

Rich Kahn
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September 26, 2009

Rich,

In follow up to our last meeting I am providing you with reports discussed that will show you how we intend to position MC2 Model Management as we enter 2010. We have reduced our operational expenses in both offices in order to have a 4.5 million dollar gross billing breakeven point for the calendar year 2010. We look to the 4th quarter for a strong finish to round out the year with a 6.9 million dollar consolidated gross billing for the 2009 calendar year. Reaching this goal will have us close 2009 without a consolidated net operating loss or a nominal one if any.

We look to the 4th quarter with optimism as the economy has slowly been starting to move again in the 2nd half of 2009 and we have seen this mirrored in the production and planning of retail advertising. We recognize that we will be challenged in the 4th quarter to meet our goals but are finishing 2009 in what we believe is a healthy position for the future with a reduction in expenses that allows the company to maintain the current income level and still have room to increase revenue for 2010.

At present we have retained Monte Engler of the law firm Phillips Nizer in order to begin the resolution of our open tax issue. We are discussing and putting together a plan in order to service this liability over time. As we have just begun this process it is difficult to make any further forward looking statements; however, we will attempt below to factor that liability into the repayment of our line of credit. It is obviously imperative for us to meet our obligations to the government in order to continue to operate the business and service our debt to the line of credit.

During the 4th Quarter of 2009 we will make our best efforts to pay back as much as we can toward the line of credit. Below I am outlining a proposed payment plan for 2010, and onward, based on the following gross billing estimates; providing that we are able to set an annual payment plan with the IRS for \$240,000 per year.

Gross Billings	Gross Profit (27.5% Margin)	Projected Net Income	Available for Debt Reduction	
			IRS	Line of Credit
4,500,000	1,237,500		-	-
5,500,000	1,512,500	270,000	240,000	30,000
6,000,000	1,650,000	410,000	240,000	170,000
6,500,000	1,787,500	550,000	240,000	310,000
7,000,000	1,925,000	640,000	240,000	400,000
7,500,000	2,062,500	740,000	240,000	500,000
8,000,000	2,200,000	790,000	240,000	550,000
8,500,000	2,337,500	890,000	240,000	650,000
9,000,000	2,475,000	940,000	240,000	700,000

Fluctuations and variances of the above figures are pending the finalization of an agreement with the IRS that is being prepared for initiation. I've posted more conservative numbers as our profitability increases taking into account the necessity for key employee bonuses, the potential for slightly more support staff, and possibility of an increased need for promotion and travel.

Realistic performance estimates for 2010 fall in the range of 6.5MM to 7.5MM. Looking forward this should allow us to service our IRS debt and repay the line of credit within 36 months conservatively or sooner depending on the businesses performance and productivity. In the event that we are not able to broker the deal we wish to with the IRS and the company performs on the conservative end of the above estimates it could be reasonable forecast a repayment schedule taking as long as 48 months.

Sincerely,

Jeff R Fuller

