UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: ARCTIC SENTINEL, INC., formerly known as FUHU, INC., *et al.*, Debtors,[1]	)	Chapter 11 Case No. 15-12465 (CSS) Jointly Administered Re: D.I. 9 Hearing Date: September 10, 2019 at 10:00 a.m. (ET) Objection Deadline: August 20, 2019 at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (I) COUNSEL TO THE DEBTOR; (II) COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS; (III) THE OFFICE OF THE UNITED STATES TRUSTEE; AND (IV) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002.

PLEASE TAKE NOTICE that Scott Miller, on behalf of himself and all other similarly situated persons, has filed the Motion of Scott Miller For An Award of Attorneys' Fees, Costs and Representative Payments (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objections to the attached Motion must be filed on or before August 20, 2019 at 4:00 p.m. (ET) (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of the response upon the undersigned counsel so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON September 10, 2019 at 10:00 A.M. (ET) BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM NO. 6,

[1] The Debtors, together with the last four digits of each Debtor's tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc., [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc., [f/k/a Nabi, Inc.] (4119). The location of the headquarters is 1700 E. Walnut Avenue, Suite 500, El Segundo, CA 90245.

WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTION IS TIMELY FIELD IN ACCORDANCE WITH THE PROCEDURES SET FORTH ABOVE, THE BANKRUPTCY COURT MAY ENTER AN ORDER WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 30, 2019

Wilmington, Delaware

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UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: ARCTIC SENTINEL, INC., formerly known as FUHU, INC., *et al.*, Debtors,[2]	Chapter 11 Case No. 15-12465 (CSS) Jointly Administered Re: D.I. 9 Hearing Date: September 10, 2019 at 10:00 a.m. (ET) Objection Deadline: August 20, 2019 at 4:00 p.m. (ET)

MOTION OF SCOTT MILLER AND JAMES V. GRIFFIN III FOR AN AWARD OF ATTORNEYS' FEES, COSTS AND REPRESENTATIVE PAYMENTS

Unsecured Creditors Scott Miller and James V. Griffin III, on behalf of themselves and similarly situated persons, by and through counsel, hereby move, pursuant to Fed. R. of Civil Procedure Rule 23, for an award of $1,500,000.00 in attorneys' fees, $232,281.85 in costs, and $83,000.00 in payments to the representative plaintiffs, out of the distribution to the Class, and respectfully represent as follows:

[2] The Debtors, together with the last four digits of each Debtor's tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc., [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc., [f/k/a Nabi, Inc.] (4119). The location of the headquarters is 1700 E. Walnut Avenue, Suite 500, El Segundo, CA 90245.

JURISDICTION AND VENUE

1. This Court has jurisdiction to consider this motion pursuant to 28 U.S.C. § 157. This matter is a core proceeding pursuant to 28 U.S.C. § 157(b)(2)(G). Venue is proper in this Court pursuant to 28 U.S.C. § 1408.

INTRODUCTION

2. In July of 2014, Plaintiff Scott Miller ("***Miller***"), through his counsel Gutride Safier LLP ("***GSLLP***") filed a class action complaint against Fuhu in California Superior Court, Los Angeles County. Fuhu subsequently removed the case to the United States District Court for the Central District of California. *See Miller v. Fuhu, Inc., et al.,* Case No. 2:14-cv-06119-CAS-AS (C.D. Cal.).

3. In the complaint, Miller alleged that Fuhu, Inc. ("***Debtor***" or "***Fuhu***") engaged in false advertising and deceptive trade practices and breached its warranties of merchantability when it sold Nabi children's tablet computers to consumers. Miller specifically alleged that the tablets' charging systems were prone to short-circuit, overheat, spark, and catch fire, which not only created an unacceptable risk of injury—causing second-degree burns to several children—but also rendered most tablets non-operational within their reasonably expected lifespan, often within only a few months' of purchase. Miller further alleged that, because of the false representations that the tablets were "rechargeable" and "designed especially for kids" and the undisclosed charging defects, the tablets were sold at inflated prices. He also alleged that each purchaser has a right to recover the difference between what she paid and what she would have paid in the absence of the false representations and omissions, and that these differential prices can be established by common evidence for all class members.

4. Before it entered bankruptcy, Fuhu had sold more than three million of its Nabi brand children's tablet computers in the U.S. (average retail price $200) even though its founder and president told its main supplier, in writing, that the products' charging systems had such "poor end point design and assembly…and structural support" that with "regular usage" they were likely to fail, rendering the tablets unusable. Worse, he admitted, again in writing, that the problems were likely to lead to, and had led to, "sparks…heat and smoke" and thus "could be extremely dangerous" for the intended users, children. He and his co-executives routinely described the charging issue as "a plague" that was "pervasive," "tremendous," and "widespread." Yet Fuhu did not stop sales, recall devices, change its false advertising of the devices as "rechargeable" and "designed specifically for children," or even provide required warranty support for all those whose chargers failed in the first year; instead it required customers to purchase a replacement power adapter from Fuhu for $40. When the customer uproar became deafening—Fuhu received complaints from more than 320,000 consumers regarding the defective charging system—it asked its suppliers for a redesign, but then rejected the redesign because it interfered with the aesthetics of Nabi's trademarked rubber bumper. Instead, Fuhu made minor changes to the charger design and sporadically offered to ship complaining customers replacement (often refurbished) chargers, even though Fuhu knew that its slightly redesigned replacement chargers failed at the same rate and in the same way.

5. Miller vigorously litigated the case. His counsel reviewed over 500,000 pages of documents and gigabytes of customer complaint and sales data, conducted and defended more than a week of depositions, engaged in months of work with three experts (economics, consumer survey, and technical), communicated with hundreds of class members, conducted third party

discovery, and submitted several hundred pages of briefing, expert declarations, and other declarations in support of class certification.

6. On June 29, 2015, Miller moved for class certification under Rule 23 of the Federal Rules of Civil Procedure, and Fuhu opposed the motion. On December 2, 2015, the district court (Snyder, J., presiding) issued a 39-page, single-spaced order on the motion. The district court found in Miller's favor on nearly all issues—making findings of numerosity, adequacy, typicality, commonality, predominance and superiority—but it requested additional information about Miller's expert's methodology for proving class-wide damages, and it suggested that an additional plaintiff be added to represent a proposed sub-classes. (C.D. Cal. Dkt. 163).) The district court denied certification without prejudice, permitting Miller to supplement the record and renew his motion.

7. Six days later, on December 8, 2015, Fuhu filed this petition for bankruptcy.

8. Once the case was transferred to this Court, Miller continued to litigate. His counsel moved to lift the automatic stay to return to Judge Snyder (Central District of California) for a hearing on his renewed motion for certification. (Dkt. 616.) Before this Court could rule, however, the parties stipulated to class certification of a class of "All persons, who between July 3, 2010 and September 30, 2015 purchased, in the United States, a Nabi 2, Nabi 2S, Nabi XD, Nabi Jr. (including Nabi Jr. S) or Nabi DreamTab tablet" ("***Class***"), and added an additional Plaintiff, James Griffin to represent the certified Class. The parties further stipulated to certification of various subclasses.

9. This Court signed the parties' class certification stipulation and order in June of 2016. (Dkt. 667.)

10. The Class then submitted a proof of claim against the Estate for $455,664,063.32. (Claim No. 177.) The Class's claim represents the largest share (by far) of the unsecured creditor claims.

11. Around the same time, GSLLP also worked to develop theories of recovery on behalf of the Class against Fuhu's distributor, D&H Distributing Company ("***D&H***"), and its contract manufacturer, Wistron, Inc. ("***Wistron***"), both of which are also creditors of Fuhu in this bankruptcy proceeding. GSLLP was retained by several other Class members to pursue these claims on behalf of the Class. GSLLP researched, drafted and prepared, but did not file, class action complaints against Wistron and D&H.

12. In May of 2017, the parties, including Plaintiffs, the Liquidating Trustee, D&H and Wistron, attended a two-day settlement meeting in Las Vegas, Nevada. No settlement was reached.

13. The same parties attended mediation, on January 29-30, 2018, before Judge Rosen (Ret.) at JAMS in New York, New York. This mediation eventually led to a comprehensive settlement in this case. A copy of the stipulation for settlement ("***Settlement Agreement***") appears at Dkt. 1295-2. In the Settlement Agreement, the parties agreed to the following material terms. First, the Class claim was to be allowed at $154,000,000.00. Second, the class definition was expanded and additional individuals were appointed to join Miller and Griffin as class representatives ("***Class Representatives***"). Third, distributions from the estate to the Class, D&H and Wistron for their allowed claims would be pooled, such that (a) the Class receives 100% of the first $3,000,000.00 of the combined distribution, (b) the Class receives additional shares of subsequent distributions, and (c) there is a reversion to D&H and Wistron if money remains after payment of fees and costs to GSLLP, awards to the class representatives, and

claims by individual class. Fourth, the Trustee shall assign the Class of all rights under an insurance policy held by Fuhu ("***Media Policy***"), including rights to seek payment for bad faith denial of coverage.

14. The Settlement Agreement will entitle every Class member who submits a valid claim to receive $10 per tablet purchase, or $30 if the Class member attests that the tablet was defective ("***Class Distributions***"), plus a pro rata share of proceeds obtained from the Media Policy.

15. The Settlement Agreement provides that GSLLP may seek an award from the initial Class distribution of up to $1,500,000.00 in attorneys' fees, plus actual costs, and that Class Representatives may seek $83,000.00 in total incentive awards ("***Counsel and Representative Awards***"). Over the last 4+ years, Plaintiffs' counsel collectively expended more than 4,600 hours to reach this settlement, equating to more than $4,289,000.00 in fees if calculated using the lodestar method, and they incurred more than $232,281.85 in out-of-pocket expenses. Thus, the requested fee amount is still only a small fraction of Class Counsel's unpaid lodestar.

16. The Settlement and Plaintiffs' request for fees, costs and incentives are the products of a non-collusive, adversarial negotiation, and are fair, reasonable and adequate. Plaintiffs respectfully requests that this Motion be granted.

BACKGROUND FACTS & PROCEDURAL HISTORY

The Litigation

17. On July 7, 2014, Miller filed a class action complaint in the Superior Court of California for the City and County of Los Angeles. (C.D. Cal. Dkt. 1.) Miller, a Florida resident, filed in California because Debtor had elected that forum in its Terms of Service Agreement,

which states, in pertinent part, "You agree to the personal jurisdiction by and venue in the state and federal courts in Los Angeles County, California, and waive any objection to such jurisdiction or venue." (Id.)

18. Debtor removed Miller's complaint to the United States District Court for the Central District of California ("***District Court***"), Judge Christina Snyder, presiding. (C.D. Cal. Dkt. 1, 4.) Debtor answered on August 1, 2014. (C.D. Cal. Dkt. 1.) Miller moved to strike Debtor's affirmative defenses, which motion was granted in part. (C.D. Cal. Dkt. 8, 16.)

19. Discovery was hard fought, including the production of hundreds of thousands of pages of documents, gigabytes of data, numerous depositions, several motions to compel, and significant third-party discovery. (*See, e.g.,* C.D. Cal. Dkt. 28, 47, 53.)

20. On March 5, 2014, Miller filed a first amended complaint. (C.D. Cal. Dkt. 31.) Debtor moved to dismiss. (C.D. Cal. Dkt. 42.) On May 4, 2015, the district court granted in part and denied in part the motion. (C.D. Cal. Dkt. 45.)

21. Miller then filed a second amended complaint. (C.D. Cal. Dkt. 50.) Debtor did not move to dismiss that complaint.

22. On June 29, 2015, Miller filed a motion for class certification, supported by the declarations of several experts and other consumers. (C.D. Cal. Dkt. 71-84.) Following numerous extensions, Debtor filed its opposition on October 13, 2015. (C.D. Cal. Dkt. 111.) Miller replied in support of class certification on November 2, 2015. (C.D. Cal. Dkt. 132.)

23. The district court entered the Order on December 2, 2015 denying, without prejudice, Miller's motion for class certification. (C.D. Cal. Dkt. 163.)

24. Debtor filed a petition for bankruptcy in this Court less than one week later, on December 8, 2015.

Certification of the Class

25. On May 31, 2016, Miller filed a motion in this Court seeking limited relief from the automatic stay to renew his motion for class certification in the District Court, or alternatively for an order applying Bankruptcy Rule 7023 pursuant to Bankruptcy Rule 9014(c) to permit the filing of a renewed motion for class certification in this Court (Dkt. 616.)

26. On July 7, 2016, this Court entered an order approving a stipulation (the "***July 7, 2016 Stipulation And Order***") among the Debtors, the Committee and the Class Representatives. (Dkt. 667.) The July 7, 2016 Stipulation and Order certified the Class and subclasses for the limited purposes of filing and liquidation of class proofs of claim in this Court and the distribution of funds, if appropriate, to the Class members, Class Representatives and their counsel to the extent of their respective entitlements thereto. Miller and Griffin were jointly appointed as representatives of each Class and subclass.

27. The Class (including each subclass thereof) is further subdivided into those members who purchased a Nabi (a.k.a. Nabi 1) or Nabi 2 Tablet ("***First Generation Tablet***") and those members who purchased a Nabi 2S, Nabi XD, Nabi Jr. (including Nabi Jr. S) or Nabi DreamTab Tablet ("***Second Generation Tablet***," collectively with "***First Generation Tablet***," the "***Nabi Tablets***"). Miller was appointed to represent the subclasses pertaining to the First Generation Tablets, and Griffin was appointed to represent the subclasses pertaining to the Second Generation Tablets.

28. As part of the settlement, the class will be amended to "All persons who purchased, in the United States, a Nabi 2, Nabi 2S, Nabi XD, Nabi Jr. (including Nabi Jr. S) or Nabi DreamTab tablet, except persons who purchased for resale or returned such tablet for a full refund or non-defective replacement."

The Class Claim

29. On June 28, 2016, the Class Representatives filed identical proofs of claim numbered 174, 175, 177 and 178 against each of the four Debtors in this Court asserting a general unsecured claim in the sum of $455,664.063.32 arising from the Class Action.

30. On November 3, 2017, the Liquidating Trustee filed an omnibus objection to claims which included an objection to Claim Nos. 174, 175 and 178 on the grounds they were duplicative of Claim No. 177. (Dkt. 1106.)

31. On January 5, 2018, this Court entered an order disallowing and expunging duplicate Claim Nos. 174, 175 and 178. (Dkt. 1151.)

32. The Liquidating Trustee did not file any objection to Claim No. 177 (the "***Class Claim***"), by which the Class Representatives assert a general unsecured claim in the sum of $455,664.063.32 on behalf of themselves and the members of the Class (the "***Class Members***"). Instead, the Class Claim was settled.

Creditors' Committee and Trust Advisory Committee Work

33. Miller and his counsel from GSLLP travelled to Delaware to seek his appointment to the committee of unsecured creditors ("***Creditors' Committee***"). Miller was appointed, on behalf of himself and the proposed class, and he and counsel from GSLLP subsequently participated in all meetings of the Creditors Committee.

34. Shortly after appointment of the Creditors' Committee, there was a process to auction the Debtor's assets. GSLLP filed objections to the proposed sale of assets to protect the rights of the Class. (Dkt. 315). These objections—which focused on warranty obligations and insurance policies—were not raised by any other person or entity. Counsel at GSLLP travelled again to Delaware to attend the two-day auction and participated actively, including separately

negotiating with both bidders to encourage them to improve their bids to enhance the estate and benefit the Class. That participation caused adoption of several improved deal terms, including (1) assumption of certain warranty obligations by the purchaser, Mattel, to benefit the Class—which warranties would otherwise have become void by operation of the sale agreement and (2) retention by the debtor of certain insurance policies, under which the debtors' rights are now being assigned to the Class in the Settlement, and which may provide additional funds for the Class. Absent this work, the purchaser of the debtors' assets (a) would not have been required to assume any warranty obligations to consumers and (b) would have assumed all rights under all insurance policies other than directors and officers policies, as both bidders had initially proposed.

35. After dissolution of the Creditors' Committee, Miller, on behalf of himself and the Class, was appointed to serve on the advisory committee to the liquidating trust ("***Trust Advisory Committee***"). Miller and GSLLP were involved in negotiation and adoption of the trust agreement, participated in numerous conference calls regarding resolution of creditor claims, and supervised the activities of the Trustee and its counsel, to protect the interests of the Class.

Settlement Negotiations

36. In May of 2017, the parties attended a two-day settlement meeting in las Vegas, Nevada. Although progress was made, there was ultimately no settlement.

37. On January 29-30, 2018, the parties conducted a two day mediation before former United States District Judge Gerard Rosen at JAMS in New York. At the mediation, the parties reached a resolution relative to the claims of the Class, D&H and Wistron against Fuhu. In addition, the Class resolved its putative claims against D&H and Wistron as part of an

intercreditor agreement among the Class, D&H and Wistron, which is annexed to the Settlement Agreement as Exhibit A (Dkt. 1295-2).

The Settlement

38. The terms of the settlement are more fully described in the motion to approve the settlement (Dkt. 1295). In summary, the Class settled its claim against the Estate for $154,000,000.00, and the Trustee agreed that the claim would be allowed as a general unsecured claim in that amount. The Liquidating Trustee also agreed to assign to the Class all its rights, claims and causes of action against the Underwriter Parties with respect to the Media Policy. Gutride Safier waived its $82,875.00 administrative priority claims against the Debtors.

39. The Class, D&H and Wistron also entered into the Intercreditor Agreement, by which they pooled their claims for the purpose of receiving their pro rata distributions from the Liquidating Trust, thereby collectively holding an allowed general unsecured claim in the amount of $225,518,307.30 (the "***Pooled Claim***"). All payments made from the Trust with respect to the Pooled Claim will be distributed as follows: the first $3,000,000 shall be distributed to the Claims Administrator for the Class; of the next $5,000,000, 10% shall be distributed to the Claims Administrator and the remainder to D&H and Wistron; if any funds remain, they shall be spilt 1/3 to each of the Claims Administrator, D&H, and Wistron. If there are excess funds remaining from the distributions to the Class ("***Class Distributions***"), after the payment of administrative costs, Counsel and Representative Awards and Valid Claims, such balance shall be redistributed to D&H and Wistron.

40. Notice is being provided to Class Members in several forms, including email, print publication, and online publication. Each Class Member may file a claim for a portion of the Class Distributions, by submitting a simple claim form. Each Class Member who submits a

Valid Claim shall be entitled to a pro-rata share of the amount of the Class Distributions and Media Policy proceeds, if any, after payment of all administration costs and awards to GSLLP and the Class Representatives, provided, however, that the maximum amount distributed to any Class Member out of the Class Distributions shall be (1) $30.00 per Valid Defect Claim and (2) $10.00 per other Valid Claim. The amount distributed per Valid Defect Claim shall always be three times the amount distributed per other Valid Claim. (For the avoidance of doubt, the maximum $30.00 per Valid Defect Claim and maximum $10.00 per Valid Claim shall not apply to amounts distributed to any Class Member out of the Media Policy Proceeds.)

41. Class Counsel shall be permitted to apply to this Bankruptcy Court for awards of attorneys' fees and expenses, and Class Representatives shall be permitted to apply to this Bankruptcy Court for representative awards, to be paid out of the Class Distributions and Media Policy Proceeds (collectively ***"Counsel and Representative Awards"***). The Parties shall not object to an award to Class Counsel of attorneys' fees of up to $1,500,000.00 and an incentive fee to Miller of up to $75,000.00, to be paid out of the first $3,000,000.00 of the Class Distributions.

42. If there is a balance remaining from the Class Distributions after payment of the Administration Costs, Counsel and Representative Awards, and Valid Claims as set forth herein, such balance shall be returned to the Escrow Designee for redistribution to D&H and Wistron, as further set forth in the Intercreditor Agreement.

ARGUMENT

Plaintiffs' Counsel Should Be Awarded $1,500,000 in Attorneys' Fees

Legal Standard

43. Federal Rule of Civil Procedure Rule 23(h) provides that "[i]n a certified class action, the court may award reasonable attorney's fees and nontaxable costs that are authorized by law or by the parties' agreement." Fed. R. Civ. Proc. Rule 23(h). The Settlement Agreement provides that Class Counsel may apply to the Court for payment of attorneys' fees. The settling parties will not object to an application of up to $1,500,000 from the initial $3,000,000 to be distributed to the Class out of funds from the Estate.

44. "In assessing attorneys' fees, courts typically apply either the percentage-of-recovery method or the lodestar method." *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005). Although the "percentage-of-recovery method is generally favored in common fund cases" the lodestar method—i.e. taking the hours spent times the reasonable hourly compensation—is more appropriate where the underlying cause of action has a "statutory fee-shifting" provision, or "where the expected relief has a small enough monetary value that a percentage-of-recovery method would provide inadequate compensation." *Id.*; *see also Sullivan v. DB Invs., Inc.*, 667 F.3d 273, 330 (3d Cir. 2011) ("The lodestar method . . . is more commonly utilized in statutory fee-shifting cases and where the expected relief has a small enough monetary value that a percentage-of-recovery method would provide inadequate compensation."). Either reason supports assessing the fee request here under the lodestar method.

45. First, the claims in this case are subject to statutory fee-shifting provisions, namely California Civil Code section 1780(d) ("The court shall award court costs and attorney's fees to a prevailing plaintiff in litigation filed pursuant to this section.") and California Code of

Civil Procedure section 1021.5 ("[A] court may award attorneys' fees to a successful party against one or more opposing parties in any action which has resulted in the enforcement of an important right affecting the public interest . . ."). The Third Circuit has explained that the presence of fee-shifting provisions in statutes is a legislative directive to de-couple fees from the value of recovery: "the lodestar assures counsel undertaking socially beneficial litigation (as legislatively identified by the statutory fee shifting provision) an adequate fee *irrespective of the monetary value of the final relief achieved for the class*." *In re Gen. Motors Corp. Pick-Up Truck Fuel Tank Prod. Liab. Litig.*, 55 F.3d 768, 821 (3d Cir. 1995) (emphasis added). The relevant fee-shifting statutes do not state which method should be used to compute fees, so the lodestar method is appropriate. *See Graham v. DaimlerChrysler Corp*. 34 Cal.4th 553, 579 (2004) (using lodestar to compute fee award under California's private attorney general statute). Indeed, in California—where this case originated, and under whose law it was adjudicated—attorneys' fee awards are traditionally determined by taking the "lodestar" and applying a "multiplier." *See Serrano v. Priest* ("*Serrano III*"), 20 Cal. 3d 25, 48-49 (1977); *Meister v. Regents of Univ. of Calif.*, 67 Cal. App. 4th 437, 449 (1998); *Melnyk v. Robledo*, 64 Cal. App. 3d 618, 624-25 (1976); *Clejan v. Reisman*, 5 Cal. App. 3d 224, 241 (1970); *Fed-Mart Corp. v. Pell Enter's* 111 Cal. App. 3d 215, 222 (1980). The "California Supreme Court has further instructed that attorney fees awards 'should be fully compensatory.'" *Ketchum v. Moses*, 24 Cal. 4th 1122, 1131 (2001).

46. Second, due to the fact of the bankruptcy, the recovery is necessarily small, and a percentage based method would provide inadequate compensation to counsel, particularly in light of the additional work the bankruptcy required. Other bankruptcy courts have applied the lodestar method to assess fees involving class action settlements. *See In re Churchfield Mgmt. & Inv. Corp.*, 98 B.R. 838, 870 (Bankr. N.D. Ill. 1989) ("PSH&K was involved in the case for

almost five years working on a wholly contingent basis, and the firm has not received any compensation to date. It will be awarded its lodestar at current rates to account for the long delay in payment, in accord with standards generally applied to class action litigators outside of bankruptcy whose work is wholly contingent.”). Indeed, the *Churchfield* court found further support for applying the lodestar method due to “the historic use of the lodestar approach in bankruptcy for all professionals” under section 330 of the Bankruptcy Code. *Id.* at 848.

47. When awarding fees on the basis of lodestar, a court is permitted, but not required, to “cross-check” the amount of the award against the total made available to the class. *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 300 (3d Cir. 2005). “A district court should consider seven factors when analyzing a fee award in a common fund case: (1) the size of the fund created and the number of persons benefitted; (2) the presence or absence of substantial objections by members of the class to the settlement terms and/or fees requested by counsel; (3) the skill and efficiency of the attorneys involved; (4) the complexity and duration of the litigation; (5) the risk of nonpayment; (6) the amount of time devoted to the case by plaintiffs' counsel; and (7) the awards in similar cases.” *Id.* at 301.

48. In the Third Circuit, “[t]here is no consensus on what percentage of a common fund is reasonable, although several courts in this circuit have observed that percentage of recovery fee awards generally range from 19% to 45%, with 25% being typical.” *Haught v. Summit Res., LLC*, No. 1:15-cv-0069, 2016 U.S. Dist. LEXIS 45054, at *29 (M.D. Pa. Apr. 4, 2016). The Third Circuit does recognize, however, that a reasonable percentage bears an “inverse relationship” to the size of the fund, meaning that “percentage awards generally decrease as the amount of recovery increases,” and vice versa. *Id.* (quoting *In re Prudential*, 148 F.3d 283, 339 (3d Cir. 1998). In large class action settlements involving more than $10 million dollars,

attorneys' fees are often limited to 25% of the settlement value "in order to prevent a windfall to counsel." *Erie Cnty. Retirees Ass'n v. Cnty. of Erie*, 192 F.Supp.2d 369, 381 (W.D.Pa. 2002). However, "[f]ee awards ranging from thirty to forty-three percent have been awarded in cases with funds ranging from $400,000 to $6.5 million, funds which are comparatively smaller than many." *Haught v. Summit Res., LLC*, No. 1:15-cv-0069, 2016 U.S. Dist. LEXIS 45054, at *30 (M.D. Pa. Apr. 4, 2016) *see also Gilbert v. Prudential-Bache Secur., Inc.*, CIVIL ACTION NO. 83-1513, 1987 U.S. Dist. LEXIS 1225, at *6-7 (E.D. Pa. Feb. 18, 1987) (approving fee equal to "35% of the total recovery" where it amounted to only half of counsel's lodestar and where "counsel are not subject to criticism for having obtained only a [small] recovery."). Similarly, under California law, many cases have found that between 30% and 50% of the common fund is an appropriate range when the settlement fund is less than ten million, *see Van Vranken v. Atl. Richfield Co.*, 901 F. Supp. 294, 297-98 (N.D. Cal. 1995) (collecting cases).

49. Whatever method is used, fees are not to be based on the amount actually claimed by settlement class members. As the Third Circuit explained in, *In re Baby Products Antitrust Litigation*:

> There are a variety of reasons that settlement funds may remain even after an exhaustive claims process—including if the class members' individual damages are simply too small to motivate them to submit claims. Class counsel should not be penalized for these or other legitimate reasons unrelated to the quality of representation they provided. Nor do we want to discourage counsel from filing class actions in cases where few claims are likely to be made but the deterrent effect of the class action is equally valuable.

In re Baby Prod. Antitrust Litig., 708 F.3d 163, 178 (3d Cir. 2013).

Plaintiffs' Counsel's Requested Fee Is Reasonable.

50. "The lodestar award is calculated by multiplying the number of hours reasonably worked on a client's case by a reasonable hourly billing rate for such services based on the given geographical area, the nature of the services provided, and the experience of the attorneys." *In re*

Rite Aid Corp. Sec. Litig., 396 F.3d 294, 305 (3d Cir. 2005). "Generally, a reasonable hourly rate is to be calculated according to the prevailing market rates in the relevant community." *Rode v. Dellarciprete*, 892 F.2d 1177, 1183 (3d Cir. 1990). "When a court applies the lodestar method to award fees in a class action case that involves a fee-shifting statute, there is a strong presumption that the lodestar represents the 'reasonable' fee, for class counsel's work." *Dungee v. Davison Design & Dev., Inc.*, 674 F. App'x 153, 156 (3d Cir. 2017). Nevertheless, a court may increase or decrease the lodestar amount by applying a "multiplier" to take into account a variety of other factors, including the quality of the representation, the novelty and complexity of the issues, the results obtained and the contingent risk presented. *In re Rite Aid Corp. Sec. Litig.*, 396 F.3d 294, 305 (3d Cir. 2005); *accord Serrano v. Priest*, 20 Cal. 3d 25, 48-49 (1977); *Ramos v. Countrywide Home Loans, Inc*. 82 Cal. App. 4th 615, 622 (2000); *Beasley v. Wells Fargo Bank*, 235 Cal. App. 3d 1407, 1418 (1991) (multipliers are used to compensate counsel for the risk of loss, and to encourage counsel to undertake actions that benefit the public interest).

51. Plaintiffs' Counsel's lodestar through the date of this application is at least $4.29 million. (*See* Supplemental Declaration of Adam Gutride, filed herewith ("***Gutride Supp. Decl***.") ¶ 2-3; Dkt. 1296.) Plaintiffs' Counsel's efforts to date included, without limitation:

> Pre-filing investigation and preparing class action complaint and two amended complaints;
>
> Briefing on a motion to dismiss, motion to strike, and motion for class certification, and attending hearings thereon;
>
> Drafting numerous case management conference statements, attending the same, and drafting several case management stipulations;
>
> Meeting and conferring with Defendants' counsel regarding case management, the scope of discovery, the sufficiency of discovery responses and production, Defendants' searches for electronically stored information, the terms and scope of a stipulated protective order, and the timing of production, and briefing several motions to compel;

Reviewing in excess of a 500,000 pages of physical documents and several gigabytes of data produced by Defendants;

Moving to compel, and then drafting and supervising, the issuance of out an opt-out electronic notice to consumer complainants;

Subpoenaing and reviewing documents from third party witnesses;

Taking over a week of depositions in Los Angeles and defending the deposition of Miller;

Drafting mediation statements and participating in five mediations and settlement conferences occurring over seven days, with three different mediators, in San Francisco, New York and Las Vegas;

Traveling to Delaware to attend bankruptcy proceedings including the initial meeting of unsecured creditors and the subsequent auction of Fuhu's assets, and being actively involved in those proceedings to advance the interests of the Class;

Preparing the motion for relief from the automatic stay and the subsequent stipulation for class certification;

Preparing the Class proof of claim, including supporting declarations;

Researching claims against and making written demands on and preparing draft complaints against D&H and Wistron;

Negotiating and drafting the Settlement Agreement along with corresponding documents, including claim forms, summary notice, and long form notice, and amendments thereto, including participating in additional negotiations with Morgan Stanley;

Drafting portions of and editing the entirety of the motion to approve the settlement;

Supervising notice to the class and construction of the settlement website;

Personally responding to hundreds of written and telephonic inquiries from Settlement Class Members; and

Drafting this motion.

(Dkt. 1296 ¶¶ 4-26; Gutride Supp. Decl. ¶¶ 2-3.)

52. Plaintiffs' Counsel calculated their lodestar using Plaintiffs' Counsel's regular billing rates for 2018, when the settlement was primarily negotiated, rather than the higher 2019 rates reflecting when payment will be made, which for the attorneys involved range from $700 to $975 per hour. (Dkt. 1296, ¶¶ 30-31 .)

53. These hourly rates are equal to 2018 market rates in San Francisco for attorneys of Plaintiffs' Counsel's background and experience. (Id.); *see also Pettit v. Procter & Gamble Co.,* Case No. 15-CV-2150-RS (N.D. Cal. Mar. 29, 2019) (approving GSLLP's 2018 billing rates); *Koller et al. v. Med Foods, Inc., et al.*, Case No. 3:14-CV-2400-RS (N.D. Cal. Aug 20, 2018) (same); *In re Optical Disk Drive Prod. Antitrust Litig.*, No. 3:10-MD-2143 RS, 2016 WL 7364803, at *8 (N.D. Cal. Dec. 19, 2016) (approving hourly rates of $205 to $950); *McLaughlin v. Wells Fargo Bank, N.A.*, No. C 15-02904 WHA, 2017 WL 994969, at *2 (N.D. Cal. Mar. 15, 2017) (approving an $850 hourly rate for partners); *Gutierrez v. Wells Fargo Bank, N.A.*, No. C 07-05923 WHA, 2015 WL 2438274, at *5 (N.D. Cal. May 21, 2015), appeal dismissed (Oct. 30, 2015) (approving hourly rates of $475 to $975). Plaintiffs' Counsel Adam Gutride and Seth Safier are, respectively, graduates from Yale Law School 1994 and Harvard Law School 1998, with 24 and 20 years of litigation experience. (Dkt. 1296, at Ex. A, p. 5-6) Todd Kennedy is 2003 graduate of Yale Law School (15 years of experience). (Id., p.6) Kristen Simplicio is 2007 graduate of American University, Washington College of Law (11 years of experience). (Id., p.7) Marie McCrary is a 2008 graduate of New York University Law School (10 years of experience). Matthew McCrary is 2009 graduate of the University of Texas Law School (9 years of experience) (Id., p.8).

54. The rates used are the Class Counsel's standard 2018 rates, which is appropriate given the deferred and highly contingent nature of counsel's compensation. *See LeBlanc-*

Sternberg v. Fletcher, 143 F.3d 748, 764 (2nd Cir. 1998) ("[C]urrent rates, rather than historical rates, should be applied in order to compensate for the delay in payment….") (*citing Missouri v. Jenkins*, 491 U.S. 274, 283-84 (1989)); *In re Washington Pub. Power Supply Sys. Sec. Litig.*, 19 F.3d 1291, 1305 (9th Cir. 1994) ("The district court has discretion to compensate delay in payment in one of two ways: (1) by applying the attorneys' current rates to all hours billed during the course of litigation; or (2) by using the attorneys' historical rates and adding a prime rate enhancement.").

55. Class Counsel's attorneys' fee request of $1.5 million is substantially below the fee amount of $4.29 million calculated using the lodestar method. Thus, far from any "upward" or "positive" multiplier, Class Counsel's requested fee actually results in a fractional (a.k.a. "negative" or "downward") multiplier of 0.35. "This negative multiplier confirms the reasonableness of the requested fee award." *In re N.J. Tax Sales Certificates Antitrust Litig*, Civil Action No. 12-1893 (MAS) (TJB), 2016 U.S. Dist. LEXIS 137153, at *44 (D.N.J. Sep. 30, 2016); *see also In re Ins. Brokerage Antitrust Litig.*, 579 F.3d 241, 284 (3d Cir. 2009) ("The lodestar multiplier that the District Court calculated was less than one and thus reveals that Class Counsel's fee request constitutes only a fraction of the work that they billed in conjunction with the Zurich Settlement Agreement. Even assuming there was some inflation of the hours billed in relation to the Zurich Settlement or some duplicative work involved in the total hours count, a significant adjustment would have to be made to the hours calculation before the lodestar multiplier (here, a fraction) would even begin to approach one."). And, even where the requested fee is a large percentage of the recover, where "the multiplier is less than 1 (a 'negative lodestar') . . . we are satisfied that a lodestar cross-check confirms that the requested fee percent is fair and reasonable." *In re Auto. Refinishing Paint Antitrust Litig.*, 2008 U.S. Dist. LEXIS 569,

at *18-19 (E.D. Pa. Jan. 3, 2008); *see also* *Castro v. Sanofi Pasteur Inc.*, No. 11-7178 (JMV)(MAH), 2017 U.S. Dist. LEXIS 174708, at *27 (D.N.J. Oct. 20, 2017) ("Because the lodestar cross-check results in a negative multiplier, it provides strong evidence that the requested fee is reasonable."); *In re Fasteners Antitrust Litig.*, No. 08-md-1912, 2014 U.S. Dist. LEXIS 9990, at *21 (E.D. Pa. Jan. 27, 2014) (same). California courts are in accord. *E.g.*, *Schuchar dt v. Law Office of Rory W. Clark*, 314 F.R.D. 673, 690-91 (N.D. Cal. 2016) (holding negative lodestar multiplier to be indication of reasonableness of fee request); *accord Covillo v. Specialtys Café*, No. C-11-00594 DMR, 2014 WL 954516, at *7 (N.D. Cal. Mar. 6, 2014); *Walsh v. Kindred Healthcare*, No. C 11-00050 JSW, 2013 WL 6623224, at *3 (N.D. Cal. Dec. 16, 2013); *Wehlage v. Evergreen at Arvin LLC*, No. 4:10-CV-05839-CW, 2012 WL 4755371, at *1 (N.D. Cal. Oct. 4, 2012).

56. It is particularly appropriate to compensate GSLLP in the amount requested because it continued to vigorously litigate on behalf of the Class even after the bankruptcy petition, when most similarly situated lawyers would have given up, and it eventually obtained an excellent recovery for Class members. (See Supp. Gutride Decl. ¶ 6.)

57. If this Court for some reason reduces the lodestar below $1.5 million, it should still award Plaintiff's counsel $1.5 million, by applying a modest positive multiplier. This Court has discretion to apply a positive multiplier to account for various factors, including, *inter alia,* the contingent nature of the fee award (both from the point of view of eventual victory on the merits and the point of view of establishing eligibility for an award), the novelty and complexity of the questions involved, the value of class benefits obtained, and the importance of other injunctive relief obtained. *See Ramos,* 82 Cal. App. 4th at 622. There is no exclusive list of factors, nor any "mechanical formula that dictates how the trial court should evaluate" them.

Lealao, 82 Cal. App. 4th at 41 (quoting *Flannery v. California Highway Patrol* (1988) 61 Cal. App. 4th 629, 639). *See also Serrano III,* 20 Cal. 3d at 49; *Ketchum,* 24 Cal. 4th 1122 at 1138; *City of Oakland,* 203 Cal. App. 3d at 78; *Downey Cares,* 196 Cal. App. 3d at 995 n.11; *Maria P. v. Riles* (1987) 43 Cal. 3d 1281, 1294 n.8*; Press v. Lucky Stores, Inc.* (1983) 34 Cal. 3d 311, 322; *Serrano v. Unruh* ("*Serrano IV"*) (1982) 32 Cal. 3d 621, 625 n.6. Any multiplier to offset any reduction in Plaintiff's counsel's lodestar would fall well within (indeed below) the range commonly applied by California and Third Circuit courts. For example, in *Sternwest Corp. v. Ash* (1986) 183 Cal. App. 3d 74, the Court of Appeal remanded a case for a lodestar enhancement of "two, three, four or otherwise." *Id.* at 76. Another California court explicitly stated that "[m]ultipliers can range from two to four or even higher." *Wershba*, 91 Cal. App. 4th at 240. The Third Circuit has explicitly held that "multiples ranging from one to four are frequently awarded in common fund cases when the lodestar method is applied." *Welch & Forbes, Inc. v. Cendant Corp. (In re Cendant Corp. Prides Litig.)*, 243 F.3d 722, 742 (3d Cir. 2001).[3]

<u>Plaintiffs' Counsel Should Be Awarded Costs.</u>

58. "Counsel for a class action is entitled to reimbursement of expenses that were adequately documented and reasonably and appropriately incurred in the prosecution of the class action." *Hegab v. Family Dollar Stores, Inc.*, 2015 U.S. Dist. LEXIS 28570, *39, 2015 WL 1021130 (D.N.J. March 9, 2015) (citing *Abrams v. Lightolier Inc*., 50 F.3d 1204, 1224-25 (3d Cir. 1995)).

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[3] Additionally, this motion is being submitted (and posted to the Settlement Website) before the period has ended for Settlement Class Members to opt out or object. Even after final approval, Plaintiff's counsel likely will have to answer questions from Settlement Class Members and consult with Defendant and the Claims Administrator concerning the fulfillment of the Class Benefits.

59. Class Counsel requests that, in addition to reasonable attorneys' fees, the Court grant its application for reimbursement of $232,281.85 in costs and expenses it incurred in connection with the prosecution of this Litigation. The expenses incurred are itemized in the Gutride Declaration. (Gutride Supp. Decl. ¶ 4 & Ex. A; Dkt. 1296 ¶ 32.)

60. The itemized costs include: fees for filing, delivery and printing; fees paid to experts, including marketing, survey, economics and technical experts; fees paid to outside counsel to assist in the bankruptcy proceeding; costs of three private mediations; and travel costs for court appearances, mediations and depositions, primarily in Los Angeles, New York and Delaware. (Id.) These types of expenses are reasonable litigation expenses incurred for the benefit of the class. *See Harris v. Marhoefer*, 24 F.3d 16, 19 (9th Cir. 1994) (noting that a prevailing plaintiff may be entitled to costs including, among other things, "postage, investigator, copying costs, hotel bills, meals," and messenger services). Moreover, these costs are reasonably proportionate to the amount of attorneys' fees when compared to similar settlements. *See, e.g., Thomas v. Magnachip Semiconductor Corp*. (N.D.Cal. May 15, 2018, No. 14-cv-01160-JST) 2018 U.S.Dist.LEXIS 82801, at *14) (awarding in fees $1.55 million and $795,401.42 in expenses); *Ruiz v. XPO Last Mile, Inc*. (S.D.Cal. Dec. 20, 2017, No. 3:05-CV-02125 JLS (KSC)) 2017 U.S.Dist.LEXIS 209361, at *30 (awarding $246,889.98 in costs).

The Incentive Awards To The Class Representative Should Be Approved

61. This Court should also approve a $75,000 incentive award to Plaintiff Miller, $2,500 to Plaintiff Griffin, and $1,000 each to the other Releasors as they are just, fair and reasonable. "Courts recognize the purpose and appropriateness of service awards to class representatives." *Glaberson v. Comcast Corp.*, 2015 U.S. Dist. LEXIS 127370, *54-55, 2015 WL 5582251 (E.D. Pa. September 22, 2015). They serve "to compensate named plaintiffs

for the services they provided and the risks they incurred during the course of class action litigation, and to reward the public service of contributing to the enforcement of mandatory laws." *Sullivan v. DB Invs., Inc.*, 667 F.3d 273, 333 n.65 (3d Cir. 2011). In deciding whether to approve an incentive award, a court should consider: "(1) the risk to the class representative in commencing suit, both financial and otherwise; (2) the notoriety and personal difficulty encountered by the class representative; (3) the amount of time and effort spent by the class representative; (4) the duration of the litigation and; (5) the personal benefit (of lack thereof) enjoyed by the class representative as a result of the litigation." *Van Vranken*, 901 F. Supp. at 299. As a matter of public policy, incentive awards are necessary to encourage persons to step forward on behalf of other victims.

62. As explained in his declaration filed herewith, during the more than five years this litigation has been pending, Plaintiff Miller has spent more than 800 hours working to advance Class interests. During this time he had to turn away other work from paying clients (he is a licensed real estate agent and real estate consultant); his regular billing rate as a real estate consultant is $225 per hour, meaning that if paid for his work on this case he would have earned more than $180,000 in income. He reviewed and commented on an initial complaint and two amended complaints; oppositions to motion to dismiss; a motion for certification; and numerous other key filings. He responded to dozens of interrogatories and requests for production and traveled from Florida to attend a deposition in San Francisco. He traveled again for mediation in San Francisco. He also traveled to Delaware for the initial meeting of the Creditors' Committee, to which he was appointed; to Las Vegas for the settlement conference; and to New York for the final mediation. Miller remained actively involved in the litigation prior to and after bankruptcy and settlement. He has participated in every conference call of the Creditors' Committee, and

then in every conference call of the Trust Advisory Committee. He reviewed every filing by Class Counsel in the District Court, and every filing and correspondence distributed to him in his role as a member of the Creditors' Committee and the Advisory Committee, so that he could advance the interests of the Class. He has repeatedly consulted with Class Counsel about strategy and direction for the Litigation, the auction of debtors' assets, selection and oversight of Creditors' Committee Counsel and other professionals, selection and oversight of the Trustee, and the Settlement. Plaintiff Miller also incurred the risk of having to pay Defendant's costs of suit had the case been unsuccessful. (*See* Declaration of Scott Miller, filed herewith.)

63. Plaintiff Griffin, who seeks an award of $3000, has been involved in this litigation since the initial motion for class certification in the District Court, when he filed a declaration about his experiences as a Fuhu consumer in support of certification and offered to serve as an additional or alternate class representative. Subsequently, he reviewed and approved the stipulation for certification that resolved the motion for leave from the automatic stay, which appointed him as a representative. He then communicated on a regular basis with GSLLP regarding the bankruptcy proceedings, and he reviewed drafts, as well as the final versions, of the Settlement Agreement. (Gutride Supp. Decl. ¶ 5.)

64. Each of the additional Class Representatives—Taylor Sanchez, Carlos Munoz, Vanessa Floerke, Jill Aguilera, and Nell Baker—who seek an award of $1000 each, also spent time working on this litigation, in order to (1) provide Class Counsel with detailed information about their experiences, (2) approve drafts of complaints presented to D&H and Wistron as part of the settlement process, and (3) review and approve the terms of the proposed settlement. (Gutride Supp. Decl. ¶ 5.)

65. Class Representatives respectfully request that the Court approve the incentive awards, which are reasonable in light of each Class Representative's efforts and the relief to the Class. See, e.g., *Castro v. Sanofi Pasteur Inc.*, 2017 U.S. Dist. LEXIS 174708, *28, 2017 WL 4776626 (D.N.J. October 20, 2017) (approving "$100,000 each to the class representatives . . . given the significant roles the class representatives played throughout the litigation."); *Ruiz*, 2017 U.S. Dist. LEXIS 209361, at *30 ($100,000 incentive award for putting "substantial time and effort . . . into this case over its lifespan"); *In re High-Tech Employee Antitrust Litig.*, No. 11-CV-02509-LHK, 2015 U.S. Dist. LEXIS 118052, at *18 (N.D. Cal. Sept. 2, 2015) (authorizing $80,000 and $120,000 service awards and collecting cases with similar incentive awards); *In re Auto. Refinishing Paint Antitrust Litig.*, 2008 U.S. Dist. LEXIS 569, *23 (E.D. Pa. January 3, 2008) ("[T]he total award of $ 30,000 to each Representative is not unreasonable considering the complexity and duration of the litigation.").

Dated: July 30, 2019

Wilmington, Delaware

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Counsel for Scott Miller, on behalf of himself and similarly situated persons

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re: ARCTIC SENTINEL, INC., formerly known as FUHU, INC., *et al.*, Debtors,[1]	)	Chapter 11 Case No. 15-12465 (CSS) Jointly Administered Re: D.I. 9 Hearing Date: September 10, 2019 at 10:00 a.m. (ET) Objection Deadline: August 20, 2019 at 4:00 p.m. (ET)

NOTICE OF MOTION

TO: (I) COUNSEL TO THE DEBTOR; (II) COUNSEL TO THE OFFICIAL COMMITTEE OF UNSECURED CREDITORS; (III) THE OFFICE OF THE UNITED STATES TRUSTEE; AND (IV) ALL PARTIES REQUESTING NOTICE PURSUANT TO BANKRUPTCY RULE 2002.

PLEASE TAKE NOTICE that Scott Miller, on behalf of himself and all other similarly situated persons, has filed the Motion of Scott Miller For An Award of Attorneys' Fees, Costs and Representative Payments (the "Motion").

PLEASE TAKE FURTHER NOTICE that any objections to the attached Motion must be filed on or before August 20, 2019 at 4:00 p.m. (ET) (the "Objection Deadline") with the United States Bankruptcy Court for the District of Delaware, 3rd Floor, 824 Market Street, Wilmington, Delaware 19801. At the same time, you must serve a copy of the response upon the undersigned counsel so as to be received on or before the Objection Deadline.

PLEASE TAKE FURTHER NOTICE THAT A HEARING ON THE MOTION WILL BE HELD ON September 10, 2019 at 10:00 A.M. (ET) BEFORE THE HONORABLE CHRISTOPHER S. SONTCHI IN THE UNITED STATES BANKRUPTCY COURT FOR THE DISTRICT OF DELAWARE, 824 MARKET STREET, 5TH FLOOR, COURTROOM NO. 6,

[1] The Debtors, together with the last four digits of each Debtor's tax identification number, are: Arctic Sentinel, Inc. [f/k/a Fuhu, Inc.] (7896); Arctic Sentinel Holdings, Inc., [f/k/a Fuhu Holdings, Inc.] (9761); Arctic Sentinel Direct, Inc. [f/k/a Fuhu Direct, Inc.] (2180); and Sentinel Arctic, Inc., [f/k/a Nabi, Inc.] (4119). The location of the headquarters is 1700 E. Walnut Avenue, Suite 500, El Segundo, CA 90245.

WILMINGTON, DELAWARE 19801.

PLEASE TAKE FURTHER NOTICE THAT IF NO OBJECTION IS TIMELY FIELD IN ACCORDANCE WITH THE PROCEDURES SET FORTH ABOVE, THE BANKRUPTCY COURT MAY ENTER AN ORDER WITHOUT FURTHER NOTICE OR HEARING.

Dated: July 30, 2019

Wilmington, Delaware

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