| NAME AND ADDRESS | TITLE | DATE OF TERMINATION |
|---|-----------------------|---------------------|
| Valentina Sherman 1847 Calash Way Virginia Beach, VA 23451 | Vice President | 2008 |

23 . Withdrawals from a partnership or distributions by a corporation

- None If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

| NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR | DATE AND PURPOSE OF WITHDRAWAL | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY |
|---|-----------------------------------|--|
|---|-----------------------------------|--|

24. Tax Consolidation Group.

None If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within **six years** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION TAXPAYER IDENTIFICATION NUMBER (EIN)

25. Pension Funds.

None If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within **six years** immediately preceding the commencement of the case.

NAME OF PENSION FUND TAXPAYER IDENTIFICATION NUMBER (EIN)

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date January 4, 2010 Signature /s/ Kevin B. Sherman
Kevin B. Sherman
President

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. §§ 152 and 3571

United States Bankruptcy Court Eastern District of Virginia

In re Souvenir City, Inc.
Debtor(s)

Case No. _____
Chapter 11

DISCLOSURE OF COMPENSATION OF ATTORNEY FOR DEBTOR(S)

1. Pursuant to 11 U.S.C. § 329(a) and Bankruptcy Rule 2016(b), I certify that I am the attorney for the above-named debtor(s) and that compensation paid to me, for services rendered or to be rendered on behalf of the debtor(s) in contemplation of or in connection with the bankruptcy case is as follows:

| | | |
|--|----|---------------------|
| For legal services, I have agreed to accept..... | \$ | <u>hourly rates</u> |
| Prior to the filing of this statement I have received..... | \$ | <u>7,500.00</u> |
| Balance Due..... | \$ | <u>0.00</u> |

2. \$ 1,039.00 of the filing fee has been paid.

3. The source of the compensation paid to me was:

Debtor Other (*specify*)

4. The source of compensation to be paid to me is:

Debtor Other (*specify*)

5. I have not agreed to share the above-disclosed compensation with any other person unless they are members and associates of my law firm.

I have agreed to share the above-disclosed compensation with a person or persons who are not members or associates of my law firm. A copy of the agreement, together with a list of the names of the people sharing in the compensation, is attached.

6. In return for the above-disclosed fee, I have agreed to render legal service for all aspects of the bankruptcy case, including:

a. Other provisions as needed:

Analysis of debtor's financial situation.

Preparation and filing of Petition and related Schedules, Statements, and Plans, including a comprehensive attorney review with client;

Representation of debtor at 341 Meeting of Creditors, but not including continuances;

Representation of debtor with audits or other inquiries by the Office of the US Trustee, but not including contesting or appealing of audit determinations;

Confirmation Hearing if case is under Chapter 13; and

See attached Engagement Letter, which is incorporated herein by reference.

7. By agreement with the debtor(s), the above-disclosed fee does not include the following services:

Amendments to Schedules, Statements, Plans and other documents filed with the Bankruptcy Court;

Reaffirmation Hearings and related services, including negotiations with secured creditors;

Relief from Stay Motions and Hearings and related services, including negotiations with creditors;

Any other Motions filed with the Court and all Adversary Proceedings and related services;

2004 Examinations and related services;

Continued 341 Meeting of Creditors;

Contesting or appealing audit determinations; and

See attached Engagement Letter, which is incorporated herein by reference.

CERTIFICATION

I certify that the foregoing is a complete statement of any agreement or arrangement for payment to me for representation of the debtor(s) in this bankruptcy proceeding.

January 4, 2010

Date

/s/ Harry W. Jernigan, III

Harry W. Jernigan, III 30278

Signature of Attorney

HARRY JERNIGAN CPA ATTORNEY, P.C.

Name of Law Firm

258 N Witchduck Road

Suite C

Virginia Beach, VA 23462

757-490-2200 Fax: 757-490-0280

For use in Chapter 13 Cases where Fees Requested Not in Excess of \$3,000
(For all Cases Filed on or after 10/17/2005)

NOTICE TO DEBTOR(S) AND STANDING TRUSTEE
PURSUANT TO INTERIM PROCEDURE 2016-1(C)(7)

Notice is hereby given that pursuant to Local Bankruptcy Rule 2016-1(C)(7)(a), you have ten (10) business days from the meeting of creditors in this case in which to file an objection with the court to the fees requested in this disclosure of compensation opposing said fees in their entirety, or in a specific amount.

PROOF OF SERVICE

The undersigned hereby certifies that on this date the foregoing Notice was served upon the debtor(s), the standing Chapter 13 Trustee, and U. S. Trustee pursuant to Interim Procedure 2016-1(C)(7)(a) and Local Bankruptcy Rule 2002-1(D)(1)(f), by first-class mail or electronically.

Date

Signature of Attorney

THE LAW FIRM OF
HARRY JERNIGAN
ATTORNEY AT LAW • CERTIFIED PUBLIC ACCOUNTANT

Harry W. Jernigan, III, CPA, Esq.
Carolyn L. Camardo, Esq.
Steven A. Mirman, M.P.H., Esq.
Jennifer T. Atkinson, Esq.
Todd D. Rothlisberger, Esq.
Shreen N. Mahmoud, Esq.
Sylvia P. O'Brien, Esq.

Harry Jernigan CPA Attorney, P.C.
258 North Witchduck Road, Suite C
Virginia Beach, Virginia 23462
(757) 490-2200 Office
(757) 490-0280 Fax
(866) 850-7347 Toll Free
www.hjlaw.com

September 30, 2009

Souvenir City, Inc.
Mr. Kevin B. Sherman, President
1102 Atlantic Avenue, Unit 101
Virginia Beach, Virginia 23451

Dear Mr. Sherman:

Now that you have decided to file a petition for relief under Chapter 11 of the Bankruptcy Code, it is necessary to memorialize our agreement concerning compensation for legal services. The purpose of this letter is to set forth the terms that will apply to legal services performed by this law firm during the times we prepare your petition, lists, schedules and statements, and after the case commences. I will also describe some other expenses you will incur while you are a Chapter 11 debtor.

Chapter 11 bankruptcy requires an extensive amount of highly specialized legal work within extremely short time frames before and after filing the case. The Bankruptcy Code restricts the timing of fee payments once the case is filed. Therefore, we asked for and you have agreed to pay \$9,000.00, an advance to be applied towards legal fees and out-of-pocket expenses already incurred, and the expected legal fees to be earned and expenses to be incurred after the filing. The advance will be apportioned \$7,500.00, for fees earned and to be earned, and \$1,500.00, for costs incurred and to be incurred. These amounts will be initially deposited into escrow accounts and thereafter drawn upon by this firm in accordance with the provisions of the next paragraphs. The corporation's check for the advance must clear before the Chapter 11 petition is filed.

Immediately before your Chapter 11 petition is filed we will bill you for all professionals' and para-professional's services, calculated by multiplying each individual's hourly rate (stated below) by the hours each individual devoted to your case, plus the out of pocket expenses incurred to that date. I do not expect that will exceed the escrowed funds. You will be provided with that statement. The amount of the statement is deducted from the escrowed funds.

Once your Chapter 11 case commences, we will file an application with the Court to approve the firm acting as your counsel in its Chapter 11 case. The Bankruptcy Code strictly limits the firm's legal services to those required by you. Therefore, please, recognize that so long as we are your counsel and afterward that we will be prohibited from personally representing you, any family member or a related company without prior permission from the Bankruptcy Court.

HARRY JERNIGAN CPA ATTORNEY, P.C.

Souvenir City, Inc.
Mr. Kevin B. Sherman, President
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September 30, 2009
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Except as otherwise stated below, the Chapter 11 case and any associated proceedings, matters and legal services will be handled on a time-spent basis calculated by tenths of an hour. Charges for attorney's time will be at each attorney's standard rate at the time of rendition of the service.

You will be responsible for those fees once they are approved by the Bankruptcy Court.

You will also be responsible for this firm's out of pocket expenses, such as filing fees, court costs, courier services, copying, long distance telephone, telefax, automated data research, documents preparation, court fees, and transportation expenses. The initial court filing fee for a Chapter 11 case is \$830.00, which must be paid to the Clerk of Court at the time of the filing, and will be paid out of the cost advance set forth above.

Additionally, Chapter 11 allows the U. S. Trustee to appoint committees to represent creditors of different classes, and for the court to approve the appointment of counsel for each committee. If three or more unsecured creditors desire to form a creditors committee then the U. S. Trustee's Office will appoint one. If one should be formed, you will be liable for the committee members' expenses, the committee's counsels' fees and expenses, as well as those of an accountant that may be employed with the bankruptcy court's permission.

The Bankruptcy Code subject to prior Court approval all legal fees and expenses that are payable from assets of the bankruptcy estate once a Chapter 11 case is filed. We will, of course, comply with these requirements. We reserve the right to request the Court to approve fees in excess of those reflected by the hourly rates if the results achieved are beyond what could ordinarily be expected through the expenditure of that amount of time.

In addition, and subject to the Bankruptcy Court's review, the following will apply: We will periodically send proforma invoices and statements to you that will include our fees and expenses, but will not be payable until court approval has been obtained. However, once the total fees and expenses exceed 2/3 of the escrowed funds you are to remit each month to this firm, within 15 days after the mailing of each statement, an amount to be held in escrow pending court approval, equal to the amount by which the total fees and expenses exceed 2/3 of the escrowed funds. Billing on a periodical basis and escrowing payment is to your benefit in that it will permit you to closely monitor the cost of the proceeding.

Any invoices not paid within thirty (30) days of the invoice date will accrue interest at the rate of 18% per annum, retroactive to the invoice date. In the event collection activities are required for any invoice, jurisdiction shall be in the City of Virginia Beach, 25% attorney fees plus court costs and related collection costs which will cover process server fees, retail alliance fees, etc. in order to collect the balance due our firm shall be added to the delinquent balance. There will be a \$35.00 fee charged on all returned checks.

Each Chapter 11 debtor is also responsible for paying the United States Trustee a quarterly fee on a graduated schedule fixed by statute based on the debtor's quarterly

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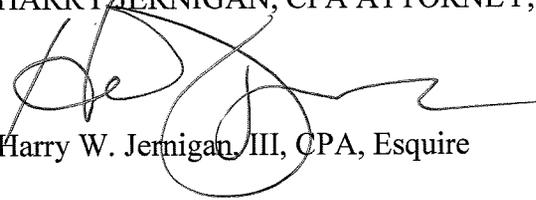
disbursements. The minimum quarterly fee is \$250.00 for quarterly disbursements of \$15,000.00 or less; the maximum quarterly fee is \$10,000.00 if your quarterly disbursements exceed \$5,000,000.00. Your first quarterly fee will be due for the fourth quarter of 2009, covering the period of time from the date your case starts through December 31, 2009, and it must be paid by January 31, 2010. Each succeeding quarterly fee must be paid by the end of the month following the end of each succeeding quarter until your case is closed, converted or dismissed. I recommend you escrow money for these fees monthly.

You are also responsible for preparing and timely filing monthly reports with the Court and the U. S. Trustee. Those reports include detailed analyses of your monthly income, expenses, and bank reconciliations. It is your responsibility to prepare those reports in time for them to be filed by the 15th day of the next month. As the corporation's president, you will be responsible for signing each report under penalty of perjury.

I am confident that we can represent your interests capably and professionally. However, should you wish to terminate our services at any time, you are free to do so by written notice to this firm. Should we determine that we cannot adequately represent your interest, or that professional or ethical requirements demand that we terminate our representation, or if fees approved by the Court are not paid, we will be entitled, subject to court approval, to terminate our services by written notice to you.

Thank you for the confidence you have placed in this firm. I look forward to a lasting and mutually beneficial relationship. If the above terms are agreeable to you, please sign and return the enclosed copy of this letter.

Sincerely,
HARRY JERNIGAN, CPA ATTORNEY, P.C.


Harry W. Jernigan, III, CPA, Esquire

HWJ/eemt
Enclosure(s)

Agreed:

SOUVENIR CITY, INC.


Kevin B. Sherman, President

HARRY JERNIGAN CPA ATTORNEY, P.C.

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Current hourly rate schedule as of January 5, 2009 is as follows:

| | |
|---|-------------|
| a) Harry W. Jernigan, III, CPA, Esquire | \$295.00/hr |
| b) Carolyn L. Camardo, Esquire | \$250.00/hr |
| c) Steven A. Mirman, Esquire | \$195.00/hr |
| d) Jennifer T. Atkinson, Esquire | \$195.00/hr |
| e) Todd D. Rothlisberger, Esquire | \$195.00/hr |
| f) Shreen N. Mahmoud, Esquire | \$195.00/hr |
| g) Sylvia P. O'Brien, Esquire | \$195.00/hr |
| h) IRS Enrolled Agent | \$165.00/hr |
| i) Paralegal/Para-Professional (Senior) | \$120.00/hr |
| j) Paralegal/Para-Professional (Intermediate) | \$ 95.00/hr |
| k) Paralegal/Para-Professional | \$ 85.00/hr |
| l) Secretary/Courier (Senior) | \$ 85.00/hr |
| m) Secretary/Courier (Intermediate) | \$ 65.00/hr |
| n) Secretary/Courier | \$ 55.00/hr |

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HARRY JERNIGAN, CPA ATTORNEY, P.C. Privacy Policy

Your privacy is important to us.

We collect nonpublic personal information about you from the following sources:

- 1) Information we receive from you on applications, tax preparation worksheets, or other documents we use in preparing forms and services.
- 2) Information about your transactions with us or others, and
- 3) Information we receive from a consumer reporting agency.

We do not disclose any nonpublic personal information about you to anyone, except as permitted by law. If you decide to close your account (s) or become an inactive customer, we will adhere to the privacy policies and practices as described in this notice.

Reviewed by:

SOUVENIR CITY, INC.



Kevin B. Sherman, President

**United States Bankruptcy Court
Eastern District of Virginia**

In re Souvenir City, Inc.
Debtor

Case No. _____

Chapter 11

LIST OF EQUITY SECURITY HOLDERS

Following is the list of the Debtor's equity security holders which is prepared in accordance with Rule 1007(a)(3) for filing in this chapter 11 case.

| Name and last known address or place of business of holder | Security Class | Number of Securities | Kind of Interest |
|--|-------------------|-------------------------|---------------------|
| Kevin B. Sherman 1847 Calash Way Virginia Beach, VA 23451 | equity | 100% | common stock |

DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF CORPORATION OR PARTNERSHIP

I, the President of the corporation named as the debtor in this case, declare under penalty of perjury that I have read the foregoing List of Equity Security Holders and that it is true and correct to the best of my information and belief.

Date January 4, 2010

Signature /s/ Kevin B. Sherman
Kevin B. Sherman
President

Penalty for making a false statement or concealing property: Fine of up to \$500,000 or imprisonment for up to 5 years or both.
18 U.S.C §§ 152 and 3571.

589 LLC
589 South Birdneck Road
Virginia Beach, VA 23451

Adams Chase and Emerson
P.O. Box 9
South Weymouth, MA 02190

American Gift Corporation
6600 NW 74th Ave
Miami, FL 33166-2839

Atlantic Enterprises, Inc.
2901 Atlantic Avenue
Virginia Beach, VA 23451

B.E. Brooks Heating & Cooling,
Inc.
P.O. Box 2304
Chesapeake, VA 23327

BASIX USA
Vacation Clothing Exchange
2778 NW 31st. Avenue
Lauderdale Lakes, FL 33311

Beach Club Promotions
115 Business Center Dr, Ste 2
Ormond Beach, FL 32174

Blair Cedar and Novelty Works
680 W. Hwy. 54
Camdenton, MO 65020

Capital Business Credit, LLC
P.O. Box 100895
Atlanta, GA 30384-4174

Dainty Miss
6120- 5th Avenue
Brooklyn, NY 11220

DM Merchandising, Inc.
835 N. Church Court
Elmhurst, IL 60126

Herzfeld's
6180 NW 84th Avenue
Miami, FL 33166

Internal Revenue Service
Centralized Insolvency Operati
P.O. Box 21126
Philadelphia, PA 19114

Kalan LP
P.O. Box 1029
Lansdowne, PA 19050

Laser Gifts, a division of
Orion Photo Industries, Inc.
P.O. Box 10035
Prescott, AZ 86304-0035

Ocean Drive USA/Vintage
1430 Chestnut Avenue
Hillside, NJ 07205

Prime Real Estate Corporation
Edmund Ruffin
932 Laskin Road
Virginia Beach, VA 23451

Silver Streak Ind.
1604 S. Edward Drive
Tempe, AZ 85281

Strand Import & Distributors
P.O. Box 16530
Surfside Beach, SC 29587

Strickland and Jones, P.C.
749 Boush Street
Norfolk, VA 23510

SunSpecs of Ocean City
9529 Stephen Decatur Hwy
Berlin, MD 21811

SWIBCO, Inc.
4810 Venture Road
Lisle, IL 60532

Swimsuit Station, Inc.
3501 Rose Avenue
Ocean, NJ 07712

T Line
158 SW 1st Avenue
Canby, OR 97013

The Cohen Law Group, PLLC
Ryan Ramstad, Esq
1206 Laskin Rd, Ste 201
Virginia Beach, VA 23451

Trendy, LLC
170 High Street
Waltham, MA 02453

Virginia Department of
Taxation
P.O. Box 2156
Richmond, VA 23218

Virginia T's, Inc.
P.O. Box 2189
2001 Anchor Avenue
Petersburg, VA 23804

Wayne Carver Woodworking Co
225 12th Street
Rockford, IL 61104

World Shells & Co
14440 S.E. Hwy. 19
Inglis, FL 34449

**United States Bankruptcy Court
Eastern District of Virginia**

In re Souvenir City, Inc.

Debtor(s)

Case No.
Chapter

11

CORPORATE OWNERSHIP STATEMENT (RULE 7007.1)

Pursuant to Federal Rule of Bankruptcy Procedure 7007.1 and to enable the Judges to evaluate possible disqualification or recusal, the undersigned counsel for Souvenir City, Inc. in the above captioned action, certifies that the following is a (are) corporation(s), other than the debtor or a governmental unit, that directly or indirectly own(s) 10% or more of any class of the corporation's(s') equity interests, or states that there are no entities to report under FRBP 7007.1:

■ None [*Check if applicable*]

January 4, 2010

Date

/s/ Harry W. Jernigan, III

Harry W. Jernigan, III 30278

Signature of Attorney or Litigant

Counsel for Souvenir City, Inc.

HARRY JERNIGAN CPA ATTORNEY, P.C.

258 N Witchduck Road

Suite C

Virginia Beach, VA 23462

757-490-2200 Fax:757-490-0280