

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

In re:)	
)	Chapter 11
HOBBCO, INC., et al.,)	Case No. 18-10055 (KG)
)	
Debtors.¹)	Jointly Administered
)	

**STATEMENT OF FINANCIAL AFFAIRS FOR
UNITED MODEL, INC. (CASE NO. 18-10060)**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, are as follows: Hobbico, Inc. (9545); Arrma Durango Ltd.; Axial R/C Inc. (0233); Estes-Cox Corp. (2196); Great Planes Model Manufacturing, Inc. (5259); Revell Inc. (8545); Tower Hobbies, Inc. (5185); and United Model, Inc. (5302). The Debtors' headquarters are located at 2904 Research Road, Champaign, Illinois 61822.

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FOR THE DISTRICT OF DELAWARE**

In re:

HOBIBICO, INC., *et al.*,¹

Debtors.

Chapter 11

Case No. 18-10055 (KG)

Jointly Administered

**GLOBAL NOTES, METHODOLOGY AND SPECIFIC
DISCLOSURES REGARDING THE DEBTORS' SCHEDULES OF
ASSETS AND LIABILITIES AND STATEMENTS OF FINANCIAL AFFAIRS**

Introduction

Hobbico, Inc. and its above-captioned affiliated debtors and debtors in possession (each, a “Debtor” and collectively, the “Debtors,” and the Debtors together with their non-debtor subsidiaries and affiliates, the “Company”), with the assistance of their professional advisors, have filed their respective Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs (the “SOFAs” or “Statements” and, together with the Schedules, the “Schedules and Statements”) with the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), pursuant to section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”).

These Global Notes, Methodology and Specific Disclosures Regarding the Debtors’ Schedules and Statements (the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of all the Schedules and Statements. The Global Notes should be referred to, considered, and reviewed in connection with any review of the Schedules and Statements.²

The Schedules and Statements do not purport to represent financial statements prepared in accordance with generally accepted accounting principles in the United States (“GAAP”), nor are they intended to be fully reconciled with the financial statements of the Debtors. Additionally, the Schedules and Statements contain unaudited information that is subject to further review and potential adjustment.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor’s federal tax identification number, are as follows: Hobbico, Inc. (9545); Arrma Durango Ltd (UK Company reference #07865134); Axial R/C Inc. (0233); Estes-Cox Corp. (2196); Great Planes Model Manufacturing, Inc. (5259); Revell Inc. (8545); Tower Hobbies, Inc. (5185); and United Model, Inc. (5302). The Debtors’ headquarters are located at 2904 Research Road, Champaign, Illinois 61822.

² These Global Notes are in addition to any specific notes contained in each Debtor’s Schedules or SOFAs. The fact that the Debtors have prepared a “General Note” with respect to any of the Schedules and Statements and not to others should not be interpreted as a decision by the Debtors to exclude the applicability of such General Note to any of the Debtors’ remaining Schedules and Statements, as appropriate.

In preparing the Schedules and Statements, the Debtors relied upon information derived from their books and records that was available at the time of such preparation. Although the Debtors have made reasonable efforts to ensure the accuracy and completeness of such financial information, inadvertent errors or omissions, as well as the discovery of conflicting, revised, or subsequent information, may cause material changes to the Schedules and Statements. Although reasonable efforts have been made to prepare and file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. Accordingly, the Debtors reserve all of their rights to amend, supplement, or otherwise modify the Schedules and Statements as is necessary and appropriate. Notwithstanding the foregoing, the Debtors shall not be required to update the Schedules and Statements.

The Debtors' management prepared the Schedules and Statements with the assistance of their advisors and other professionals. Tom S. O'Donoghue, Jr. has signed the Schedules and Statements. Mr. O'Donoghue is Chief Restructuring Officer of Hobbico, Inc., and an authorized signatory for the Debtors. In reviewing and signing the Schedules and Statements, Mr. O'Donoghue necessarily has relied upon the efforts, statements and representations of the Debtors' advisors and various personnel employed by the Debtors. Mr. O'Donoghue has not (and could not have) personally verified the accuracy of each statement and representation contained in the Schedules and Statements, including statements and representations concerning amounts owed to creditors, classification of such amounts and creditor addresses.

The Schedules, SOFAs and Global Notes should not be relied upon by any person for information relating to current or future financial conditions, events or performance of any of the Debtors. Due to numerous unliquidated, contingent, and/or disputed claims, summary statistics in the Schedules, SOFAs, and Global Notes are likely not an accurate representation of the Debtors' liabilities.

Global Notes and Overview of Methodology

1. Reservation of Rights.

The Debtors reserve all rights to amend, supplement or otherwise modify the Schedules and Statements from time to time, in all respects, as may be necessary or appropriate, including, without limitation, the right to amend the Schedules and Statements with respect to a claim (including, but not limited to, amending the description or designation of any claim; disputing or otherwise asserting offsets or defenses to any claim reflected in the Schedules and Statements as to amount, liability, priority, status or classification; subsequently designating any claim as "disputed," "contingent" or "unliquidated;" or objecting to the extent, validity, enforceability, priority or avoidability of any claim). Any failure to designate a claim in the Schedules and Statements as "disputed," "contingent," or "unliquidated" does not constitute an admission by the Debtors that such claim or amount is not "disputed," "contingent," or "unliquidated." Listing a claim does not constitute an admission of liability by the Debtors. Notwithstanding the foregoing, the Debtors shall not be required to update the Schedules and Statements.

Further, nothing contained in the Schedules and Statements shall constitute a waiver of rights or an admission with respect to the chapter 11 cases, including, without limitation, with

respect to matters involving objections to claims, substantive consolidation, equitable subordination, defenses, characterization or re-characterization of contracts, assumption or rejection of contracts under the provisions of chapter 3 of the Bankruptcy Code, and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code or any other relevant applicable laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this or the preceding paragraph.

2. **Description of Cases and “as of” Information Date.** On January 10, 2018 the seven Original Debtors³ filed voluntary petitions for relief under chapter 11 of the Bankruptcy Code. On January 26, 2018 (together with January 10, 2018, the “Petition Dates”), Arrma Durango Ltd. (“ADL”) filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business and managing their properties as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. On January 11, 2018, the Bankruptcy Court entered an order (Docket No. 41) providing for the joint administration of the Original Debtors pursuant to Bankruptcy Rule 1015(b). On January 30, 2018, the Bankruptcy Court entered an order (Case No. 18-10158; Docket No. 10) providing for the joint administration of ADL with the Original Debtors pursuant to Bankruptcy Rule 1015(b).

On January 22, 2018, the United States Trustee for the District of Delaware appointed a statutory committee of unsecured creditors pursuant to Bankruptcy Code section 1102(a)(1). (Docket No. 91) and on January 22, 2018, filed a revised notice of the same (Docket No. 92).

The asset information provided herein, except as otherwise noted, represents the asset data of the Debtors as of the Petition Dates, and the liability information provided herein, except as otherwise noted, represents the liability data of the Debtors as of the Petition Dates. As more fully described in Section 16 below, the Debtors were required to make certain estimates and assumptions that affect the reported amounts within the Schedules and Statements.

3. **Basis of Presentation.** The totals listed in the Schedules and Statements may not be comparable to the Company’s consolidated financial reports prepared for public reporting purposes or otherwise as these reports include Hobbico, Inc. and each of its subsidiaries, some of which are not Debtors in these proceedings. Although these Schedules and Statements may, at times, incorporate information prepared in accordance with GAAP, the Schedules and Statements neither purport to represent nor reconcile to financial statements otherwise prepared and/or distributed by the Debtors in accordance with GAAP or otherwise. Additionally, the Schedules and Statements contain unaudited information that is subject to further review and potential adjustment. The Debtors reserve all rights to amend these Schedules and Statements.

4. **Recharacterization.** Notwithstanding the Debtors’ reasonable efforts to properly characterize, classify, categorize and designate certain claims, assets, contracts, leases and other items reported in the Schedules and Statements, the Debtors may nevertheless seek to recharacterize, reclassify, recategorize, redesignate, add or delete items. Accordingly, the Debtors reserve all of their rights to recharacterize, reclassify, recategorize, redesignate, add or delete items

³ Hobbico, Inc.; Axial R/C Inc.; Estes-Cox Corp.; Great Planes Model Manufacturing, Inc.; Revell Inc.; Tower Hobbies, Inc.; and United Model, Inc. (collectively, the “Original Debtors”).

reported in the Schedules and Statements at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts or leases listed in the Schedules and Statements were deemed executory or unexpired as of the Petition Dates and remain executory and unexpired postpetition.

5. **Liabilities.** The Debtors have sought to allocate liabilities between the prepetition and postpetition periods based on the information and research conducted in connection with the preparation of the Schedules and Statements. As additional information becomes available and further research is conducted, the allocation of liabilities between the prepetition and postpetition periods may change. Accordingly, the Debtors reserve all of their rights to amend, supplement or otherwise modify the Schedules and Statements as is necessary or appropriate.

The liabilities listed on the Schedules do not reflect any analysis of claims under Bankruptcy Code section 503(b)(9). Accordingly, the Debtors reserve all of their rights to dispute or challenge the validity of all claims asserted under Bankruptcy Code section 503(b)(9).

6. **Excluded Assets and Liabilities.** In preparation of the Schedules and Statements, the Debtors may have excluded certain assets and liabilities. Such amounts are, however, reflected on the Debtors' books and records as required in accordance with GAAP. These balances primarily represent general estimates of assets or liabilities and do not reflect specific assets or claims as of the Petition Dates.

7. **Insiders.** Solely for purposes of the Schedules and Statements, the Debtors define "insiders" to include the following: (a) directors; (b) officers; (c) shareholders holding in excess of 5% of the voting shares of the Debtors (whether directly or indirectly); (d) relatives of (a) – (c) (to the extent known by the Debtors); and (e) non-Debtor affiliates. Consistent with Section 10 below, with respect to category (e) of the foregoing, the Debtors have not listed any ordinary course intercompany payments between a Debtor and a non-Debtor affiliate.

Persons listed as "insiders" have been included for informational purposes only. The Debtors do not take any position with respect to: (a) such person's influence over the control of the Debtors; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law, including the federal securities laws and section 101(31) of the Bankruptcy Code, or with respect to any theories of liability or for any other purpose. As such, the Debtors reserve all rights with respect to the foregoing issues.

8. **Intellectual Property Rights.** The exclusion of any intellectual property shall not be construed as an admission that such intellectual property rights do not exist or have been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction. Conversely, inclusion of certain intellectual property shall not be construed to be an admission that such intellectual property rights have not been abandoned, terminated, assigned, expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

9. **Ordinary Course Intercompany Transactions.** In the ordinary course of business, the Debtors engage in various transactions relating to the business relationship between and among

themselves and their non-Debtor affiliates. As an accounting matter, certain of these ordinary course intercompany transactions are memorialized by journal entry, instead of by check or wire payment, and may not be reflected in the Schedules and Statements.

10. **Contracts and Leases.** Nothing contained in or omitted from the Schedules and Statements is or shall be construed as an admission as to the determination of the legal status of any contract or lease, including whether any lease is a true lease or a financing arrangement, whether such contract or lease is an executory contract or unexpired lease, or whether such contract or lease is binding, valid, and enforceable. The Debtors reserve all rights with respect to all such issues. In addition, the Debtors reserve all rights, claims, and causes of action with respect to the contracts and agreements listed in the Schedules and Statements, including the rights to dispute or challenge the characterization or the structure of any transaction or document or instrument.

11. **Classifications.** Listing a claim on (a) Schedule D as “secured”, (b) Schedule E/F, Part 1 as “priority,” (c) Schedule E/F, Part 2 as “unsecured,” or Schedule G as “executory” or “unexpired,” does not constitute an admission by the Debtors of the legal rights of the claimant or a waiver of the Debtors’ rights to recharacterize or reclassify such claims or contracts.

12. **Claims Description.** Schedules D and E/F permit the Debtors to designate a claim as “disputed,” “contingent” and/or “unliquidated.” Any failure to designate a claim on a given Schedule as “disputed,” “contingent” or “unliquidated” does not constitute an admission by the Debtors that such amount is not “disputed,” “contingent” or “unliquidated,” or that such claim is not subject to objection. The Debtors reserve all of their rights to dispute, or assert offsets or defenses to, any claim reflected on their Schedules on any grounds, including, but not limited to amount, liability, validity, priority or classification. Additionally, the Debtors expressly reserve all of their rights to subsequently designate any claim as “disputed,” “contingent” or “unliquidated.” Moreover, listing a claim does not constitute an admission of liability by the Debtors.

13. **Causes of Action.** Despite their reasonable efforts to identify all known assets, the Debtors may not have identified and/or listed as assets in the Schedules and Statements all of their causes of action or potential causes of action against third-parties (and in particular have not identified or listed causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers). The Debtors reserve all of their rights with respect to any cause of action (including avoidance actions), controversy, right of setoff, cross-claim, counterclaim or recoupment; any claim on a contract or for breach of duty imposed by law or in equity; and any demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license or franchise, in each case of any kind or character whatsoever, known or unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertable directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law (collectively, “Causes of Action”) they may have, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any claims or Causes of Action or in any way prejudice or impair the assertion of such claims or Causes of Action.

14. **Setoffs.** The Debtors incur certain offsets and other similar rights during the ordinary course of business. Offsets in the ordinary course can result from various items, including, without limitation, pricing discrepancies, returns, refunds, warranties, debit memos, credits, and other disputes between the Debtors and their suppliers and/or customers. These offsets and other similar rights are consistent with the ordinary course of business in the Debtors' industry and are not tracked separately. Therefore, although such offsets and other similar rights may have been accounted for when certain amounts were included in the Schedules and Statements, offsets are not independently accounted for, and as such, are or may be excluded from the Debtors' Schedules and Statements.

15. **Summary of Significant Reporting Policies.** The following is a summary of significant reporting policies:

- (a) **Currency.** Unless otherwise indicated, all amounts are reflected in U.S. dollars.
- (b) **Undetermined Amounts.** The description of an amount as "unknown," "TBD" or "undetermined" is not intended to reflect upon the materiality of such amount.
- (c) **Net Book Value of Assets.** The Debtors do not have current market valuations for all assets. It would be prohibitively expensive, unduly burdensome, and an inefficient use of estate resources for the Debtors to obtain current market valuations for all assets. Wherever possible, unless otherwise indicated, net book values as of the Petition Dates are presented. When necessary, the Debtors have indicated that the value of certain assets is "unknown" or "undetermined." Amounts ultimately realized may vary materially from net book value (or whatever value was ascribed.)

Accordingly, the Debtors reserve all rights to amend, supplement, or adjust the asset values set forth in the Schedules and Statements. As applicable, assets that have been fully depreciated or fully amortized, or were expensed for GAAP accounting purposes, and therefore, have no net book value, are not included in the Schedules and Statements.

- (d) **Totals.** To the extent there are unknown or undetermined amounts included in the Schedules and Statements, the actual totals may be different than the listed totals.
- (e) **Paid Claims.** The Debtors were authorized (but not directed) to pay certain outstanding prepetition claims pursuant to various orders entered by the Bankruptcy Court (collectively, the "First Day Orders"). Except as otherwise indicated, such prepetition claims are generally reflected on the Schedules and Statements without regard to whether or not they have been paid as of the date of filing of these Schedules and Statements or are authorized to be paid under the First Day Orders. To the extent the Debtors have paid or pay in the future claims listed in the Schedules and Statements pursuant to orders entered by the Bankruptcy Court, the Debtors reserve all of their rights to amend or supplement the Schedules and Statements or to take action as is necessary or appropriate to avoid over-payment of or duplicate payments for any such liabilities. Notwithstanding the foregoing,

the Schedules and Statements may inadvertently reflect some of the Debtors' payments of certain claims pursuant to the First Day Orders, and, to the extent an unsecured claim has been paid or may be paid, it is possible such claim is not included in the Schedules and Statements.

- (f) Credits and Adjustments. The claims of individual creditors for, among other things, goods, products, services or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits, allowances or other adjustments due from such creditors to the Debtors. The Debtors reserve all of their rights with regard to such credits, allowances and other adjustments, including the right to assert objections and/or setoffs with respect to the same.
- (g) Liens. Property and/or equipment listed in the Schedules and Statements are presented without consideration of any liens that may attach (or have attached) to such property and equipment.

16. Estimates. To prepare and file the Schedules and Statements in accordance with the deadlines established in the chapter 11 cases, the Debtors were required to make certain estimates and assumptions that affect the reported amounts of assets and liabilities and reported revenue and expenses. The Debtors reserve all rights to amend the reported amounts of assets, liabilities, revenue and expenses to reflect changes in those estimates and assumptions.

17. Global Notes Control. In the event that the Schedules and Statements differ from the foregoing Global Notes, the Global Notes shall control.

Specific Disclosures With Respect to the Debtors' Schedules of Assets and Liabilities

Summary of the Schedules; Schedule D. The Debtors have listed the full amount (\$75,700,103.97) due on their prepetition secured term loan and revolving loan facilities on the Schedules of all Debtor obligors thereunder. Such amount is also shown as due to each of the four (4) lenders under that facility, but as only a single debt in the Summary and Schedule D total. The Debtors have also listed the prepetition term loan amounts notwithstanding their post-petition refinancing.

Schedule A/B, questions 6, 7 and 8. The Debtors' books and records do not generally distinguish between deposits and prepaid amounts and so answers to questions for deposits and prepaid amounts may contain some or all of both.

Schedule A/B, question 15. Hobbico Inc.'s Schedule B identifies such Debtor's direct ownership interests in any subsidiary, but excludes its indirect ownership of Revell GmbH. Such ownership is reflected in Hobbico Inc.'s SOFA 25.

Schedule A/B, questions 39-40. The Debtors do not bifurcate office furniture from fixtures on their balance sheets, so furniture may include fixtures.

Schedule A/B, question 55. The Debtors note that their books and records do not contain values for their real property leases.

Schedule A/B, question 61. The Debtors note that the websites relating to a Debtor's business line appear on that Debtor's Schedules. In some instances, such website(s) may in fact be registered to a different Debtor.

Schedule A/B, question 73. Only insurance policies with unexpired coverage terms as of the Petition Date for such Debtor are listed. To the extent that one or more Debtors might have rights to coverage under a policy with an expired coverage term, all such rights are expressly preserved notwithstanding the fact such policies have not been listed in response thereto.

Schedule A/B, question 74. The Debtors, despite their efforts, may not have listed all of their causes of action against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have, whether or not listed as assets in the Schedules and Statements, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action.

Schedule E/F; Priority. The Debtors have not determined whether, and to what extent, certain of the creditors identified on Part 1 of Schedule E/F are actually entitled to priority under section 507 of the Bankruptcy Code. The Debtors reserve the right to assert that claims identified on Part 1 of Schedule E/F are not claims that are entitled to priority.

Schedule E/F; Intercompany Claims. The Debtors have presented intercompany claims owing to Hobbico, Inc. from its subsidiaries (including ADL) on an aggregate basis (as between those two Debtors); such aggregate amounts represent the net sum of various transactions between the two entities.

Schedules E/F. The Debtors' analysis of potential priority claims is ongoing, and amounts listed as priority claims on Schedule E/F remain subject to such analysis. Amendments will be made to Schedule E/F as necessary. As of the Petition Dates, the books and records reflect that Debtors Estes-Cox Corp. and Tower Hobbies, Inc. have certain liabilities in respect of gift cards. The Estes-Cox liability is \$4,399.29, and the Tower Hobbies liabilities are \$487,196.92 (purchased cards) and \$1,048,200 (promotional cards). Although these liabilities are listed as general unsecured claims, the redemptions and exchanges of such gift cards are ongoing and the Debtors do not know the identities of the holders of such cards. Therefore, the gift card holders are not listed on Schedule E/F. Although reasonable efforts have been made to identify the date of incurrence of each claim, determining the date upon which each claim on Schedule E/F was incurred or arose would be unduly burdensome and cost prohibitive, and therefore, the Debtors do not list a date for each claim on Schedule E/F.

Schedule G; Executory Nature. The Debtors have excluded loan documents and professional engagement letters for Schedule G. The Debtors also believe they have only scheduled executory contracts to which a Debtor is a party or may be contractually and/or directly liable to perform. Similarly, for the purposes of the other Schedules and the Statements, no claims have been scheduled for a Debtor that may have benefited directly or indirectly from a contractual relationship to which the Debtor was not a named party.

Schedule G; Reservation. The Debtors hereby reserve all of their rights to dispute the validity, status or enforceability of any contract, agreement, or lease set forth on Schedule G that may have

expired or may have been modified, amended, and supplemented from time to time by various amendments, restatements, waivers, estoppel certificates, letters and other documents, instruments, and agreements which may not be listed on Schedule G. Certain of the leases and contracts listed on Schedule G may contain certain renewal options, guarantees of payment, options to purchase, rights of first refusal, and other miscellaneous rights. Such rights, powers, duties and obligations may not be set forth on Schedule G. Certain of these executory agreements may not have been memorialized in writing and/or could be subject to dispute. In addition, the Debtors may have entered into various other types of agreements in the ordinary course of their business, such as easements, right of way, subordination, non-disturbance and attornment agreements, supplemental agreements, amendments/letter agreements, title agreements and confidentiality agreements. Such documents may not be set forth on Schedule G. The Debtors reserve all of their rights to dispute or challenge the characterization of the structure of any transaction, or any document or instrument (including without limitation, any intercompany agreement) related to a creditor's claim. Certain of the contracts, agreements, and leases listed on Schedule G may have been entered into by more than one of the Debtors. In the ordinary course of business, the Debtors may have entered into agreements, written or oral, for the provision of certain services on a month-to-month or at-will basis. Such contracts may not be included on Schedule G. However, each Debtor reserves the right to assert that such agreements constitute executory contracts. Finally, since filing these cases, the Debtors have obtained Court approval to reject certain leases by order dated February 16, 2018. The Debtors have omitted these rejected agreements from Schedule G.

Schedule G; No admission. Listing a contract or agreement on Schedule G does not constitute an admission that such contract or agreement is an executory contract or unexpired lease. The Debtors reserve all rights to challenge whether any of the listed contracts, leases, agreements or other documents constitute an executory contract or unexpired lease, including if any are unexpired non-residential real property leases. Any and all of the Debtors' rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G are hereby reserved and preserved.

Schedule H; Insurers. The Debtors have not listed each past and current insurer of a Debtor in response to Schedule H. The exclusion of an insurer on Schedule H does not mean such insurer is not necessarily a co-debtor in fact and the Debtors reserve their rights to assert any such claims against insurers. Likewise, the Debtors have not listed co-defendants in any litigation pending against the Debtors, but reserve all rights with respect thereto.

Specific Disclosures With Respect to the Debtors' Statements of Financial Affairs

SOFA 3. The payments listed in the Hobbico, Inc. SOFA 3 include payments made on behalf of Debtors United Model, Inc. and Tower Hobbies, Inc. to their respective creditors. In addition, Hobbico, Inc. has made certain wire transfers on behalf of Debtor Great Planes Model Manufacturing, Inc. Payments to the professionals listed in response to question 11 of the Statements are omitted from the responses to this question, as are payments to insiders listed in response to question 4 of the Statements. Additionally, in certain instances it is possible that the reason for payment may have varied from that presented in response to question 3.

SOFA 4, 28, 29 and 30. The listing of any person or entity is not intended to be nor shall it be construed as a legal characterization of such party as an insider, and does not act as an admission of any fact, claim, right or defense, and all such right, claims and defenses are hereby reserved. The Debtors utilized the definition of “insider” in 11 U.S.C. 101(31)(B). Additionally, the responses to questions 4 and 30 generally do not include historical intercompany transfers between Debtor entities, and may not include certain expenses charged directly to corporate credit cards. Finally, those payments listed in response to question 4 are included in the response to question 30.

SOFA 6. In the ordinary course of business certain of the Debtors’ creditors, such as utilities, may have setoff all or part of unpaid invoices against items such as security deposits or retainers previously provided to such creditors by the Debtors. These creditors are not listed in response to question 6. Likewise, bank fees deducted from bank accounts of the Debtors are not listed in response to question 6. Additionally, in the ordinary course of business the Debtors may record intercompany non-cash accounting entries on their respective books and records. To the extent that these accounting entries could be considered setoffs, such setoffs are not listed in response to question 6.

SOFA 17. Strictly speaking, the employees of all of the Debtors (other than ADL) are employed and paid by Hobbico, Inc. even though many perform services for other Debtors. All such employees are eligible to participate in the Hobbico, Inc. ESOP and 401(k) plan. For this reason, all the U.S. Debtors other than Hobbico, Inc. have answered “No” to SOFA 17.

SOFA 20. Additional off-site storage not listed in response thereto may be utilized, including tooling in which the Debtors have an interest that is utilized by third-party manufacturers of the Debtors.

SOFA 26(a) – 26(c). The Debtors have identified the Chief Financial Officer, Controller and certain others in connection with the audit, compilation, review and/or maintenance of the Debtors’ books and records, but other finance and accounting personnel of the Debtors who have assisted in the foregoing have been omitted from the responses to these questions. The Debtors did not include certain firms or individuals that reviewed the Debtors’ books of account and records at the request of third parties.

SOFA 26(d). The Debtors provided financial statements in the ordinary course of business to certain parties for business, statutory, credit, financing, and other reasons. Recipients have included regulatory agencies, financial institutions, investment banks, creditors, and their respective legal and financial advisors. Although the Debtors from time to time may have furnished financial statements to parties other than those listed, it is not the practice of the Debtors to maintain exhaustive records of such transmittal. Consequently, the Debtors cannot provide an exhaustive list of all entities that have received one or more financial statements from the Debtors in response to question 26(d). Finally, although the Debtors have previously provided financial statements to certain prospective purchasers of the Debtors or their assets or other possible financing sources, the Debtors believe they may be contractually prohibited from publicly disclosing the identity of these recipients. For this reason, those responses to question 26(d) have been omitted.

With respect to question 27 of the Statements and Schedule A/B, questions 18-23, certain of the Debtors' locations do periodic cycle counts rather than full annual physical inventories. The Debtors have only listed physical inventories in response to question 27. Additionally, the Debtor's book value of inventory is generally calculated using FIFO accounting and the lower of cost or market value. Specifically, the inventory is booked at cost and, in certain instances, reserves are created for where the Debtors believe market value of the inventory has decreased below cost. In these instances, the book value of inventory on the Statements and Schedules is presented net of reserves for devalued inventory.

SOFA 30. The Debtors have omitted de minimis expense reimbursements, such as reimbursement of working travel costs, from the response to question 30 of the Statements. As noted in each Debtor's response to SOFA 30, the amounts listed there were paid by Debtor Hobbico, Inc., and not by any other Debtor. In other words, the recipients listed in SOFA 30 received such payment only once, not eight times.

The Debtors and their employees, agents, attorneys and other professionals do not guarantee or warrant the accuracy, completeness, or currentness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating or delivering the information contained herein. While every effort has been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors and their employees, agents, attorneys and other professionals expressly do not undertake any obligation to notify any third party should the information be or need to be updated, modified, revised or re-categorized. In no event shall the Debtors or their employees, agents, attorneys or other professionals be liable to any third party for any direct, indirect, incidental, consequential or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against the Debtors or damages to business reputation, lost business or lost profits), whether foreseeable or not and however caused, even if the Debtors or their employees, agents, attorneys and other professionals are advised of the possibility of such damages.

Fill in this information to identify the case:

Debtor name UNITED MODEL, INC.
 United States Bankruptcy Court for the: DISTRICT OF DELAWARE
 Case number (if known): 18-10060(KG)

Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy 4/16

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income

1. Gross revenue from business

None

Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year	Sources of revenue Check all that apply	Gross revenue (before deductions and exclusions)
From the beginning of the fiscal year to filing date: From <u>1/1/2018</u> to <u>Filing date</u> <small>MM / DD / YYYY</small>	<input checked="" type="checkbox"/> Operating a business <input type="checkbox"/> Other _____	\$ <u>246,642.00</u>
For prior year: From <u>1/1/2017</u> to <u>12/31/2017</u> <small>MM / DD / YYYY</small>	<input checked="" type="checkbox"/> Operating a business <input type="checkbox"/> Other _____	\$ <u>9,594,146.42</u>
For the year before that: From <u>1/1/2016</u> to <u>12/31/2016</u> <small>MM / DD / YYYY</small>	<input checked="" type="checkbox"/> Operating a business <input type="checkbox"/> Other _____	\$ <u>10,792,642.05</u>

2. Non-business revenue

Include revenue regardless of whether that revenue is taxable. *Non-business income* may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

None

Description of sources of revenue	Gross revenue from each source (before deductions and exclusions)
From the beginning of the fiscal year to filing date: From _____ to <u>Filing date</u> <small>MM / DD / YYYY</small>	\$ _____
For prior year: From _____ to _____ <small>MM / DD / YYYY</small>	\$ _____
For the year before that: From _____ to _____ <small>MM / DD / YYYY</small>	\$ _____

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Part 2: List Certain Transfers Made Before Filing for Bankruptcy

3. Certain payments or transfers to creditors within 90 days before filing this case

List payments or transfers—including expense reimbursements—to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

None

Creditor's name and address	Dates	Total amount or value	Reasons for payment or transfer <i>Check all that apply</i>
3.1. _____ Creditor's name	_____ _____ _____	\$ _____	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other _____
3.2. _____ Creditor's name	_____ _____ _____	\$ _____	<input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other _____

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,425. (This amount may be adjusted on 4/01/19 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. *Insiders* include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

None

Insider's name and address	Dates	Total amount or value	Reasons for payment or transfer
4.1. _____ Insider's name	_____ _____ _____	\$ _____	
Relationship to debtor _____			
4.2. _____ Insider's name	_____ _____ _____	\$ _____	
Relationship to debtor _____			

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

None

Creditor's name and address	Description of the property	Date	Value of property
5.1. _____ Creditor's name		_____	\$ _____
5.2. _____ Creditor's name		_____	\$ _____

6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

None

Creditor's name and address	Description of the action creditor took	Date action was taken	Amount
_____		_____	\$ _____

Last 4 digits of account number: XXXX- ____ _

Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

None

Case title	Nature of case	Court or agency's name and address	Status of case
7.1. _____	_____	_____ Name	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
Case number			

7.2. _____	_____	_____ Name	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
Case number			

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

None

Custodian's name and address	Description of the property	Value
_____	_____	\$ _____
Custodian's name	Case title	Court name and address
	_____	_____
	Case number	Name
	_____	_____
	Date of order or assignment	

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

None

Recipient's name and address	Description of the gifts or contributions	Dates given	Value
9.1. _____	_____	_____	\$ _____
Recipient's name	_____		
Recipient's relationship to debtor			

9.2. _____	_____	_____	\$ _____
Recipient's name	_____		
Recipient's relationship to debtor			

Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

None

Description of the property lost and how the loss occurred	Amount of payments received for the loss	Date of loss	Value of property lost
_____	If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property).	_____	\$ _____
_____	_____	_____	

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

None

Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.1 _____ Address	_____	_____	\$ _____

Email or website address

Who made the payment, if not debtor?

Who was paid or who received the transfer?	If not money, describe any property transferred	Dates	Total amount or value
11.2 _____ Address	_____	_____	\$ _____

Email or website address

Who made the payment, if not debtor?

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device. Do not include transfers already listed on this statement.

None

Name of trust or device	Describe any property transferred	Dates transfers were made	Total amount or value
_____	_____	_____	\$ _____
Trustee	_____		

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

13. Transfers not already listed on this statement

List any transfers of money or other property—by sale, trade, or any other means—made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

None

Who received transfer?	Description of property transferred or payments received or debts paid in exchange	Date transfer was made	Total amount or value
13.1. _____	_____	_____	\$ _____
Address _____			
Relationship to debtor _____			
13.2. _____	_____	_____	\$ _____
Address _____			
Relationship to debtor _____			

Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

Does not apply

Address	Dates of occupancy	
	From	To
14.1. 2901 RESEARCH ROAD, SUITE A, CHAMPAIGN, IL 61822-1064	MAY 2006	JUNE 2016
14.2. _____	_____	_____

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:

- diagnosing or treating injury, deformity, or disease, or
- providing any surgical, psychiatric, drug treatment, or obstetric care?

- No. Go to Part 9.
 Yes. Fill in the information below.

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
---------------------------	--	---

15.1. _____
 Facility name

Location where patient records are maintained (if different from facility address). If electronic, identify any service provider.	How are records kept?
---	-----------------------

- Check all that apply:*
- Electronically
 Paper

Facility name and address	Nature of the business operation, including type of services the debtor provides	If debtor provides meals and housing, number of patients in debtor's care
---------------------------	--	---

15.2. _____
 Facility name

Location where patient records are maintained (if different from facility address). If electronic, identify any service provider.	How are records kept?
---	-----------------------

- Check all that apply:*
- Electronically
 Paper

Part 9: Personally Identifiable Information

16. Does the debtor collect and retain personally identifiable information of customers?

- No.
 Yes. State the nature of the information collected and retained. _____
 Does the debtor have a privacy policy about that information?
 No
 Yes

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- No. Go to Part 10.
 Yes. Does the debtor serve as plan administrator?
 No. Go to Part 10.
 Yes. Fill in below:

Name of plan	Employer identification number of the plan
--------------	--

EIN: _____

- _____ Has the plan been terminated?
 No
 Yes

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred?

Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

None

	Financial institution name and address	Last 4 digits of account number	Type of account	Date account was closed, sold, moved, or transferred	Last balance before closing or transfer
18.1	BUSEY BANK Name 201 W. MAIN, URBANA, IL 61801	XXXX-7680	<input checked="" type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other _____	4/7/2017	\$ 0.00
18.2	_____ Name	XXXX-____	<input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other _____	_____	\$ _____

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

None

Depository institution name and address	Names of anyone with access to it	Description of the contents	Does debtor still have it?
_____ Name	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____ Address		_____	

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

None

Facility name and address	Names of anyone with access to it	Description of the contents	Does debtor still have it?
_____ Name	_____	_____	<input type="checkbox"/> No <input type="checkbox"/> Yes
_____ Address		_____	

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own

21. Property held for another

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

None

Owner's name and address	Location of the property	Description of the property	Value
_____	_____	_____	\$ _____
Name	_____	_____	

Part 12: Details About Environmental Information

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

No
 Yes. Provide details below.

Case title	Court or agency name and address	Nature of the case	Status of case
_____	_____	_____	<input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded
Case number	Name	_____	

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

No
 Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
_____	_____	_____	_____
Name	Name	_____	

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

24. Has the debtor notified any governmental unit of any release of hazardous material?

- No
 Yes. Provide details below.

Site name and address	Governmental unit name and address	Environmental law, if known	Date of notice
Name _____	Name _____	_____	_____

Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

- None

Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.1 _____ Name	_____	EIN: _____ Dates business existed From _____ To _____

Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.2 _____ Name	_____	EIN: _____ Dates business existed From _____ To _____

Business name and address	Describe the nature of the business	Employer Identification number Do not include Social Security number or ITIN.
25.3 _____ Name	_____	EIN: _____ Dates business existed From _____ To _____

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

None

Name and address

Dates of service

26a.1

SEE ATTACHED - SOFA 26A

From _____ To _____

Name

Name and address

Dates of service

26a.2

From _____ To _____

Name

26b List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

None

Name and address

Dates of service

26b.1

SEE ATTACHED - SOFA 26B

From _____ To _____

Name

Name and address

Dates of service

26b.2

From _____ To _____

Name

26c List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

None

Name and address

If any books of account and records are unavailable, explain why

26c.1

SAILESH S PATEL

N/A

Name

██████████
██████████

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Name and address	If any books of account and records are unavailable, explain why
------------------	--

26c.2 TIM SHANAHAN
Name
[REDACTED]

N/A

26d List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

None

Name and address

26d.1 SEE ATTACHED - SOFA 26D
Name

Name and address

26d.2 _____
Name

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

- No
 Yes. Give the details about the two most recent inventories.

Name of the person who supervised the taking of the inventory	Date of inventory	The dollar amount and basis (cost, market, or other basis) of each inventory
---	-------------------	--

_____ \$ _____

Name and address of the person who has possession of inventory records
--

27.1. _____
Name

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Name of the person who supervised the taking of the inventory

Date of inventory

The dollar amount and basis (cost, market, or other basis) of each inventory

\$ _____

Name and address of the person who has possession of inventory records

27.2 _____
Name

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name	Address	Position	% of interest, if any
SEE ATTACHED - SOFA 28			

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

- No
 Yes. Identify below.

Name	Address	Position	Period during which position or interest was held	
			From	To
SEE ATTACHED - SOFA 29				

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

- No
 Yes. Identify below.

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.1 SEE ATTACHED - SOFA 30 Name	0.00		

Relationship to debtor

Debtor UNITED MODEL, INC.
Name

Case number (if known) 18-10060(KG)

Name and address of recipient	Amount of money or description and value of property	Dates	Reason for providing the value
30.2 Name _____	_____	_____	_____
Relationship to debtor _____		_____	_____

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

- No
 Yes. Identify below.

Name of the parent corporation

HOBBICO, INC.

Employer Identification number of the parent corporation

EIN: 3 7 - 1 1 5 9 5 4 5

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

- No
 Yes. Identify below.

Name of the pension fund

Employer Identification number of the pension fund

EIN: _____

Part 14: Signature and Declaration

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 3/9/2018
MM / DD / YYYY

x 
Signature of individual signing on behalf of the debtor

Printed name TOM S. O'DONOGHUE, JR.

Position or relationship to debtor CHIEF RESTRUCTURING OFFICER

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

- No
 Yes

UNITED MODEL, INC.**SOFA 26A: ACCOUNTANTS AND BOOKKEEPERS WHO
MAINTAINED THE DEBTOR'S BOOKS AND RECORDS
WITHIN 2 YEARS BEFORE FILING THIS CASE**

Accountant's name	Address	Dates services rendered
JOSHUA L HORN	[REDACTED]	9/23/2013 - 8/23/2016
MIKE TOPA	[REDACTED]	7/1/2017 - 1/8/2018
SAILESH S PATEL	[REDACTED]	12/19/2016 - 1/19/2018
THOMAS P MCNULTY	[REDACTED]	9/1/2015 - 6/30/2017
TIM SHANAHAN	[REDACTED]	1/8/2018 - CURRENT

UNITED MODEL, INC.

SOFA 26B: FIRMS OR INDIVIDUALS WHO HAVE AUDITED/COMPILED/REVIEWED THE DEBTOR'S BOOKS OF ACCOUNT AND RECORDS OR PREPARED A FINANCIAL STATEMENT WITHIN 2 YEARS BEFORE FILING THIS CASE

Auditor's name	Auditor's address	Dates services rendered
JOSHUA L HORN	[REDACTED]	9/23/13 - 8/23/16
MIKE TOPA	[REDACTED]	7/1/17 - 1/8/18
RSM US LLP	1806 FOX DR, PO BOX 4015 CHAMPAIGN, IL 61824	25+ YEARS - CURRENT
SAILESH S PATEL	[REDACTED]	12/19/16 - 1/19/18
SCOTT POTENBERG	[REDACTED]	6/1/17 - CURRENT
STACY FISHER	[REDACTED]	12/30/14 - 6/30/17
THOMAS P MCNULTY	[REDACTED]	9/1/15 - 6/30/17
TIM SHANAHAN	[REDACTED]	1/8/18 - CURRENT
WELLS FARGO, NA	MAC D1109-019 1525 W WT HARRIS BLVD CHARLOTTE, NC 28262 W/ COPIES TO: ATTN: MICHAEL BLEECHER 10 S WACKER DR, 16TH FLOOR CHICAGO, IL 60606	BANK FINANCIAL EXAM - OCTOBER 2017

UNITED MODEL, INC.

SOFA 26D: ALL FINANCIAL INSTITUTIONS, CREDITORS, AND OTHER PARTIES, INCLUDING MERCANTILE AND TRADE AGENCIES, TO WHOM THE DEBTOR ISSUED A FINANCIAL STATEMENT WITHIN 2 YEARS BEFORE FILING THIS CASE

Financial institution's name	Address
BMO HARRIS BANK, NA	115 S LASALLE ST 4W CHICAGO, IL 60603
CYPRUM INVESTORS IV AIV I LP	200 PUBLIC SQUARE, SUITE 2020 CLEVELAND, OH 44114
PNC BANK, NA	101 W WASHINGTON ST INDIANAPOLIS, IN 46255
THE KEYSTONE GROUP	311, S.WACKER DRIVE, SUITE 5000 CHICAGO, IL 60606
U.S. BANK NA	ONE US BANK PLAZA ST LOUIS, MO 63101
WELLS FARGO, NA	MAC D1109-019 1525 W WT HARRIS BLVD CHARLOTTE, NC 28262 W/ COPIES TO: ATTN: MICHAEL BLEECHER 10 S WACKER DR, 16TH FLOOR CHICAGO, IL 60606

UNITED MODEL, INC.

SOFA 28: OFFICERS, DIRECTORS, MANAGING MEMBERS, GENERAL PARTNERS, MEMBERS IN CONTROL, CONTROLLING SHAREHOLDERS, OR OTHER PEOPLE IN CONTROL OF THE DEBTOR AT THE TIME OF THE FILING OF THIS CASE

Name	Address	Position and nature of any interest
DANIEL BAYSTON	[REDACTED]	BOARD CHAIRMAN, BOARD MEMBER
KEN CUTLER	[REDACTED]	EXECUTIVE VICE PRESIDENT, BOARD MEMBER NOVEMBER 2005
LOUIS BROWNSTONE	[REDACTED]	PRESIDENT AND CHIEF EXECUTIVE OFFICER
MARK RICHARDS	[REDACTED]	BOARD MEMBER
MIKE PARRETT	[REDACTED]	BOARD MEMBER
TIM SHANAHAN	[REDACTED]	CHIEF FINANCIAL OFFICER
TOM O'DONOGHUE	[REDACTED]	CHIEF RESTRUCTURING OFFICER
WILLARD MUIRHEID	[REDACTED]	BOARD MEMBER, PREVIOUS CFO

UNITED MODEL, INC.**SOFA 29: OFFICERS, DIRECTORS, MANAGING MEMBERS, GENERAL PARTNERS, MEMBERS IN CONTROL OF THE DEBTOR, OR SHAREHOLDERS IN CONTROL OF THE DEBTOR WHO NO LONGER HOLD THESE POSITIONS**

Name	Address	Position and nature of any interest	Period during which position or interest was held
MIKE TOPA	[REDACTED]	CHIEF FINANCIAL OFFICER	7/1/17 - 1/8/18
TOM MCNULTY	[REDACTED]	CHIEF FINANCIAL OFFICER	9/1/15 - 6/30/17
WAYNE HEMMING	[REDACTED]	PRESIDENT (3/19/1990) CHAIRMAN AND CHIEF EXECUTIVE OFFICER (11/2005)	3/19/90 - 5/3/17

SOFA 30: PAYMENTS, DISTRIBUTIONS, OR WITHDRAWALS CREDITED OR GIVEN TO INSIDERS

Insider name	Address	City	State	Zip	Relationship to Debtor	Description and value of property	Date	Reason for providing the value
DAN BAYSTON					BOARD MEMBER	\$73,750.00	01/11/17 - 01/10/18	BOARD FEES
KEN CUTLER					VICE PRESIDENT / BOARD MEMBER	\$416,457.95	01/11/17 - 01/10/18	SALARY
MARK RICHARDS					BOARD MEMBER	\$35,583.33	08/01/17 - 01/10/18	BOARD FEES
MIKE PARRETT					BOARD MEMBER	\$64,500.00	01/11/17 - 01/10/18	BOARD FEES
MIKE TOPA					PREVIOUS CFO	\$210,785.99	07/01/17 - 01/08/18	SALARY
TIM SHANAHAN					CFO / BOARD TREASURER	\$39,692.30	12/01/17 - 01/10/18	SALARY
TOM MCNULTY					PREVIOUS CFO	\$221,278.82	01/11/17 - 07/31/17	SALARY, BONUS
TOM O'DONOGHUE / CR3					CRO	\$210,375.00	10/25/17 - 01/10/18	FEES BILLED THROUGH CR3
WAYNE HEMMING					PREVIOUS CEO	\$381,726.30	01/11/17 - 06/30/18	SALARY AND POST-RETIREMENT CONSULTING
WILLARD MUIRHEID					BOARD MEMBER / SECRETARY	\$62,760.00	01/11/17 - 01/10/18	BOARD FEES

NOTE: ALL COMPENSATION (SALARY, BONUS, FEES, CONSULTING) IS DISBURSED BY HOBBIKO, INC.