

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re

DRAW ANOTHER CIRCLE, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No.: 16- (_____)

(Joint Administration Requested)

**DEBTORS' MOTION FOR ENTRY OF ORDER (I) AUTHORIZING
CONTINUED USE OF CASH MANAGEMENT SYSTEM, (II) AUTHORIZING
CONTINUED USE OF EXISTING BUSINESS FORMS
(III) AUTHORIZING THE CONTINUATION OF
INTERCOMPANY TRANSACTIONS, (IV)
GRANTING ADMINISTRATIVE
PRIORITY STATUS TO POSTPETITION
INTERCOMPANY TRANSACTIONS, (V) AUTHORIZING
USE OF PREPETITION BANK ACCOUNTS, ACCOUNT CONTROL
AGREEMENTS, AND CERTAIN PAYMENT METHODS, AND (VI) TEMPORARILY
SUSPENDING THE REQUIREMENTS OF 11 U.S.C. § 345(b) ON AN INTERIM BASIS**

Draw Another Circle, LLC (“DAC”) and its chapter 11 affiliates, the debtors and debtors in possession (the “Debtors”) in the above-captioned chapter 11 cases (the “Cases”), hereby move the Court (the “Motion”) for entry of an order substantially in the form annexed hereto as Exhibit A (the “Proposed Order”), pursuant to sections 105, 345, 363, 364(b), and 503(b) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2015-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) authorizing the Debtors’ continued use of their existing cash management system, (ii) authorizing the Debtors to continue

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

to use existing business forms, (iii) authorizing the continuation of intercompany transactions, (iv) granting administrative priority status to postpetition intercompany transactions, (v) authorizing the Debtors to continue using prepetition bank accounts and account control agreements, and using debit and wire payments, and (vi) temporarily suspending the requirements of section 345(b) of the Bankruptcy Code on an interim basis. In support of the Motion, the Debtors rely on the *Declaration of Duane A. Huesers in Support of Debtors' First Day Pleadings* (the "First Day Declaration")² concurrently filed herewith. In further support of the Motion, the Debtors respectfully represent as follows:

JURISDICTION

1. The United States Bankruptcy Court for the District of Delaware (the "Court") has jurisdiction over these Cases and the Motion pursuant to 28 U.S.C. §§ 157 and 1334, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012. This is a core proceeding within the meaning of 28 U.S.C. § 157(b)(2). Venue of these Cases and the Motion in this district is proper under 28 U.S.C. §§ 1408 and 1409.

2. Pursuant to Rule 9013-1(f) of the Local Rules, the Debtors consent to the entry of a final judgment or order with respect to the Motion if it is determined that the Court, absent consent of the parties, cannot enter final orders or judgments consistent with Article III of the United States Constitution.

3. The statutory and legal predicates for the relief requested herein are sections 105, 345, 363, 364(b), and 503(b) of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 2015-2.

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the First Day Declaration.

BACKGROUND

4. On the date hereof (the "Petition Date"), each of the Debtors commenced a voluntary case under chapter 11 of the Bankruptcy Code.

5. The Debtors are authorized to continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. No trustee, examiner or statutory committee has been appointed in these Cases by the Office of the United States Trustee for the District of Delaware (the "U.S. Trustee").

6. Founded in 1968, Hastings Entertainment, Inc. ("Hastings"), a Texas corporation, is a leading multimedia entertainment and lifestyle retailer. Hastings operates entertainment superstores that buy, sell, trade and rent various home entertainment products, including books, music, software, periodicals, movies on DVD and Blu-ray, video games, video game consoles, hobby, sports and recreation, lifestyle and consumer electronics. Hastings also offers consumables and trends products such as apparel, t-shirts, action figures, posters, greeting cards and seasonal merchandise. With the assistance of over 3,500 employees, Hastings operates 123 superstores, averaging approximately 24,000 square feet, principally in medium-sized markets located in 19 states, primarily in the Northwestern, Midwestern, and Southeastern United States.

7. Hastings also operates a multimedia entertainment e-commerce web site, goHastings.com, which offers a broad selection of books, software, video games, movies on DVD and Blu-ray, music, trends, comics, sports, recreation, and electronics. Hastings fills orders for new and used products placed at the website and also through Amazon and eBay Marketplaces using its proprietary goShip program, which allows Hastings to ship directly from

its stores or distribution center. Hastings has one wholly-owned subsidiary, Hastings Internet, Inc. In 2015, Hastings generated revenue totaling approximately \$401.1 million.

8. MovieStop, LLC (“MovieStop”), a Delaware limited liability company, is a value retailer of new and used movies based in Atlanta, Georgia. MovieStop currently operates 39 destination locations in 10 states, primarily along the Eastern United States Coast. MovieStop is conducting store closing sales at all of its locations, and anticipates completion of all store closings by the end of July.

9. SP Images, Inc. (“SPI”), a Massachusetts corporation, is a full-service licensed distributor of sports and entertainment products and apparel headquartered in Franklin, Massachusetts. SPI specializes in providing retail partners with an unmatched assortment of licensed merchandise that allows them to maximize turns, sales and gross margins. SPI stocks over 20,000 individual items licensed by Major League Baseball, the National Football League, the National Hockey League, the National Basketball Association, Marvel Comics, DC Comics and many more.

10. Hastings, MovieStop and SPI are each wholly-owned subsidiaries of DAC.

11. As is further discussed in the First Day Declaration filed contemporaneously herewith, the Debtors commenced these chapter 11 cases to (i) effectuate the sale of Hastings pursuant to a Court-approved bidding and auction process; (ii) complete the liquidation of the MovieStop business for the benefit of creditors; (iii) preserve SPI’s business through a going concern sale process; and (iv) liquidate all of the Debtors’ remaining assets and discontinue all business lines that cannot be sold for value.

12. More detailed factual background regarding the Debtors and the commencement of these Cases is set forth in the First Day Declaration.

I. Cash Management System

13. In the ordinary course of their business, the Debtors maintain a complex cash management system (the “Cash Management System”), which includes all activities necessary and pertinent to collecting and disbursing the Debtors’ cash assets. The Cash Management System allows the Debtors to efficiently identify the Debtors’ cash requirements and transfer cash as needed to respond to these requirements. The Cash Management System is important to the efficient execution and achievement of the Debtors’ business objectives, and, ultimately, to maximizing the value of the Debtors’ estates.

14. The Cash Management System generally operates similarly to the centralized cash management systems used by other large companies to manage the cash of numerous operating units in a cost-effective, efficient manner. A chart depicting the flow of funds in the Cash Management System is attached hereto as Exhibit B.

15. The Cash Management System consists of bank accounts (the “Bank Accounts”), which are maintained at Bank of America, N.A. (“BofA”) and certain other banks. Exhibit C contains a list of all of the Bank Accounts.

II. Collections Process

16. Cash collections from brick and mortar sales are picked up by an armored car service from each store and deposited directly into individual depository accounts for Hastings and MovieStop (collectively, the “Store Depository Accounts”) maintained by a variety of banks.

17. All of the Store Depository Accounts are linked directly to a cash concentration account (the “Cash Concentration Accounts”). The Cash Concentration Accounts

for Hastings and SP Images are maintained by Amarillo National Bank. The Cash Concentration Account for MovieStop is maintained by BB&T.

18. The proceeds from brick-and-mortar credit card sales and other miscellaneous checks and wires are deposited by the third-party processors of those credit card or check transactions, net of certain customer returns, chargebacks and fees, directly into the respective Debtors' Cash Concentration Account on a daily basis. Similarly, the proceeds from credit card and PayPal purchases made through each retailer's respective e-commerce website, net of certain customer returns, chargebacks, and fees, are deposited directly into the respective Debtors' Cash Concentration Account on a daily basis.

19. The Cash Concentration Accounts for Hastings and MovieStop are controlled by the respective banks. The Debtors do not have the ability to transfer funds in or out of these accounts. The Debtors are required to submit a sweep request to the banks to transfer funds from the Store Depository Accounts to the Cash Concentration Accounts.

20. The Cash Concentration Accounts for Hastings and MovieStop are linked directly to the revolving credit facility provided for in the Prepetition Credit Agreement (the "Prepetition Revolving Credit Facility"). Funds on deposit in these Cash Concentration Accounts are swept on a daily basis by BofA to reduce the Debtors' obligations under their asset-based loan facility.

III. Disbursements Process

21. Hastings and MovieStop maintain controlled disbursement accounts (the "Controlled Disbursement Accounts") that are linked to and funded through the Prepetition Credit Agreement. SP Images maintains a Controlled Disbursement Account that is linked directly to the SP Images Cash Concentration Account.

22. The Controlled Disbursement Accounts are funded in order to pay checks that have been presented for payment as well as to fund payroll and payroll taxes, non-payroll items related to employee benefits, vendor payments, and other expenditures as they come due.

23. The Controlled Disbursement Accounts are linked to individual disbursement accounts (the “Disbursement Accounts”). The Debtors are required to fund each Disbursement Account manually, via wire transfer or book transfer, and ensure, on each business day, that there are sufficient collected and available funds in each Disbursement Account in the amount of all items drawn on such account, whether outstanding or presented for payment, and any other debit transactions initiated with respect to such Disbursement Account. The Debtors make disbursements from the Disbursement Accounts directly to third parties.

IV. The Debtors’ Existing Business Forms and Check Stock

24. In the ordinary course of business, the Debtors use a variety of checks and business forms. To minimize expenses to their estates and avoid unnecessarily confusing their employees, customers, and suppliers, the Debtors believe it is appropriate to continue to use all checks, correspondence, and other business forms (including, without limitation, letterhead, purchase orders, and invoices) (collectively, the “Business Forms”) as such forms were in existence immediately before the Petition Date—without reference to the Debtors’ status as debtors in possession—rather than requiring the Debtors to incur the expense and delay of ordering entirely new business forms. With respect to checks, the Debtors generally print their own checks from existing check stock and as debtors in possession will print checks with a new postpetition sequence number and reference to the Debtors’ status as debtors in possession and bankruptcy case number as soon as it is reasonably practical to do so.

V. Intercompany Transactions

25. Prior to the Petition Date, the Debtors engaged in certain intercompany transactions with each other in the ordinary course or business (collectively, the “Intercompany Transactions”), primarily related to allocations of their merchandise inventory. In addition, certain of the Debtors’ funds may become intermingled as a result of their Cash Management System, as described above. These costs are reconciled through Intercompany Transactions.

26. The Debtors maintain records of transfers of cash and can trace and account for all such Intercompany Transactions. The Debtors will continue to maintain such records, including records of all current intercompany accounts receivable and payable. If the intercompany transactions were discontinued, the Cash Management System and related administrative controls would be distributed to the Debtors’ detriment.

RELIEF REQUESTED

27. By this Motion, the Debtors request that the Court enter an order, pursuant to sections 105, 345, 363, 364(b), and 503(b), of the Bankruptcy Code, Bankruptcy Rules 6003 and 6004, and Local Rule 2015-2, (i) authorizing the Debtors’ continued use of their existing cash management system, (ii) authorizing the Debtors to continue to use existing business forms, (iii) authorizing the continuation of intercompany transactions, (iv) granting administrative priority status to postpetition intercompany transactions, (v) authorizing the Debtors to continue using prepetition bank accounts and account control agreements, and using debit and wire payments, and (vi) temporarily suspending the requirements of section 345(b) of the Bankruptcy Code on an interim basis.

BASIS FOR RELIEF

I. Maintaining the Existing Cash Management System Is Important to the Debtors' Ongoing Operations and Restructuring Efforts.

28. In light of the substantial size and complexity of the Debtors' operations, the maintenance of the Debtors' current Cash Management System is important for the Debtors' successful prosecution of these Cases, as well as the preservation and enhancement of the value of the Debtors' assets.

29. The Debtors' request for authorization to continue to use their Cash Management System is consistent with section 363(c)(1) of the Bankruptcy Code, which authorizes a debtor in possession to "use property of the estate in the ordinary course of business, without notice or a hearing." 11 U.S.C. § 363(c)(1). Section 363(c)(1) is intended to provide a debtor in possession with the flexibility to engage in the ordinary transactions required to operate its business. *See, e.g., In re Roth Am., Inc.*, 975 F.2d 949, 952 (3d Cir. 1992); *see also In re Nellson Nutraceutical, Inc.*, 369 B.R. 787, 796 (Bankr. D. Del. 2007). Included within the purview of section 363(c) is a debtor's ability to continue the routine transactions necessitated by its cash management system. *See Amdura Nat'l Distrib. Co. v. Amdura Corp. (In re Amdura Corp.)*, 75 F.3d 1447, 1453 (10th Cir. 1996). Nevertheless, the Debtors bring this Motion out of an abundance of caution, to the extent any aspect of the Cash Management System could be considered as outside the ordinary course of business for purposes of section 363(c).

30. Courts in this and other districts have noted that an integrated cash management system "allows efficient utilization of cash resources and recognizes the impracticalities of maintaining separate cash accounts for the many different purposes that require cash." *In re Columbia Gas Sys., Inc.*, 136 B.R. 930, 934 (Bankr. D. Del. 1992), *rev'd in part on other grounds*, 997 F.2d 1039 (3d Cir. 1993); *see also Southmark Corp. v. Grosz (In re*

Southmark Corp.), 49 F.3d 1111, 1114 (5th Cir. 1995) (finding cash management system allows a debtor “to administer more efficiently and effectively its financial operations and assets”). The United States Court of Appeals for the Third Circuit has agreed, emphasizing that requiring a debtor to maintain separate accounts “would be a huge administrative burden and economically inefficient.” *In re Columbia Gas Sys., Inc.*, 997 F.2d 1039, 1061 (3d Cir. 1993). For these reasons, the Debtors should be permitted to continue their Cash Management System.

II. The Court Should Authorize the Debtors to Maintain Existing Bank Accounts and Continue to Use their Existing Business Forms.

31. The U.S. Trustee has set forth certain operating and reporting requirements for chapter 11 cases (the “U.S. Trustee Guidelines”) that require debtors in possession to, among other things: (a) establish one debtor in possession bank account for all estate monies required for the payment of taxes, including payroll taxes; (b) close all existing bank accounts and open new debtor in possession accounts; (c) maintain a separate debtor in possession account for cash collateral; and (d) obtain checks that bear the designation “debtor in possession” and reference the bankruptcy case number and type of account on such checks. These requirements are designed to provide a clear line of demarcation between prepetition and postpetition claims and payments, and to help protect against the inadvertent payment of prepetition claims by preventing banks from honoring checks drawn before the Petition Date.

32. Enforcement of the U.S. Trustee Guidelines during these Cases would severely disrupt the Debtors’ ordinary financial operations. Accordingly, the Debtors respectfully request that the Court allow them to operate each of the Bank Accounts as such accounts were maintained in the ordinary course of business before the Petition Date.

33. In addition, the Debtors have concurrently filed several motions seeking authorization to pay certain prepetition obligations in the ordinary course of business. If the

Debtors were required to open new accounts, they would likely be unable to timely implement the critical relief sought in those motions. The Debtors have the ability to monitor disbursements from their Bank Accounts to ensure that only those prepetition obligations expressly approved by the Court are paid.

34. The Debtors use numerous Business Forms in the ordinary course of their business. In order to minimize expenses to their estates, pursuant to Local Rule 2015-2(a), the Debtors request authority to continue using their existing prepetition Business Forms without reference to their status as debtors in possession or any other alteration. The Debtors also request that they be authorized to continue to use their existing check stock, without reference to their status as debtors in possession, until all such checks have been used. The Debtors submit that parties in interest will not be prejudiced if the Debtors are authorized to continue to use their existing checks and Business Forms. The Debtors will be sending a notice of commencement of these chapter 11 cases to all creditors. Most parties doing business with the Debtors undoubtedly will be aware of their status as debtors in possession; thus, changing checks immediately is unnecessary and unduly burdensome.

35. In other chapter 11 cases, courts in this jurisdiction have granted substantially similar relief. *See, e.g., In re Phoenix Brands, LLC*, Case No. 16-11242 (BLS) (Bankr. D. Del. May 23, 2016) [Docket No. 301]; *In re Vestis Retail Grp., LLC*, Case No. 16-10971 (LSS) (Bankr. D. Del. Apr. 19, 2016) [Docket No. 54]; *In re Sports Auth. Holdings, Inc.*, Case No. 16-10527 (MFW) (Bankr. D. Del. Mar. 3, 2016) [Docket No. 128]; *In re City Sports, Inc.*, Case No. 15-12054 (KG), (Bankr. D. Del. Oct. 28, 2015) [Docket No. 185]; *In re The Wet*

Seal, Inc., No. 15-10081 (CSS) (Bankr. D. Del. Jan. 20, 2015) [Docket No. 103].³ Similar authorization is likewise appropriate in these Cases.

III. The Court Should Authorize the Debtors to Continue the Intercompany Transactions and Granting Administrative Expense Status to Intercompany Transactions.

36. The Debtors respectfully request that they be allowed to continue the Intercompany Transactions in the ordinary course of business, and request that the Intercompany Transactions should be afforded administrative expense priority pursuant to sections 503(b)(1) and 364(b) of the Bankruptcy Code so that each Debtor entity will continue to bear the ultimate payment responsibility for its ordinary course transactions. The Debtors will continue to maintain accurate and current records with respect to all Intercompany Transactions.

37. Section 503(b)(1) of the Bankruptcy Code provides, in pertinent part, that after notice and a hearing “there shall be allowed administrative expenses . . . including the actual, necessary costs and expenses of preserving the estate including – wages, salaries, and commissions for services rendered after the commencement of the case” 11 U.S.C. §503(b)(1). Administrative expense treatment for intercompany transactions has been granted in other comparable chapter 11 cases in this district. *See, e.g., In re Sports Auth. Holdings, Inc.*, No. 16-10527 (MFW) (Bankr. D. Del. Mar. 3, 2016); *In re The Wet Seal, Inc.*, No. 15-10081 (CSS) (Bankr. D. Del. Jan. 20, 2015).

IV. The Court Should Authorize the Debtors to Continue Using Debit and Wire Payments as Warranted.

38. The Debtors request that the Court grant further relief from the U.S. Trustee Guidelines to the extent they require the Debtors to make all disbursements by check. In

³ Because of the voluminous nature of the unreported orders cited herein, they are not annexed to this Motion. Copies of these orders are available upon email request of Debtors’ counsel by contacting Max Schlan, Esq. at mschlan@cooley.com.

particular, the U.S. Trustee Guidelines require that all receipts and all disbursements of estate funds must be made by check with a notation representing the reason for the disbursement. If the Debtors' ability to conduct transactions by debit, wire, or other similar methods is impaired, the Debtors may be unable to perform under certain contracts, their business operations may be unnecessarily disrupted and their estates will incur additional costs. Accordingly, the Debtors should be permitted to continue using debit and wire payments.

V. The Court Should Authorize the Banks to Continue to Maintain, Service, and Administer the Bank Accounts in the Ordinary Course of Business.

39. The Debtors respectfully request that the Court authorize the banks and financial institutions (the "Banks") at which the Bank Accounts are maintained to continue to maintain, service, and administer the Bank Accounts as accounts of debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks should be authorized and directed to receive, process, honor and pay any and all checks and other instructions, and drafts payable through, drawn or directed on the Bank Accounts after the Petition Date by holders, makers or other parties entitled to issue instructions with respect thereto.

40. The Debtors further request that the Court authorize the Banks to accept and honor all representations from the Debtors as to which checks, drafts or wires should be honored or dishonored consistent with any order of the Court and governing law, whether such checks, drafts or wires are dated before or after the Petition Date. The Debtors also request that, to the extent a Bank honors a prepetition check or other item drawn on any account either (a) at the direction of the Debtors; (b) in a good-faith belief that the Court has authorized such prepetition check or item to be honored; or (c) as a result of an innocent mistake made despite the above-described protective measures, such Bank shall not be deemed to be liable to the

Debtors or their estates on account of such prepetition check or other item honored postpetition. The Debtors respectfully submit that such relief is reasonable and appropriate because the Banks are not in a position to independently verify or audit whether a particular item may be paid in accordance with a Court order or otherwise. The Debtors further request that the Banks be authorized to (a) honor the Debtors' directions with respect to the opening, re-opening, and closing of any Bank Account, and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions: provided in each case that the Debtors' Banks shall not have any liability to any party for relying on such representations.

41. Moreover, the Debtors request that the Court authorize (a) the Banks to charge, and the Debtors to pay or honor, both prepetition and postpetition service and other fees, costs, charges and expenses to which the Banks are entitled under the terms and in accordance with their contractual arrangements with the Debtors, and (b) charge-back returned items to the Bank Accounts, whether such items are dated before, on or after the Petition Date, in the ordinary course of business during the pendency of these Cases.

VI. Cause Exists for Temporarily Suspending the Deposit and Investment Guidelines Under Section 345 of the Bankruptcy Code.

42. Section 345(a) of the Bankruptcy Code authorizes deposit or investment of the money of the estate, such as cash, as "will yield the maximum reasonable net return on such money, taking into account the safety of such deposit or investment." 11 U.S.C. § 345(a). Although section 345(a) generally requires that, with respect to deposits and investments that are not "insured or guaranteed by the United States or by a department, agency or instrumentality of the United States or backed by the full faith and credit of the United States," the estate must require a bond in favor of the United States secured by the undertaking of a U.S. Trustee

approved corporate surety, the court is permitted to dispense with this undertaking “for cause.”
11 U.S.C. § 345(b).

43. The Court’s ability to excuse strict performance of the requirements of section 345(b) of the Bankruptcy Code “for cause” arises from the 1994 amendments to the Bankruptcy Code. The legislative history of those amendments provides, in pertinent part, as follows:

Section 345 of the Code governs investments of the funds of bankruptcy estates. The purpose[] is to make sure that funds of a bankrupt that are obliged to creditors are invested prudently and safely with the eventual goal of being able to satisfy all claims against the bankruptcy estate. Under current law, all investments are required to be FDIC insured, collateralized or bonded. While this requirement is wise in the case of a smaller debtor with limited funds that cannot afford a risky investment to be lost, *it can work to needlessly handcuff larger, more sophisticated debtors*. This section would amend the Code to allow the courts to approve investments other than those permitted by section 345(b) for just cause, thereby overruling *In re Columbia Gas Systems, Inc.*, 33 F.3d 294 (3d Cir. 1994).

In re Serv. Merch. Co., 240 B.R. 894, 896 (Bankr. M.D. Tenn. 1999) (quoting H.R. Rep. No. 103-835, at 46-47 (1994), *reprinted in* 1994 U.S.C.C.A.N. 3340, 3355).

44. In determining whether the “cause” standard under section 345(b) of the Bankruptcy Code has been met, courts consider a “totality of the circumstances analysis,” utilizing the following factors: (a) the sophistication of the debtors’ business; (b) the size of the debtors’ business operations; (c) the amount of the funds involved; (d) the bank ratings (Moody’s and Standard and Poor) of the financial institutions where the debtor in possession funds are held; (e) the complexity of the case; (f) the safeguards in place within the debtor’s own business of insuring the safety of the funds; (g) the debtor’s ability to reorganize in the face of a failure of one or more of the financial institutions; (h) the benefit to the debtor; (i) the harm, if any, to the estate; and (j)

the reasonableness of the debtor's request for relief from the section 345(b) requirements in light of the overall circumstances of the case. *In re Serv. Merch.*, 240 B.R. at 896.

45. A number of the Store Depository Accounts are maintained at institutions that have not signed a uniform depository agreement with the U.S. Trustee. Accordingly, the Debtors request (i) a temporary suspension of the deposit and investment requirements of section 345(b) of the Bankruptcy Code to the extent that such requirements are inconsistent with the Debtors' current practices, (ii) that applicable institutions be authorized and directed to accept and hold or invest such funds at the Debtors' direction, and (iii) that applicable institutions be authorized and directed to honor the Debtors' directions with respect to the opening, re-opening, and closing of any Bank Account.

46. Even if the Debtors' current deposit and investment practices do not strictly comply with the approved guidelines identified in section 345 of the Bankruptcy Code, the practices nevertheless are prudent and designed to yield the maximum reasonable net return on the funds invested, taking into account the safety of such deposits.

47. In light of the foregoing, the Debtors submit that cause exists for temporary suspension of the requirements of 345(b) of the Bankruptcy Code to the extent that those requirements are inconsistent with the Debtors' current deposit and investment practices. In accordance with Local Rule 2015-2, the Debtors request a thirty (30) day extension to comply with the section 345 requirements or seek additional extensions or waiver by separate application.

IMMEDIATE RELIEF IS NECESSARY

48. Bankruptcy Rule 6003 provides that the relief requested in this Motion may be granted if the "relief is necessary to avoid immediate and irreparable harm." Fed. R.

Bankr. P. 6003. As set forth throughout this Motion, any disruption of the current Cash Management System would substantially diminish or impair the Debtors' efforts in these chapter 11 cases to preserve and maximize the value of their estates.

49. For this reason and those set forth above, the Debtors respectfully submit that Bankruptcy Rule 6003(b) has been satisfied and the relief requested herein is necessary to avoid immediate and irreparable harm to the Debtors and their estates.

WAIVER OF ANY APPLICABLE STAY

50. The Debtors also request that the Court waive the stay imposed by Bankruptcy Rule 6004(h), which provides that “[a]n order authorizing the use, sale, or lease of property other than cash collateral is stayed until the expiration of 14 days after entry of the order, unless the court orders otherwise.” Fed. R. Bankr. P. 6004(h). As described above, the relief that the Debtors seek in this Motion is necessary for the Debtors to operate their business without interruption and to preserve value for their estates. Accordingly, the Debtors respectfully request that the Court waive the fourteen-day stay imposed by Bankruptcy Rule 6004(h), as the exigent nature of the relief sought herein justifies immediate relief.

RESERVATION OF RIGHTS

51. Nothing in the Proposed Order or this Motion (i) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (ii) shall impair, prejudice, waive or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority or amount of any claim against the Debtors and their estates, or (iii) shall be construed as a promise to pay a claim.

NOTICE

52. The Debtors will provide notice of this Motion to: (i) the U.S. Trustee; (ii) holders of the thirty (30) largest unsecured claims on a consolidated basis against the Debtors; (iii) BofA; (iv) Pathlight; (v) the Banks; and (vi) all parties who, as of the filing of this Motion, have filed a notice of appearance and request for service of papers pursuant to Bankruptcy Rule 2002. As this Motion is seeking “first day” relief, within two business days of the hearing on this Motion, the Debtors will serve copies of this Motion and any order entered in respect to this Motion as required by Local Rule 9013-1(m). In light of the nature of the relief requested herein, the Debtors submit that no other or further notice is necessary

53. No previous request for the relief sought herein has been made by the Debtors to this or any other court.

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CONCLUSION

WHEREFORE, for the reasons set forth herein and in the First Day Declaration, the Debtors respectfully request that the Court enter an order, substantially in the form attached hereto, granting the relief requested in the Motion and such other and further relief as is just and proper.

Dated: June 13, 2016
Wilmington, Delaware

Respectfully submitted,

/s/ Christopher M. Samis

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EXHIBIT A

Proposed Order

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

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Upon the motion (the “Motion”)² of Draw Another Circle, LLC and its chapter 11 affiliates, as debtors and debtors in possession herein (collectively, the “Debtors”) in the above-captioned jointly administered chapter 11 cases (the “Cases”), for entry of an order, pursuant to sections 105, 345, 363, 364(b), and 503(b) of title 11 of the United States Code, 11 U.S.C. §§ 101-1532 (the “Bankruptcy Code”), Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “Bankruptcy Rules”) and Rule 2015-2 of the Local Rules of Bankruptcy Practice and Procedure of the United States Bankruptcy Court for the District of Delaware (the “Local Rules”), (i) authorizing the Debtors’ continued use of their existing cash management system, (ii) authorizing the Debtors to continue to use existing business forms, (iii) authorizing the

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

² Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Motion.

continuation of intercompany transactions, (iv) granting administrative priority status to postpetition intercompany transactions, (v) authorizing the Debtors to continue using prepetition bank accounts and account control agreements and using debit, wire, and ACH payments, and (vi) temporarily suspending the requirements of 11 U.S.C. § 345(b) on an interim basis; and upon consideration of the First Day Declaration and the record of these Cases; and it appearing that the Court has jurisdiction to consider the Motion pursuant to 28 U.S.C. §§ 1334 and 157, and the *Amended Standing Order of Reference* from the United States District Court for the District of Delaware dated February 29, 2012; and it appearing that the Motion is a core matter pursuant to 28 U.S.C. § 157(b)(2) and that the Court may enter a final order consistent with Article III of the United States Constitution; and it appearing that venue of these cases and of the Motion is proper pursuant to 28 U.S.C. §§ 1408 and 1409; and it appearing that due and adequate notice of the Motion has been given under the circumstances, and that no other or further notice need be given; and it appearing that the relief requested in the Motion is in the best interests of the Debtors' estates, their creditors, and other parties in interest; and after due deliberation, and good and sufficient cause appearing therefor, it is hereby **ORDERED, ADJUDGED, AND DECREED THAT:**

1. The Motion is GRANTED, as set forth herein.
2. The Debtors are authorized, in their sole discretion, to: (a) continue operating the Cash Management System and honor any prepetition obligations related thereto; (b) continue making Intercompany Transactions in the ordinary course of business; (c) maintain existing Bank Accounts and business forms; (d) maintain the ability to use debit and wire payments; and (e) continue to deposit and invest funds in accordance with their current practices, notwithstanding section 345(b) of the Bankruptcy Code.

3. The Debtors shall maintain accurate and detailed records in the ordinary course of business reflecting transfers of cash, if any, including Intercompany Transactions, so as to permit all such transactions to be traceable and ascertainable. Unless otherwise ordered by the Court, all intercompany claims between Debtors arising after the Petition Date shall be accorded administrative expense priority in accordance with sections 503(b) and 507(a)(2) of the Bankruptcy Code.

4. The Debtors are further authorized, in their sole discretion, to: (a) continue to use, with the same account numbers, all of the Bank Accounts in existence as of the Petition Date, including those accounts identified on Exhibits B and C to the Motion; (b) use, in their present form, all checks and other documents related to the Bank Accounts existing immediately before the Petition Date, without reference to the Debtors' status as debtors in possession; (c) treat the Bank Accounts for all purposes as accounts of the Debtors as debtors-in-possession; (d) deposit funds in and withdraw funds from the Bank Accounts by all usual means, including checks, wire transfers and debits; and (e) pay any ordinary course prepetition or postpetition bank fees incurred in connection with the Bank Accounts, and to otherwise perform their obligations under the documents governing the Bank Accounts.

5. All Banks at which the Bank Accounts are maintained are authorized to continue to maintain, service, and administer the Bank Accounts as accounts of debtors in possession, without interruption and in the ordinary course of business. In this regard, the Banks are authorized to receive, process, honor and pay any and all checks, ACH payments and other instructions, and drafts payable through, drawn or directed on the Bank Accounts after the Petition Date by holders, makers or other parties entitled to issue instructions with respect thereto.

6. All Banks provided with notice of this Order maintaining any of the Bank Accounts shall not honor or pay any bank payments drawn on the listed Bank Accounts or otherwise issued before the Petition Date for which the Debtors specifically issue stop payment orders in accordance with the documents governing such Bank Accounts.

7. The existing Deposit Account Control Agreements between the Debtors and the Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks. All of the provisions of such Deposit Account Control Agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect. Either the Debtors or the Banks may, without further Order of this Court, implement changes to the Cash Management System and procedures in the ordinary course of business pursuant to terms of those certain existing Deposit Account Control Agreements, including, without limitation, the opening and closing of bank accounts; provided, however, that nothing contained herein shall constitute an assumption of the Deposit Account Control Agreements pursuant to section 365 of the Bankruptcy Code.

8. For accounts not subject to a Deposit Account Control Agreement, those certain existing deposit agreements between the Debtors and its existing depository and disbursement Banks shall continue to govern the postpetition cash management relationship between the Debtors and the Banks, and that all of the provisions of such agreements, including, without limitation, the termination and fee provisions, shall remain in full force and effect, (ii) either the Debtors or the Banks may, without further Order of this Court, implement changes to the cash management systems and procedures in the ordinary course of business pursuant to terms of those certain existing deposit agreements, including, without limitation, the opening and closing of bank accounts.

9. In the course of providing cash management services to the Debtors, any Bank, without further order of this Court, is authorized to (i) charge, and the Debtors are authorized to pay or honor, both prepetition and postpetition service and other fees, costs, charges and expenses to which the Banks are entitled under the terms and in accordance with their contractual arrangements with the Debtors, and (ii) charge-back returned items to the Bank Accounts, whether such items are dated before, on, or after the Petition Date, in the ordinary course of business during the pendency of these Cases.

10. Notwithstanding any other provision of this Order, any Bank may rely on the representations of the Debtors with respect to whether any check, draft, wire, or other transfer drawn or issued by the Debtors before the Petition Date should be honored pursuant to this or any other order of this Court, and any Bank that honors a prepetition check or other item drawn on any account that is the subject of this Order shall not have any liability to any party for relying on such representations by the Debtors as provided for herein.

11. Any Banks are further authorized to (a) honor the Debtors' directions with respect to the opening, re-opening, and closing of any Bank Account, and (b) accept and hold, or invest, the Debtors' funds in accordance with the Debtors' instructions; provided, in each case, that the Debtors' Banks shall not have any liability to any party for relying on such representations.

12. For banks at which the Debtors hold bank accounts that are party to a Uniform Depository Agreement with the U.S. Trustee, within fifteen (15) days of the date of entry of this Order the Debtors shall (a) contact each bank, (b) provide the bank with each of the Debtors' employer identification numbers, (c) identify each of their bank accounts held at such

banks as being held by a debtor in possession in a bankruptcy case, and (d) provide the bankruptcy jointly administered case number.

13. For banks at which the Debtors hold accounts that are not party to a Uniform Depository Agreement with the U.S. Trustee, the Debtors shall use their good-faith efforts to cause the banks to execute a Uniform Depository agreement in a form prescribed by the U.S. Trustee within forty-five (45) days of the date of this Order. The U.S. Trustee's rights to seek further relief from this Court on notice in the event that the aforementioned banks are unwilling to execute a Uniform Depository Agreement in a form prescribed by the U.S. Trustee are fully reserved. The Debtors are authorized to use their existing Business Forms; provided, however, that once the Debtors' existing checks have been used, the Debtors shall, when reordering checks, require the designation "Debtor in Possession" and the corresponding bankruptcy case number on all checks; provided, further, however that with respect to checks which the Debtors or their agents print themselves, the Debtors shall begin printing on such checks "Debtor in Possession" and, to the extent that there is sufficient space on such checks, the corresponding bankruptcy case number, within ten (10) days of the date of the entry of this Order.

14. The requirements of section 345 of the Bankruptcy Code, to the extent applicable, are temporarily suspended on an interim basis for a period of thirty (30) days from the Petition Date, without prejudice to the Debtors' right to seek additional extensions or waiver by separate application.

15. Notwithstanding anything contained herein, despite the Debtors' use of consolidated Cash Management System, the Debtors shall calculate quarterly fees under 28 U.S.C. § 1930(a)(6) based on the disbursements of each Debtor, regardless of which Debtor pays those disbursements.

16. Each of the Debtors' Banks is authorized to debit the Debtors' accounts in the ordinary course of business without the need for further order of this Court for: (i) all checks drawn on the Debtors' accounts which are cashed at such Bank's counters or exchanged for cashier's checks by the payees thereof prior to the Petition Date; (ii) all checks or other items deposited in one of Debtor's accounts with such Bank prior to the Petition Date which have been dishonored or returned unpaid for any reason, together with any fees and costs in connection therewith, to the same extent the Debtor was responsible for such items prior to the Petition Date; and (iii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed to any Bank as service charges for the maintenance of the Cash Management System.

17. The Debtors are authorized to open any new Bank Accounts or close any existing Bank Accounts as they may deem necessary and appropriate in their sole discretion; provided, however, that the Debtors give notice within fifteen (15) days to the Office of the United States Trustee for the District of Delaware and any statutory committees appointed in these chapter 11 cases; provided, further, however that the Debtors shall open any such new Bank Account at banks that have executed a Uniform Depository Agreement with the Office of the United States Trustee for the District of Delaware, or at such banks that are willing to immediately execute such an agreement.

18. Nothing in this Order, nor as a result of any payment made pursuant to this Order, (a) is intended or shall be deemed to constitute an assumption of any agreement pursuant to section 365 of the Bankruptcy Code or an admission as to the validity of any claim against the Debtors and their estates, (b) shall impair, prejudice, waive or otherwise affect the rights of the Debtors and their estates with respect to the validity, priority or amount of any claim against the Debtors and their estates, or (c) shall be construed as a promise to pay a claim.

19. Bankruptcy Rule 6003(b) has been satisfied.

20. Notwithstanding any provision in the Bankruptcy Rules to the contrary:

(a) this Order shall be effective immediately and enforceable upon its entry; (b) the Debtors are not subject to any stay in the implementation, enforcement, or realization of the relief granted in this order; and (c) the Debtors are authorized and empowered, and may in their discretion and without further delay, take any action necessary or appropriate to implement this Order.

21. Within three (3) business days from the date of the entry of this Order, the Debtors will serve a copy of this Order to the Banks at which the Bank Accounts are maintained and will request that each Bank internally code each of the Bank Accounts as “debtor in possession” accounts.

22. The Court retains jurisdiction with respect to all matters arising from or related to the implementation or interpretation of this Order.

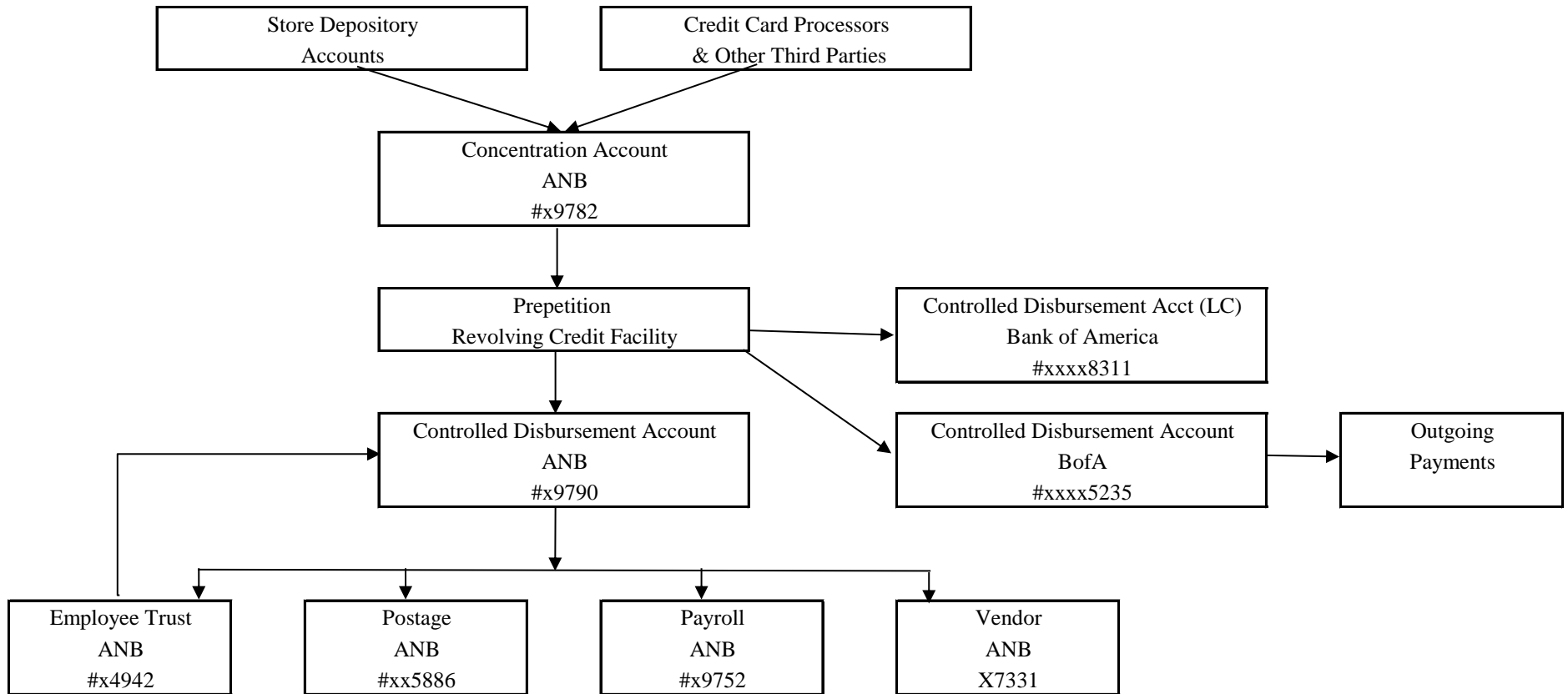
Dated: _____, 2016
Wilmington, Delaware

United States Bankruptcy Judge

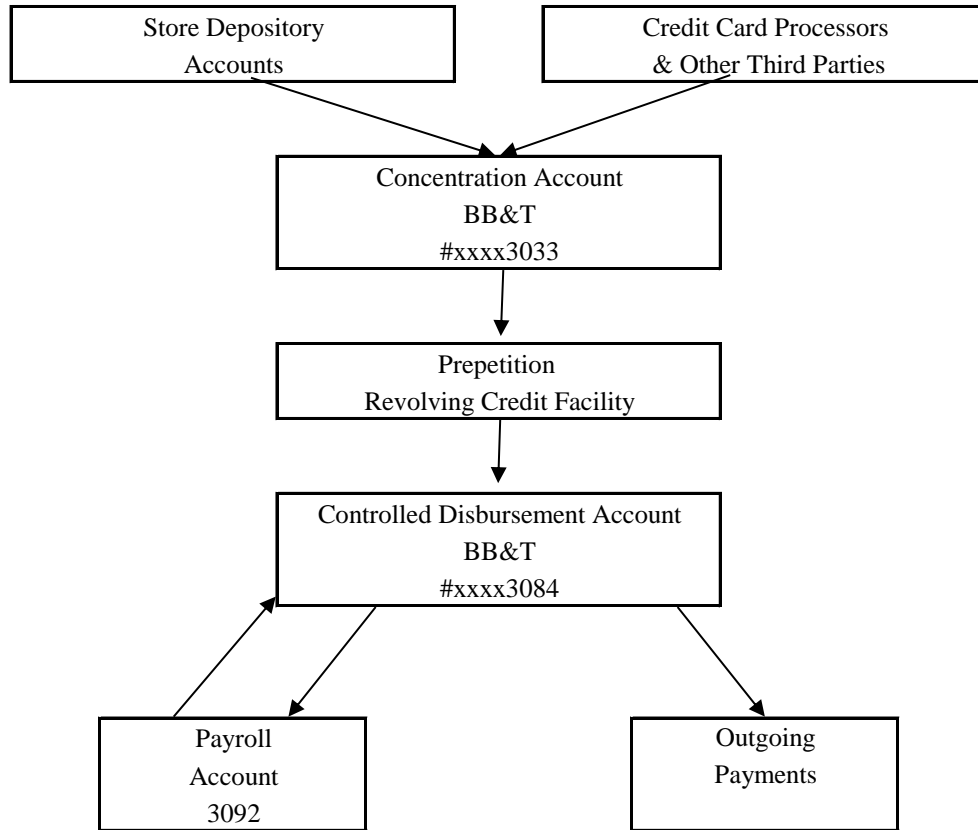
Exhibit B

Cash Management System

Hastings Entertainment, Inc.



MovieStop, LLC



SP Images, Inc.

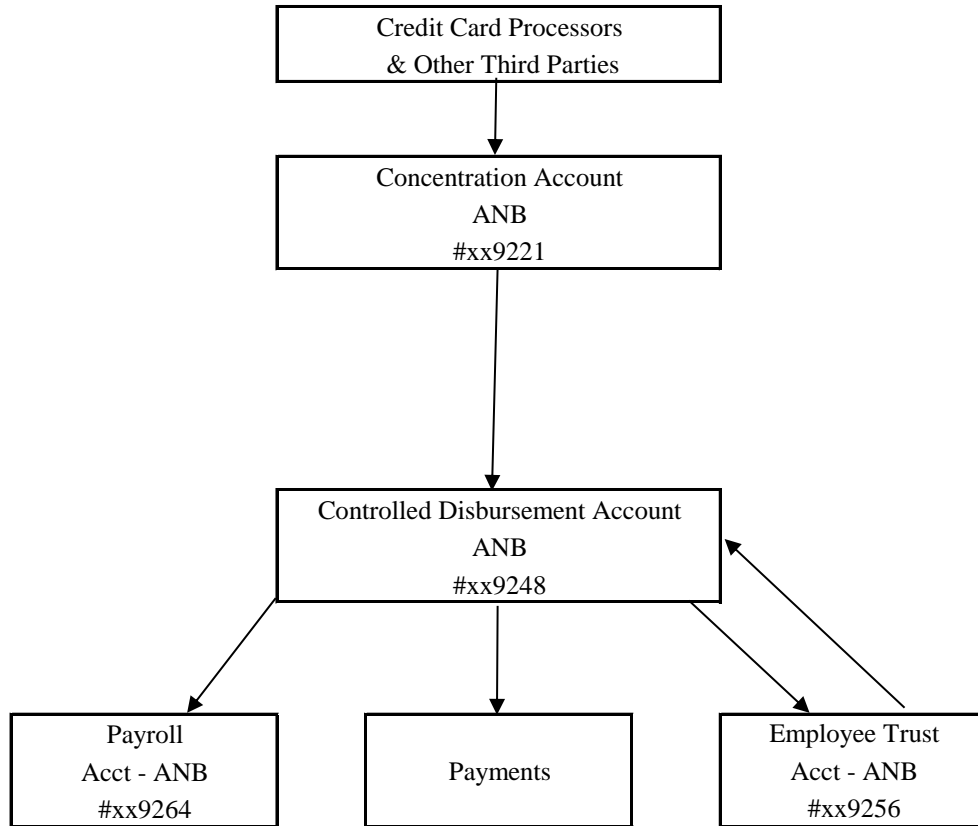


Exhibit C

List of Banks

| Entity (Debtor) | Type of Account | Account Number (Last Four Digits) | Bank Name |
|------------------------------|-------------------------|-----------------------------------|---|
| Hastings Entertainment, Inc. | Cash Concentration | 9782 | ANB |
| Hastings Entertainment, Inc. | Controlled Disbursement | 9790 | ANB |
| Hastings Entertainment, Inc. | Employee Trust | 4942 | ANB |
| Hastings Entertainment, Inc. | Madge Marmaduke | 7358 | ANB |
| Hastings Entertainment, Inc. | Payroll | 9752 | ANB |
| Hastings Entertainment, Inc. | SFS Postage | 5886 | ANB |
| Hastings Entertainment, Inc. | Vendor ACH | 7331 | ANB |
| Hastings Entertainment, Inc. | Controlled Disbursement | 5235 | BofA |
| Hastings Entertainment, Inc. | Master | 6775 | BofA |
| Hastings Entertainment, Inc. | LC Account | 8311 | BofA |
| Hastings Entertainment, Inc. | Store 9301 Account | 9195 | Amarillo National Bank |
| Hastings Entertainment, Inc. | Store 9302 Account | 9042 | City Bank |
| Hastings Entertainment, Inc. | Store 9348 Account | 6470 | US Bank |
| Hastings Entertainment, Inc. | Store 9348-2 Account | 7015 | US Bank |
| Hastings Entertainment, Inc. | Store 9401 Account | 4360 | US Bank |
| Hastings Entertainment, Inc. | Store 9402 Account | 6884 | US Bank |
| Hastings Entertainment, Inc. | Store 9602 Account | 5335 | Commercial Bank of Texas |
| Hastings Entertainment, Inc. | Store 9604 Account | 6916 | Amarillo National Bank |
| Hastings Entertainment, Inc. | Store 9605 Account | 7194 | Amarillo National Bank |
| Hastings Entertainment, Inc. | Store 9606 Account | 5476 | Carlsbad National Bank |
| Hastings Entertainment, Inc. | Store 9607 Account | 1318 | First National Bank |
| Hastings Entertainment, Inc. | Store 9608 Account | 7667 | First Financial Bank |
| Hastings Entertainment, Inc. | Store 9609 Account | 7101 | Citizens Bank |
| Hastings Entertainment, Inc. | Store 9610 Account | 0765 | Broadway Bank |
| Hastings Entertainment, Inc. | Store 9611 Account | 2301 | 1st National Bank |
| Hastings Entertainment, Inc. | Store 9614 Account | 7700 | BBVA Compass Bank |
| Hastings Entertainment, Inc. | Store 9615 Account | 9887 | Centura Bank |
| Hastings Entertainment, Inc. | Store 9618 Account | 5649 | Pioneer Bank |
| Hastings Entertainment, Inc. | Store 9619 Account | 9446 | Prosperity Bank |
| Hastings Entertainment, Inc. | Store 9620 Account | 6892 | US Bank |
| Hastings Entertainment, Inc. | Store 9622 Account | 4731 | IBC Bank |
| Hastings Entertainment, Inc. | Store 9623 Account | 4700 | First Security Bank |
| Hastings Entertainment, Inc. | Store 9627 Account | 3539 | Texas Bank and Trust |
| Hastings Entertainment, Inc. | Store 9628 Account | 1243 | Citizens National Bank at Brownwood |
| Hastings Entertainment, Inc. | Store 9629 Account | 6900 | US Bank |
| Hastings Entertainment, Inc. | Store 9630 Account | 6918 | US Bank |
| Hastings Entertainment, Inc. | Store 9636 Account | 6347 | Washington Federal Bank |
| Hastings Entertainment, Inc. | Store 9639 Account | 6926 | US Bank |
| Hastings Entertainment, Inc. | Store 9642 Account | 9454 | Prosperity Bank |
| Hastings Entertainment, Inc. | Store 9647 Account | 6934 | US Bank |
| Hastings Entertainment, Inc. | Store 9652 Account | 8716 | First National Bank & Trust Co |
| Hastings Entertainment, Inc. | Store 9655 Account | 6965 | Citizens Bank of ADA |
| Hastings Entertainment, Inc. | Store 9660 Account | 7413 | Simmons First National Bank |
| Hastings Entertainment, Inc. | Store 9661 Account | 5161 | First National Bank of Oklahoma |
| Hastings Entertainment, Inc. | Store 9662 Account | 4470 | US Bank |
| Hastings Entertainment, Inc. | Store 9663 Account | 4891 | First National Bank |
| Hastings Entertainment, Inc. | Store 9664 Account | 9713 | Prosperity Bank |
| Hastings Entertainment, Inc. | Store 9666 Account | 6942 | US Bank |
| Hastings Entertainment, Inc. | Store 9668 Account | 3241 | Happy State Bank |
| Hastings Entertainment, Inc. | Store 9672 Account | 8849 | First Security Bank |
| Hastings Entertainment, Inc. | Store 9674 Account | 1317 | Stillwater National Bank & Trust Co |
| Hastings Entertainment, Inc. | Store 9675 Account | 7233 | Central National Bank and Trust Company of Enid |
| Hastings Entertainment, Inc. | Store 9676 Account | 0577 | US Bank |
| Hastings Entertainment, Inc. | Store 9677 Account | 8536 | Broadway Bank |
| Hastings Entertainment, Inc. | Store 9678 Account | 6222 | BancFirst |
| Hastings Entertainment, Inc. | Store 9680 Account | 4439 | US Bank |
| Hastings Entertainment, Inc. | Store 9681 Account | 6959 | US Bank |
| Hastings Entertainment, Inc. | Store 9683 Account | 5746 | WoodForest National Bank |
| Hastings Entertainment, Inc. | Store 9685 Account | 0726 | American Bank of Texas |
| Hastings Entertainment, Inc. | Store 9686 Account | 2112 | Centennial Bank |
| Hastings Entertainment, Inc. | Store 9688 Account | 4488 | US Bank |
| Hastings Entertainment, Inc. | Store 9689 Account | 1901 | IBC Bank |
| Hastings Entertainment, Inc. | Store 9690 Account | 6738 | Central Bank and Trust Co |
| Hastings Entertainment, Inc. | Store 9691 Account | 2240 | American National Bank of Texas |
| Hastings Entertainment, Inc. | Store 9692 Account | 4194 | Citizens Bank & Trust Co |
| Hastings Entertainment, Inc. | Store 9693 Account | 2325 | Valley Bank of Helena |
| Hastings Entertainment, Inc. | Store 9694 Account | 6967 | US Bank |
| Hastings Entertainment, Inc. | Store 9695 Account | 3338 | D.L Evans Bank Idaho Falls |
| Hastings Entertainment, Inc. | Store 9696 Account | 0619 | US Bank |
| Hastings Entertainment, Inc. | Store 9697 Account | 7612 | First Security Bank |
| Hastings Entertainment, Inc. | Store 9698 Account | 1375 | First National Bank in Altus |
| Hastings Entertainment, Inc. | Store 9699 Account | 4462 | US Bank |

| Entity (Debtor) | Type of Account | Account Number (Last Four Digits) | Bank Name |
|------------------------------|-------------------------|-----------------------------------|--|
| Hastings Entertainment, Inc. | Store 9701 Account | 8768 | Branch Banking & Trust Company |
| Hastings Entertainment, Inc. | Store 9702 Account | 4710 | US Bank |
| Hastings Entertainment, Inc. | Store 9703 Account | 1201 | BanCorpSouth Bank |
| Hastings Entertainment, Inc. | Store 9707 Account | 4512 | US Bank |
| Hastings Entertainment, Inc. | Store 9715 Account | 6462 | US Bank |
| Hastings Entertainment, Inc. | Store 9719 Account | 3255 | Auburn Bank |
| Hastings Entertainment, Inc. | Store 9723 Account | 5336 | Commerce Bank |
| Hastings Entertainment, Inc. | Store 9724 Account | 4587 | US Bank |
| Hastings Entertainment, Inc. | Store 9726 Account | 9802 | Arvest Bank |
| Hastings Entertainment, Inc. | Store 9727 Account | 0593 | US Bank |
| Hastings Entertainment, Inc. | Store 9729 Account | 9629 | US Bank |
| Hastings Entertainment, Inc. | Store 9730 Account | 4504 | US Bank |
| Hastings Entertainment, Inc. | Store 9736 Account | 1488 | Arvest Bank |
| Hastings Entertainment, Inc. | Store 9737 Account | 8358 | Centennial Bank |
| Hastings Entertainment, Inc. | Store 9739 Account | 5169 | Commerce Bank |
| Hastings Entertainment, Inc. | Store 9740 Account | 5713 | First Citizens National Bank Green Village |
| Hastings Entertainment, Inc. | Store 9741 Account | 4579 | US Bank |
| Hastings Entertainment, Inc. | Store 9742 Account | 2817 | US Bank |
| Hastings Entertainment, Inc. | Store 9744 Account | 4611 | US Bank |
| Hastings Entertainment, Inc. | Store 9745 Account | 4652 | US Bank |
| Hastings Entertainment, Inc. | Store 9746 Account | 5211 | Guaranty Bank & Trust |
| Hastings Entertainment, Inc. | Store 9747 Account | 4694 | US Bank |
| Hastings Entertainment, Inc. | Store 9750 Account | 9514 | City Bank |
| Hastings Entertainment, Inc. | Store 9757 Account | 2255 | New Mexico Bank & Trust |
| Hastings Entertainment, Inc. | Store 9758 Account | 4736 | US Bank |
| Hastings Entertainment, Inc. | Store 9759 Account | 4447 | US Bank |
| Hastings Entertainment, Inc. | Store 9760 Account | 8618 | Amarillo National Bank |
| Hastings Entertainment, Inc. | Store 9767 Account | 5087 | Regions Bank |
| Hastings Entertainment, Inc. | Store 9768 Account | 9034 | City Bank |
| Hastings Entertainment, Inc. | Store 9769 Account | 3875 | US Bank |
| Hastings Entertainment, Inc. | Store 9770 Account | 5928 | US Bank |
| Hastings Entertainment, Inc. | Store 9801 Account | 1047 | Mohave State Bank |
| Hastings Entertainment, Inc. | Store 9802 Account | 3634 | National Bank of Arizona |
| Hastings Entertainment, Inc. | Store 9803 Account | 4546 | US Bank |
| Hastings Entertainment, Inc. | Store 9807 Account | 9408 | Bank of Utah |
| Hastings Entertainment, Inc. | Store 9810 Account | 3549 | National Bank of Arizona |
| Hastings Entertainment, Inc. | Store 9813 Account | 9637 | US Bank |
| Hastings Entertainment, Inc. | Store 9817 Account | 4686 | US Bank |
| Hastings Entertainment, Inc. | Store 9822 Account | 9645 | US Bank |
| Hastings Entertainment, Inc. | Store 9823 Account | 4629 | US Bank |
| Hastings Entertainment, Inc. | Store 9824 Account | 4660 | US Bank |
| Hastings Entertainment, Inc. | Store 9826 Account | 2691 | Texas First State Bank |
| Hastings Entertainment, Inc. | Store 9827 Account | 0371 | Southside Bank |
| Hastings Entertainment, Inc. | Store 9828 Account | 9652 | US Bank |
| Hastings Entertainment, Inc. | Store 9830 Account | 4007 | Banner Bank |
| Hastings Entertainment, Inc. | Store 9831 Account | 9686 | US Bank |
| Hastings Entertainment, Inc. | Store 9832 Account | 4702 | US Bank |
| Hastings Entertainment, Inc. | Store 9836 Account | 3342 | Republic Bank & Trust |
| Hastings Entertainment, Inc. | Store 9840 Account | 4397 | US Bank |
| Hastings Entertainment, Inc. | Store 9850 Account | 0048 | Zions Bank |
| Hastings Entertainment, Inc. | Store 9851 Account | 5988 | National Bank of Arizona |
| Hastings Entertainment, Inc. | Store 9865 Account | 9694 | US Bank |
| Hastings Entertainment, Inc. | Store 9866 Account | 4405 | US Bank |
| Hastings Entertainment, Inc. | Store 9867 Account | 7990 | Yukon National Bank |
| Hastings Entertainment, Inc. | Store 9869 Account | 4603 | US Bank |
| Hastings Entertainment, Inc. | Store 9874 Account | 7713 | National Bank of Arizona |
| Hastings Entertainment, Inc. | Store 9875 Account | 4413 | US Bank |
| Hastings Entertainment, Inc. | Store 9876 Account | 4073 | Commerce Bank |
| Hastings Entertainment, Inc. | Store 9878 Account | 4645 | US Bank |
| Hastings Entertainment, Inc. | Store 9879 Account | 4421 | US Bank |
| Hastings Entertainment, Inc. | Store 9880 Account | 7675 | First Financial Bank |
| Hastings Entertainment, Inc. | Store 9883 Account | 2553 | Citizens National Bank of Texas |
| Hastings Entertainment, Inc. | Store 9885 Account | 4637 | US Bank |
| Hastings Entertainment, Inc. | Store 9887 Account | 9702 | US Bank |
| Hastings Entertainment, Inc. | Store 9890 Account | 5537 | Extraco Bank |
| Hastings Entertainment, Inc. | Store 9891 Account | 0570 | BBVA Compass Bank |
| Hastings Entertainment, Inc. | Store 9894 Account | 2072 | SunTrust |
| Hastings Entertainment, Inc. | Store 9895 Account | 9462 | Prosperity Bank |
| Hastings Entertainment, Inc. | Store 9896 Account | 6975 | US Bank |
| SP Images, Inc. | Cash Concentration | 9221 | ANB |
| SP Images, Inc. | Controlled Disbursement | 9248 | ANB |
| SP Images, Inc. | Employee Trust Account | 9256 | ANB |

| Entity (Debtor) | Type of Account | Account Number (Last Four Digits) | Bank Name |
|--------------------------|----------------------------|-----------------------------------|-------------|
| SP Images, Inc. | Payroll Account | 9264 | ANB |
| MovieStop, LLC | Cash Concentration | 3033 | BB&T |
| MovieStop, LLC | Controlled Disbursement | 3084 | BB&T |
| MovieStop, LLC | Payroll | 3092 | BB&T |
| MovieStop, LLC | Store 7001 Account | 4126 | BB&T |
| MovieStop, LLC | Store 7002 Account | 5704 | BofA |
| MovieStop, LLC | Store 7003 Account | 4134 | BB&T |
| MovieStop, LLC | Store 7004 Account | 4142 | BB&T |
| MovieStop, LLC | Store 7005 Account | 4150 | BB&T |
| MovieStop, LLC | Store 7008 Account | 4169 | BB&T |
| MovieStop, LLC | Store 7009 Account | 5746 | BofA |
| MovieStop, LLC | Store 7010 Account | 4177 | BB&T |
| MovieStop, LLC | Store 7012 Account | 4185 | BB&T |
| MovieStop, LLC | Store 7016 Account | 4193 | BB&T |
| MovieStop, LLC | Store 7021 Account | 4207 | BB&T |
| MovieStop, LLC | Store 7022 Account | 4215 | BB&T |
| MovieStop, LLC | Store 7023 Account | 9610 | WELLS FARGO |
| MovieStop, LLC | Store 7025 Account | 9628 | WELLS FARGO |
| MovieStop, LLC | Store 7026 Account | 9636 | WELLS FARGO |
| MovieStop, LLC | Store 7030 Account | 5712 | BofA |
| MovieStop, LLC | Store 7031 Account | 4002 | BB&T |
| MovieStop, LLC | Store 7035 Account | 9669 | WELLS FARGO |
| MovieStop, LLC | Store 7037 Account | 4010 | BB&T |
| MovieStop, LLC | Store 7038 Account | 4029 | BB&T |
| MovieStop, LLC | Store 7042 Account | 4037 | BB&T |
| MovieStop, LLC | Store 7043 Account | 4045 | BB&T |
| MovieStop, LLC | Store 7045 Account | 5720 | BofA |
| MovieStop, LLC | Store 7047 Account | 4053 | BB&T |
| MovieStop, LLC | Store 7049 Account | 9437 | WELLS FARGO |
| MovieStop, LLC | Store 7051 Account | 9452 | WELLS FARGO |
| MovieStop, LLC | Store 7053 Account | 9460 | WELLS FARGO |
| MovieStop, LLC | Store 7054 Account | 4061 | BB&T |
| MovieStop, LLC | Store 7055 Account | 9478 | WELLS FARGO |
| MovieStop, LLC | Store 7057 Account | 5688 | BofA |
| MovieStop, LLC | Store 7058 Account | 9486 | WELLS FARGO |
| MovieStop, LLC | Store 7061 Account | 5696 | BofA |
| MovieStop, LLC | Store 7062 Account | 9494 | WELLS FARGO |
| MovieStop, LLC | Store 7069 Account | 5670 | BofA |
| MovieStop, LLC | Store 7070 Account | 4088 | BB&T |
| MovieStop, LLC | Store 7101 Account | 4096 | BB&T |
| MovieStop, LLC | Store 7104 Account | 9502 | WELLS FARGO |
| MovieStop, LLC | Store 7106 Account | 4118 | BB&T |
| MovieStop, LLC | Store 7039 Account | 8820 | BB&T |
| MovieStop, LLC | Store 7046 Account | 5738 | BofA |
| MovieStop, LLC | Store 7046 Account | 8812 | BB&T |
| Hastings Internet, Inc. | Internet | 0268 | ANB |
| Draw Another Circle, LLC | Collection / Disbursements | 6765 | SunTrust |