

MC2 MODEL MANAGEMENT GROUP
1/31/2011

| | NEW YORK | MIAMI | ELIMINATIONS | CONSOLIDATED | 12/31/2010 | Difference | Comment |
|------------------------------------------------------------|-----------------------|---------------------|---------------------|-----------------------|-----------------------|-------------------|------------------------------------------------------|
| ASSETS | | | | | | | |
| CURRENT ASSETS | | | | | | | |
| CASH | 14,883.88 | 346,324.55 | | 361,208.43 | 330,026.83 | 31,181.60 | |
| ACCOUNTS RECEIVABLE - NO RESERVE | 886,304.91 | 808,055.06 | | 1,694,359.97 | 1,400,207.35 | 294,152.62 | Increase mostly in NY (McCann Erickson, Revlon) |
| OTHER RECEIVABLES | 61,275.61 | 10,612.18 | | 71,887.79 | 77,998.89 | (6,111.10) | includes \$57k due from MMG from 2006 |
| PREPAID EXPENSES | 3,050.00 | 10,857.23 | | 13,907.23 | - | 13,907.23 | |
| DUE FROM MODELS | 95,868.87 | 8,635.93 | | 104,504.80 | 98,675.76 | 5,829.04 | Advances to models paid through payroll |
| DUE FROM GROUP COMPANIES | | 235,703.81 | (235,703.81) | - | - | - | interco between Miami and NY |
| TOTAL CURRENT ASSETS | 1,061,383.27 | 1,420,188.76 | (235,703.81) | 2,245,868.22 | 1,906,908.83 | | |
| PROPERTY AND EQUIPMENT - NET | 78,143.23 | 57,260.17 | | 135,403.40 | 128,649.29 | 6,754.11 | Furniture in Miami+ Computer in NY |
| OTHER ASSETS | | | | | | | |
| SECURITY DEPOSITS | 9,371.00 | 12,198.00 | | 21,569.00 | 21,569.00 | - | |
| OTHER ASSETS | | | | - | - | - | |
| TOTAL OTHER ASSETS | 9,371.00 | 12,198.00 | - | 21,569.00 | 21,569.00 | | |
| TOTAL ASSETS | 1,148,897.50 | 1,489,646.93 | (235,703.81) | 2,402,840.62 | 2,057,127.12 | 345,713.50 | |
| LIABILITIES AND STOCKHOLDERS EQUITY | | | | | | | |
| CURRENT LIABILITIES | | | | | | | |
| ACCOUNTS PAYABLE & ACCRUED EXPENSES | 341,873.77 | 154,281.26 | | 496,155.03 | 351,467.37 | 144,687.66 | |
| MODELS PAYABLE | 819,951.88 | 457,912.94 | | 1,277,864.82 | 1,220,197.35 | 57,667.47 | |
| DUE TO GROUP COMPANIES | 225,632.30 | 389,128.66 | (235,703.81) | 379,057.15 | 389,111.91 | (10,054.76) | in Miami includes payables to Next Time and Karin NY |
| MELLON NOTE | 476,795.50 | 307,802.74 | | 784,598.24 | 784,598.24 | - | |
| MODELS WITHHOLDING PAYABLE | 977,024.57 | 589,947.71 | | 1,566,972.28 | 1,584,563.88 | (17,591.60) | |
| MOTHER AGENCY PAYABLE | 170,070.72 | 10,727.61 | | 180,798.33 | 168,637.38 | 12,160.95 | |
| TOTAL CURRENT LIABILITIES | 3,011,348.74 | 1,909,800.92 | (235,703.81) | 4,685,445.85 | 4,498,576.13 | | |
| MEMBERS EQUITY (DEFICIT) | | | | | | | |
| MEMBERS DRAW | | | | - | - | - | |
| RETAINED (DEFICIT) EARNINGS | (1,862,451.24) | (420,153.99) | | (2,282,605.23) | (2,441,449.01) | 158,843.78 | |
| TOTAL MEMBERS EQUITY (DEFICIT) | (1,862,451.24) | (420,153.99) | - | (2,282,605.23) | (2,441,449.01) | | |
| TOTAL LIABILITIES AND STOCKHOLDERS (DEFICIT) EQUITY | 1,148,897.50 | 1,489,646.93 | (235,703.81) | 2,402,840.62 | 2,057,127.12 | 345,713.50 | |

1/31/2011

| | 1 MONTH ENDING 01/31/2011 | | |
|--------------------------------|---------------------------|----------------------|----------------------|
| | NEW YORK | MIAMI | CONSOLIDATED |
| MODEL EARNINGS | | | |
| GROSS BILLINGS | \$ 426,785.88 | \$ 495,461.80 | \$ 922,247.68 |
| MODEL EARNINGS | \$ (292,297.80) | \$ (350,133.75) | \$ (642,431.55) |
| MOTHER AGENCY FEES | \$ (8,717.28) | \$ (12,621.28) | \$ (21,338.56) |
| NET MODEL EARNINGS | <u>\$ 125,770.80</u> | <u>\$ 132,706.77</u> | <u>\$ 258,477.57</u> |
| GROSS MARGIN | 29.47% | 26.78% | 28.03% |
| OPERATING EXPENSES | <u>\$ 65,164.94</u> | <u>\$ 91,170.72</u> | <u>\$ 156,335.66</u> |
| OTHER INCOME (EXPENSES) | | | |
| MOTHER AGENCY INCOME | | | \$ - |
| PRODUCTION INCOME | | \$ 20,982.32 | \$ 20,982.32 |
| INTEREST EXPENSE | \$ (1,317.47) | \$ (878.32) | \$ (2,195.79) |
| MISCELLANEOUS INCOME | | | \$ - |
| TAX EXPENSE | | | \$ - |
| TOTAL OTHER EXPENSES | <u>\$ (1,317.47)</u> | <u>\$ 20,104.00</u> | <u>\$ 18,786.53</u> |
| NET INCOME (LOSS) | <u>\$ 59,288.39</u> | <u>\$ 61,640.05</u> | <u>\$ 120,928.44</u> |
| PER TRIAL BALANCE | \$ 59,288.39 | \$ 61,640.05 | \$ 120,928.44 |
| DIFFERENCE | \$ 0.00 | \$ - | \$ (0.00) |

Internal Reporting

MC2 MODEL MANAGEMENT GROUP
1/31/2011

| | 1 MONTHS ENDING 01/31/2011 | | |
|-----------------------------------|-----------------------------------|------------------|---------------------|
| | NEW YORK | MIAMI | CONSOLIDATED |
| SALARIES | 22,694.00 | 33,703.40 | 56,397.40 |
| PAYROLL TAXES | 3,268.21 | 4,558.58 | 7,826.79 |
| EMPLOYEE BENEFITS | (131.50) | (789.00) | (920.50) |
| RENT | 5,450.00 | 8,457.23 | 13,907.23 |
| UTILITIES | 1,534.83 | | 1,534.83 |
| OFFICE CLEANING, R& M | 863.47 | 500.00 | 1,363.47 |
| MODEL EXPENSES | 1,996.05 | 4,732.12 | 6,728.17 |
| EQUIPMENT R&M | | 1,251.51 | 1,251.51 |
| DUES & SUBCRIPTIONS | | | - |
| DONATIONS | | | - |
| ADVERTISING & PROMO | | | - |
| TELEPHONE | 3,361.59 | 1,436.39 | 4,797.98 |
| PROFESSIONAL FEES | | 4,606.25 | 4,606.25 |
| EQUIPMENT LEASES | | 685.51 | 685.51 |
| TRAVEL AND ENTERTAINMENT | 11,141.20 | 16,291.40 | 27,432.60 |
| SCOUTING EXPENSES | 9,072.71 | 4,825.06 | 13,897.77 |
| INTERNET & MISC COMPUTER EXPENSES | | 844.94 | 844.94 |
| OFFICE SUPPLIES AND EXPENSE | 2,937.41 | 2,079.26 | 5,016.67 |
| POSTAGE & DELIVERY | | 320.10 | 320.10 |
| INSURANCE | 318.71 | 4,242.15 | 4,560.86 |
| STATIONARY & PRINTING | 386.85 | 386.31 | 773.16 |
| STORAGE | | 594.92 | 594.92 |
| MOVING EXPENSES | | | - |
| CORPORATE CAR & APARTMENT | 52.81 | 29.52 | 82.33 |
| OUTSIDE SERVICES | 2,080.00 | 1,450.00 | 3,530.00 |
| BANK, MERCHANT AND PAYROLL FEES | 138.60 | 965.07 | 1,103.67 |
| DEPRECIATION | | | - |
| MISCELLANEOUS | | | - |
| | <u>65,164.94</u> | <u>91,170.72</u> | <u>156,335.66</u> |

Internal Reporting