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UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re	:	**Chapter 7**
BB LIQUIDATING INC., *et al.*,[1]	:	**Case No. 10-14997 (BRL)**
	:	**(Jointly Administered)**
Debtors.	:	

NOTICE OF FILING OF FINAL REPORT AND ACCOUNT PURSUANT TO BANKRUPTCY RULE 1019(5)(A)(ii)

PLEASE TAKE NOTICE that on July 16, 2013, the United States Bankruptcy Court for the Southern District of New York entered the *Order Pursuant to Section 1112(a) of the Bankruptcy Code and Bankruptcy Rules 1017(f) and 1019 Converting Debtors' Chapter 11 Cases to Cases Under Chapter 7 of the Bankruptcy Code* [Dkt No. 2880] (the "***Conversion Order***").

PLEASE TAKE FURTHER NOTICE that pursuant to the Conversion Order and in accordance with Fed. R. Bankr. P. 1019(5)(A)(ii), the above-captioned debtors and debtors-in-possession hereby file their Final Report, attached hereto as **Exhibit A**.

[1] The Debtors, together with the last four digits of each Debtor's federal tax identification number, are: BB Liquidating Inc. (5102); BB Liquidating Canada Inc. (1269); BB Liquidating Digital Technologies Inc. (9222); BB Liquidating Distribution, Inc. (0610); BB Liquidating GC, Inc. (1855); BB Liquidating Global Services Inc. (3019); BB Liquidating International Spain Inc. (7615); BB Liquidating Investments LLC (6313); BB Liquidating Procurement LP (2546); BB Liquidating Video Italy, Inc (5068); BB Liquidating ML, LLC (5575); BB Liquidating Trading Zone Inc. (8588); and BB Liquidating B2 LLC (5219).

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Dated: August 15, 2013
New York, New York

/s/ Martin A. Sosland

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EXHIBIT A

Final Report and Account

BB Liquidating Inc., et al - Estate
Waterfall Cash to Estate & Allocation of Proceeds
Current Update: August 14, 2013

	Initial Waterfall May 10, 2011	Actual	*Variance*	
Total Sources of Funds	$ 226,179,788	$ 231,844,033	*$ 5,664,245*	
Uses of Funds (Sale Order Paragraph 24)				
Cobalt Expense Reimbursement	(5,000,000)	(5,000,000)	-	
24(a) Carve-Out Expenses	(16,218,363)	(13,374,411)	*2,843,952*	
24(b) DIP Agent / Sr Indenture Trustee	(1,728,886)	(1,769,757)	*(40,871)*	
24(c) DIP Loan Repayment	-	-	-	
24(d) Wind Down Expenses	(10,209,847)	(12,951,851)	*(2,742,004)*	
24(e) Purchase Price Adjustments Escrow	(20,000,000)	(872,233)	*19,127,767*	
24(f) Critical Expenses	(10,000,000)	(6,422,179)	*3,577,821*	
24(g) Specified Studio - Rev Share / PRP / EOT Tail	(4,400,000)	(3,752,454)	*647,547*	
24(h) Specified Studio - CFD	(3,000,000)	(3,000,000)	-	
24(i) Administrative Priority	(45,359,300)	(26,825,134)	*18,534,166*	
24(j) $125mm Roll-Up Notes	(110,263,392)	(124,618,000)	*(14,354,608)*	
24(k) Administrative Account	-	(4,000,000)	*(4,000,000)*	(A)
24(l) Admin and Secured Noteholder Split	-	(28,823,660)	*(28,823,660)*	(B) (C)
Total Uses of Funds	(226,179,788)	(231,409,679)	*(5,229,891)*	
Net Cash Balance	**$ -**	**$ 434,354**	***$ 434,354***	(D) (E)

Notes:

(A) Excludes (i) $3,500,000 funded to Administrative Account prior to closing of sale transaction, and (ii) additional amounts funded to Administrative Account pursuant to Section 24(l) of Sale Order.

(B) Paid 75% to Secured Noteholders and 25% to Administrative Account for the benefit of holders of Operating Period Claims.

(C) Administrative Account received a total of $14,705,915 for the benefit of holders of Operating Period Claims, comprised of the $3,500,000 referenced in note (A) and amounts funded pursuant to Sections 24(k) and (l) of the Sale Order.

(D) Represents book balance of Debtors' bank account as of August 14, 2013. Bank balance at time of conversion to chapter 7 totaled $467,644 due to 24 outstanding checks totaling $33,290 that had not been presented to the bank prior to conversion to chapter 7.

(E) Additionally, KCC turned over $187,505 from the Administrative Account for the benefit of holders of Operating Period Claims. Of this amount, $7,099 is on account of 3 outstanding checks to 3 holders of Operating Period Claims, whose checks had not been presented to the bank prior to turn over of the funds to the chapter 7 trustee.