

TUFF TV MEDIA GROUP, LLC
COMPILED FINANCIAL STATEMENTS
FOR THE TWELVE MONTHS ENDED
DECEMBER 31, 2012

Van Huss, Hogan, McCurry & Assoc., PC
Certified Public Accountants
105 Kathi Avenue
Fayetteville, Georgia 30214

October 25, 2013

To The Members
Tuff TV Media Group, LLC
Atlanta, Georgia

We have compiled the accompanying statement of assets, liabilities, and members' equity-income tax basis of TUFF TV MEDIA GROUP, LLC (a limited liability company) as of December 31, 2012, and the related statements of revenues and expenses-income tax basis and changes in members' equity-income tax basis for the twelve months then ended, in accordance with Statements on Standards for Accounting and Review Services issued by the American Institute of Certified Public Accountants. The financial statements have been prepared on the accounting basis used by the Company for income tax purposes, which is a comprehensive basis of accounting other than generally accepted accounting principles.

A compilation is limited to presenting in the form of financial statements information that is the representation of the members. We have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.

The members have elected to omit substantially all of the disclosures ordinarily included in financial statements. If the omitted disclosures were included in the financial statements, they might influence the user's conclusions about the Company's assets, liabilities, equity, revenues, and expenses. Accordingly, these financial statements are not designed for those who are not informed about such matters.

The accompanying financial statements do not include a provision or liability for income taxes because the members are taxed individually on their share of company earnings.

Van Huss, Hogan, McCurry & Associates, P.C.

TUFF TV MEDIA GROUP, LLC
STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY
December 31, 2012

ASSETS

Current assets:			
Cash	\$	100	
Receivables		20,290	
Total current assets			\$ 20,390*
Fixed assets:			
Computer equipment		1,289	
Accumulated depreciation		1,289	
Net fixed assets			0*
Other assets:			
Video library		25,000	
Accumulated amortization		(5,973)	
Total other assets			19,027*
TOTAL ASSETS			\$ 39,417*

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:			
Due to Seals Entertain-			
ment Company	\$	215,157	
Total current liabilities			\$ 215,157*
Subsidiary Capital Accounts			668,115*
Members' Equity			(843,855)*
TOTAL LIABILITIES AND MEMBERS' EQUITY			\$ 39,417*

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

TUFF TV MEDIA GROUP, LLC
STATEMENT OF REVENUE AND EXPENSES
For the twelve months ended December 31, 2012

	— Year to Date —	
	Actual	Percent
<hr/>		
OPERATING REVENUE:		
Sales	\$ 3,600	100.0
* Total operating revenue	3,600	100.0
* Gross profit	3,600	100.0
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OPERATING EXPENSES:		
Advertising & promotion	6,477	179.9
Affiliate relations consulting	(3,500)	(97.2)
Amortization	1,667	46.3
Auto expense	687	19.1
Gas & oil	2,497	69.4
Bank charges	492	13.7
Casual labor	29,350	815.3
Computer & internet exp	2,772	77.0
Dues and publications	530	14.7
Entertainment & meals	4,787	133.0
Guaranteed paymants-Lou	7,967	221.3
Insurance	3,037	84.4
Janitorial service	480	13.3
Office supplies & expense	1,338	37.2
Postage & shipping	249	6.9
Production expense	1,905	52.9
Professional fees	149	4.1
Rent	5,486	152.4
Telephone	4,594	127.6
Travel	6,519	181.1
Uniforms	384	10.7
Utilities	685	19.0
* Total operating expenses	78,552	2182.0
* Operating income (loss)	(74,952)	(2082.0)
Loss fromTuff TV, LLC	(20,546)	(570.7)
* Net income (loss)	\$ (95,498)	(2652.7)

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

TUFF TV MEDIA GROUP, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the twelve months ended December 31, 2012

	<u>Year to Date</u>
Beginning balance	\$ (748,357)
Net income (loss)	(95,498)
Ending balance	<u>\$ (843,855)</u>

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

TUFF TV MEDIA GROUP, LLC
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FOR THE TWELVE MONTHS ENDED
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Tuff TV Media Group, LLC
STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY
December 31, 2011

ASSETS

Current assets:			
Cash	\$	(1,601)	
Receivables		19,124	
Total current assets			\$ 17,524*
Fixed assets:			
Computer equipment		1,289	
Accumulated depreciation		1,289	
Net fixed assets			0*
Other assets:			
Video library		25,000	
Accumulated amortization		(4,306)	
Total other assets			20,694*
TOTAL ASSETS			\$ 38,218*

LIABILITIES AND MEMBERS' EQUITY

Current liabilities:			
Due to Seals Entertainment Company	\$	139,005	
Total current liabilities			\$ 139,005*
Subsidiary Capital Accounts			647,569*
Members' Equity			(748,357)*
TOTAL LIABILITIES AND MEMBERS' EQUITY			\$ 38,218*

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

Tuff TV Media Group, LLC
STATEMENT OF REVENUE AND EXPENSES
For the twelve months ended December 31, 2011

	— Year to Date —	
	Actual	Percent
OPERATING REVENUE:		
Sales	\$ 122,329	100.0
* Total operating revenue	122,329	100.0
* Gross profit	122,329	100.0
OPERATING EXPENSES:		
Advertising & promotion	4,689	3.8
Affiliate relations consulting	15,000	12.3
Amortization	1,667	1.4
Auto expense	4,152	3.4
Gas & oil	5,141	4.2
Bank charges	1,371	1.1
Business gifts	637	0.5
Casual labor	37,020	30.3
Computer & internet exp	5,998	4.9
Depreciation	1,289	1.1
Dues and publications	89	0.1
Entertainment & meals	20,262	16.6
Guaranteed paymants-Lou	30,841	25.2
Insurance	5,382	4.4
Janitorial service	820	0.7
Parking	275	0.2
Web expense	512	0.4
Miscellaneous	377	0.3
Office supplies & expense	9,382	7.7
Postage & shipping	762	0.6
Production expense	455	0.4
Professional fees	7,225	5.9
Rent	27,548	22.5
Repairs	1,650	1.3
Storage	388	0.3
Sub contract	28,058	22.9
Supplies	3,622	3.0
Broadcast supplies	1,620	1.3
Taxes	322	0.3
Telephone	10,823	8.8
Travel	13,481	11.0
Travel meals	1,276	1.0
Travel miscellaneous	812	0.7
Car rental	156	0.1
Uniforms	490	0.4
Utilities	2,222	1.8
* Total operating expenses	245,814	200.9

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

Tuff TV Media Group, LLC
STATEMENT OF REVENUE AND EXPENSES
For the twelve months ended December 31, 2011

	<u>Year to Date</u>	
	<u>Actual</u>	<u>Percent</u>
* Operating income (loss)	(123,486)	(100.9)
Loss fromTuff TV, LLC	(276,503)	(226.0)
* Net income (loss)	<u>\$ (399,989)</u>	<u>(327.0)</u>

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

Tuff TV Media Group, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the twelve months ended December 31, 2011

	<u>Year to Date</u>
Beginning balance	\$ (348,368)
Net income (loss)	(399,989)
Ending balance	<u>\$ (748,357)</u>

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

TUFF TV MEDIA GROUP, LLC
COMPILED FINANCIAL STATEMENTS
FOR THE ONE MONTH ENDED
DECEMBER 31, 2010

Van Huss, Hogan, McCurry & Assoc., PC
Certified Public Accountants
105 Kathi Avenue
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October 25, 2013

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Tuff TV Media Group, LLC
Atlanta, Georgia

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Tuff TV Media Group, LLC
STATEMENT OF ASSETS, LIABILITIES AND MEMBERS' EQUITY
December 31, 2010

ASSETS

Current assets:			
Cash	\$	337	
Total current assets			\$ 337*
Fixed assets:			
Net fixed assets			0*
Other assets:			
Video library		25,000	
Accumulated amortization		(2,639)	
Total other assets			22,361*
TOTAL ASSETS			\$ 22,698*

LIABILITIES AND MEMBERS' EQUITY

Subsidiary Capital Accounts	\$	371,066*
Members' Equity		(348,368)*
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$	22,698*

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

Tuff TV Media Group, LLC
STATEMENT OF REVENUE AND EXPENSES
For the one month ended December 31, 2010

	— Year to Date —	
	Actual	Percent
OPERATING REVENUE:		
Sales	\$ 70,000	100.0
* Total operating revenue	70,000	100.0
* Gross profit	70,000	100.0
OPERATING EXPENSES:		
Amortization	1,667	2.4
Auto expense	3,944	5.6
Gas & oil	1,017	1.5
Casual labor	2,029	2.9
Computer & internet exp	2,775	4.0
Entertainment & meals	2,119	3.0
Guaranteed paymants-Lou	27,629	39.5
Janitorial service	159	0.2
Miscellaneous	1,078	1.5
Office supplies & expense	4,155	5.9
Production expense	6,300	9.0
Rent	9,954	14.2
Supplies	252	0.4
Telephone	1,030	1.5
Travel	2,270	3.2
Travel meals	2,826	4.0
Utilities	2,128	3.0
* Total operating expenses	71,332	101.9
* Operating income (loss)	(1,332)	(1.9)
Loss from Tuff TV, LLC	(364,087)	(520.1)
* Net income (loss)	\$ (365,419)	(522.0)

(See accountants' compilation report)
(Prepared on the Federal income tax basis)

Tuff TV Media Group, LLC
STATEMENT OF CHANGES IN MEMBERS' EQUITY
For the one month ended December 31, 2010

	<u>Year to Date</u>
Beginning balance	\$ 17,051
Net income (loss)	(365,419)
Ending balance	<u>\$ (348,368)</u>

(See accountants' compilation report)
(Prepared on the Federal income tax basis)