

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re

DRAW ANOTHER CIRCLE, LLC, *et al.*,¹

Debtors.

Chapter 11

Case No.: 16-11452 (KJC)

(Jointly Administered)

**NOTICE OF (I) ESTABLISHMENT OF SOLICITATION AND VOTING
PROCEDURES AND (II) FINAL HEARING ON CONFIRMATION OF
COMBINED PLAN AND DISCLOSURE STATEMENT**

TO ALL PARTIES IN INTEREST WITH RESPECT TO DRAW ANOTHER CIRCLE, LLC; HASTINGS ENTERTAINMENT, INC.; MOVIESTOP, LLC; SP IMAGES, INC.; AND HASTINGS INTERNET, INC. (COLLECTIVELY, THE “DEBTORS”), PLEASE TAKE NOTICE THAT:

You may access a copy of the Combined Plan and Disclosure Statement² via the Debtors’ Balloting Agent’s website, <http://www.omningt.com/hastings/plandocuments>.

If you wish to receive a hard copy of the Combined Plan and Disclosure Statement, please contact the Debtors’ Balloting Agent by phone at (866) 411-6983, or by email at hastingsbardate@omningt.com.

Plan Confirmation Hearing. The Bankruptcy Court shall hold a hearing (the “Plan Confirmation Hearing”) to consider final approval of the adequacy of the Disclosure Statement and confirmation of the Plan set forth in the *Debtors’ and the Committee’s* (the “Plan Proponents”) *Combined Disclosure Statement and Plan of Liquidation Under Chapter 11 of the Bankruptcy Code* [D.I. 1008] (as amended, modified, or supplemented from time to time, the “Combined Plan and Disclosure Statement”) on **February 14, 2017 at 2:30 p.m. (Eastern Time)**, before the Honorable Kevin J. Carey, United States Bankruptcy Judge, in Courtroom #5

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 not otherwise defined herein shall be given the meanings ascribed to them in the Motion or the Combined Plan and Disclosure Statement, as applicable.

of the United States Bankruptcy Court for the District of Delaware, 824 North Market Street, 5th Floor, Wilmington, Delaware 19801. The Plan Confirmation Hearing may be continued from time to time without further notice other than the announcement by the Plan Proponents in open court of the adjourned date(s) at the Plan Confirmation Hearing or any continued hearing or as indicated in any notice of agenda of matters scheduled for hearing filed with the Bankruptcy Court. The Plan Proponents may modify the Combined Plan and Disclosure Statement, if necessary, prior to, during, or as a result of the Plan Confirmation Hearing in accordance with the terms of the Combined Plan and Disclosure Statement without further notice.

Voting Procedures. Holders of Class 5 Claims against the Debtors' estates as the date the Court enters the Interim Approval and Procedures Order (the "Voting Record Date") are entitled to vote. If you hold such a claim, you will receive a solicitation package which shall include, among other things, a copy of (i) this Notice and (ii) one or more Ballots. Please review the Ballot(s) and the instructions included therewith for how to vote on the Plan. Failure to follow the voting instructions may disqualify your vote.

Voting Deadline. The deadline to vote on the Plan is **February 2, 2017 at 5:00 p.m. (Eastern Time)** (the "Voting Deadline"). The Debtors' Balloting Agent, Rust Consulting/Omni Bankruptcy, must **receive** your ballot with an original signature by the Voting Deadline, otherwise your vote will not be counted. In order for your Ballot to count, you must (1) properly complete, date, and execute the Ballot and (2) deliver the Ballot to the Balloting Agent by regular mail, overnight courier or hand delivery to the Balloting Agent at the following address: Rust Consulting/Omni Bankruptcy, re: Draw Another Circle, LLC, *et al.*, 5955 DeSoto Ave., Suite 100 Woodland Hills, CA 91367. Ballots submitted by facsimile, e-mail or other electronic communication will not be counted.

Objections to Plan Confirmation. All objections and responses to confirmation of the Plan or the final approval of the adequacy of the Disclosure Statement must be in writing, must conform to the Bankruptcy Rules, must set forth the name of the objector, the nature and amount of Claims or Interests held or asserted by the objector against the Debtors, the basis for the objection and the specific grounds of the objection, and must be filed with the Bankruptcy Court, with a copy sent to chambers, together with proof of service thereof, and served, so as to be received no later than **February 2, 2017 at 4:00 p.m. (Eastern Time)**, upon: (i) counsel to the Debtors, Whiteford Taylor & Preston LLC, The Renaissance Centre, 405 North King Street, Suite 500, Wilmington, DE 19801 (Attn: Christopher M. Samis, Esq. & L. Katherine Good, Esq.); (ii) corporate counsel to the Debtors, Cooley LLP, 1114 Avenue of the Americas, New York, NY 10036 (Attn: Cathy Hershcopf, Esq.); (iii) counsel to the Creditors' Committee, Lowenstein Sandler LLP, 65 Livingston Avenue, Roseland, NJ 07068 (Attn: Bruce Buechler, Esq.) and 1251 Avenue of the Americas, New York, NY 10020 (Attn: Bruce S. Nathan, Esq. & Eric S. Chafetz, Esq.); (iv) co-counsel to the Creditors' Committee, Goldstein & McClintock LLLP, 1201 North Orange Street, Suite 7380, Wilmington, DE 19801 (Attn: Maria Aprile Sawczuk, Esq.); (v) the Office of the United States Trustee, 844 King Street, Suite 2207, Lockbox #35, Wilmington, Delaware, 19899 (Attn: Hannah Mufson McCollum, Esq.); and (vi) such other parties as the Bankruptcy Court may order. Pursuant to Bankruptcy Rule 3020(b), if no objection to confirmation of the Plan is timely filed, the Bankruptcy Court may determine that

the Plan has been proposed in good faith and not by any means forbidden by law without receiving evidence on such issues.

Additional Information. For more information about the solicitation procedures, please contact Rust Consulting/Omni Bankruptcy, the Debtors' Balloting Agent, by phone at (866) 411-6983, or by email at hastingsbardate@omnimgt.com. To obtain a copy of the Combined Plan and Disclosure Statement or any related documents, please contact **Rust Consulting/Omni Bankruptcy** or visit the Debtors' case website: www.omnimgt.com/sblite/hastings/. **Please note that the Balloting Agent is not permitted to give legal advice.**

Key Dates. Some of the key dates and deadlines related to the Combined Plan and Disclosure Statement are:

Proposed Timetable	
<u>Voting Record Date</u>	December 19, 2016
<u>Solicitation Commencement Date</u>	Within 3 business days of December 19, 2016
<u>Rule 3018 Motion Deadline</u>	January 24, 2017
<u>Rule 3018 Objection Deadline</u>	February 2, 2017
<u>Voting Deadline</u>	February 2, 2017 at 5:00 p.m. (Eastern Time)
<u>Plan Confirmation Objection Deadline</u>	February 2, 2017 at 4:00 p.m. (Eastern Time)
<u>Reply Deadline</u>	February 10, 2017 at 4:00 p.m. (Eastern Time) (or 3 business days prior to the Plan Confirmation Hearing)
<u>Plan Confirmation Hearing</u>	February 14, 2017 at 2:30 p.m. (Eastern Time)

Section XIII of the Combined Plan and Disclosure Statement contains certain injunction, exculpation and release provisions, including, without limitation, an injunction which, if the Combined Plan and Disclosure Statement is confirmed, prevents, among

other things, any Holder of any claim or equity interest or any other party in interest in the Cases from directly or indirectly commencing or continuing, in any manner, any action or other proceeding of any kind against the Debtors, enforcing judgments related to such claims or interests, asserting rights of setoff (except with respect to setoffs fully exercised pre-petition), or interfering in any way with the Combined Plan and Disclosure Statement.

Section XII of the Combined Plan and Disclosure Statement addresses the treatment of executory contracts and unexpired leases. Pursuant to Section XII.A. of the Combined Plan and Disclosure Statement, upon the Effective Date, all executory contracts and unexpired leases not previously assumed and/or assigned, not subject to a pending motion to assume and/or assign as of the Effective Date, or not rejected before the Effective Date, will be deemed rejected.

Pursuant to Section XII.B. of the Combined Plan and Disclosure Statement, if the rejection of an Executory Contract, pursuant to the Combined Plan and Disclosure Statement or otherwise, gives rise to a Rejection Damages Claim, a proof of Claim must be filed with the Claims Agent at by regular mail, overnight courier or hand delivery to the Balloting Agent at the following address: Rust Consulting/Omni Bankruptcy, re: Draw Another Circle, LLC, *et al.*, 5955 DeSoto Ave., Suite 100 Woodland Hills, CA 91367, no later than thirty (30) days after the earlier of (i) the Effective Date or (ii) the date provided in any other applicable Order of the Bankruptcy Court.

Dated: December 20, 2016
Wilmington, Delaware

Respectfully submitted,

/s/ Chantelle D. McClamb

Christopher M. Samis (No. 4909)
L. Katherine Good (No. 5101)
Chantelle D. McClamb (No. 5978)
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