

Form 7. **AMENDED STATEMENT OF FINANCIAL AFFAIRS**

UNITED STATES BANKRUPTCY COURT
Northern District of California
Oakland Division

In re: **NATURAL WONDERS, INC., Debtor-in-Possession.**

Case No. **00-46943-T-11**

AMENDED STATEMENT OF FINANCIAL AFFAIRS^A

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs.

Questions 1-18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19-25. **If the answer to any applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within the **six years** immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or person in control of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and owner of 5% or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. § 101(30).

A Natural Wonders, Inc. ("Debtor" or "NWI") purchased World of Science, Inc. ("WOSI") on September 11, 2000, and on that date WOSI and NWI announced their intent to merge, with NWI to be the surviving entity. NWI and WOSI were in the process of finalizing the merger prior to their bankruptcy filings. NWI and WOSI believe that as of the date of their bankruptcy filings, their operations had been consolidated into NWI, and such operations were subject to the management and control of NWI. Counsel for the Debtor and WOSI is considering bringing a motion to substantively consolidate the NWI's and WOSI's bankruptcy cases, and any amended versions thereof. Parties are invited to review the Statement of Affairs and Schedules filed in the WOSI bankruptcy case (Case No. 00-46944 filed in the Northern District of California, Oakland Division) when reviewing this document.

1. Income from employment or operation of business

None

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| TIME PERIOD COVERED | AMOUNT | SOURCE (if more than one) |
|---------------------------------------|----------------|--|
| Fiscal YTD 2000 1/30/00 – 12/17/00 | \$ 119,505,888 | Sales to customers from retail locations |
| Fiscal Year 1999 1/31/99 – 1/29/00 | \$ 147,088,785 | Sales to customers from retail locations |
| Fiscal Year 1998 2/1/98 – 1/30/99 | \$ 149,820,712 | Sales to customers from retail locations |

2. Income other than from employment or operation of business

None

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| TIME PERIOD COVERED | AMOUNT | SOURCE (if more than one) |
|---------------------|--------|------------------------------|
|---------------------|--------|------------------------------|

3. Payments to creditors

None

a. List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within **90 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF CREDITOR | DATES OF PAYMENTS | AMOUNT PAID | AMOUNT STILL OWING |
|----------------------------|----------------------|--|--------------------|
| Various Creditors | Various | (PLEASE SEE EXHIBIT 1 – ATTACHMENT “SOFA-3.a.”) | |

None

b. List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF CREDITOR | DATES OF PAYMENTS | AMOUNT PAID | AMOUNT STILL OWING |
|----------------------------|-------------------|--|--------------------|
| Various Parties | Various | (PLEASE SEE EXHIBIT 2 – ATTACHMENT “SOFA-3.b.”) | |

4. Suits, administrative proceedings, executions, garnishments and attachments

None

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| | CAPTION OF SUIT AND CASE NUMBER | NATURE OF PROCEEDNG | COURT OR AGENCY AND LOCATION | STATUS OR DISPOSITION |
|----|---|--|---|--|
| 1. | <i>Nikken USA, Inc., v. HoMedics, USA, Inc., Natural Wonders, Inc., et al;</i> Case CV-99-9606 LGM (MANx); Case CV 99-10549 LGB (MANx) | Class action lawsuit | United States District Court, Central District of California | Pending |
| 2. | <i>Meade Instruments Corp. v. Natural Wonders, Inc., World of Science, Inc., et al;</i> Case No. 00-CC-9788 | Breach of contract | Superior Court of the State of California for the County of Orange | Settlement agreement executed 11/27/00 |
| 3. | <i>Victoria Porter, et al v. Natural Wonders, Inc.;</i> Case No. OCN L 4186-00 | Personal injury | Superior Court of New Jersey, Ocean County Law Division | Pending |
| 4. | <i>Priscilla Johnson v. Natural Wonders Delaware Corporation, and Does 1 to 50 inclusive</i> Case No. OOT03949 | Personal injury | Superior Court of the State of California for the County of Los Angeles | Pending |
| 5. | <i>Ross Berry v. Natural Wonders, Inc.;</i> Case No. HRC #99421E- EEOC #10DA00033 | Discrimination; wrongful termination (violation of Ch. 11 of Code of Fairfax County, VA) | Human Rights Commission, County of Fairfax Virginia | Pending |
| 6. | <i>State of New Jersey v. Natural Wonders;</i> Complaint Numbers: WML-00-000176 thru WML-00-000180 and WML-00-000232 thru WML-00-000236 | Complaints for improper declaration of quantity and failure to include names and addresses on packages, etc. | Municipal Court, Lawrence Township, New Jersey | Pending |
| 7. | <i>Lynn Friedhaber v. Natural Wonders, Inc. and Fireman's Fund Insurance Company;</i> Claim Number: 061-56-7436 | Personal injury - workers' compensation claim | State of Florida, Department of Labor and Employment Security, Office of the Judge of Compensation Claims, District B | Pending |

| | CAPTION OF SUIT AND CASE NUMBER | NATURE OF PROCEDNG | COURT OR AGENCY AND LOCATION | STATUS OR DISPOSITION |
|----|---|---|--|-----------------------|
| 8. | <i>Bookstone Company, Inc., et al. v. Pyramid Company of Hadley, et al.;</i> Case Number: 96-CV-1215 | RICO, violation of state deceptive practices statutes, common law fraud, breach of contract, conversion, etc. | United States District Court for the Northern District of New York | Pending |
| | | | | |

None

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED

DATE OF SEIZURE

DESCRIPTION AND VALUE OF PROPERTY

5. Repossessions, foreclosures and returns

None

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CREDITOR OR SELLER

DATE OF REPOSSESSION, FORECLOSURE SALE, TRANSER OR RETURN

DESCRIPTION AND VALUE OF PROPERTY

6. Assignments and receiverships

None

a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF ASSIGNEE

DATE OF ASSIGNMENT

TERMS OF ASSIGNMENT OR SETTLEMENT

None

b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CUSTODIAN

NAME & LOCATION OF COURT, CASE TITLE & NUMBER

DATE OF ORDER

DESCRIPTION AND VALUE OF PROPERTY

7. Gifts

None

List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF PERSON OR ORGANIZATION | RELATIONSHIP TO DEBTOR, IF ANY | DATE OF GIFT | DESCRIPTION AND VALUE OF GIFT |
|--|--------------------------------|-------------------|---------------------------------|
| Goodwill Industries | None | 12/18/99-12/17/00 | Various merchandise \$19,029.56 |

8. Losses

None

List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| DESCRIPTION | VALUE OF PROPERTY | DESCRIPTION OF CIRCUMSTANCES AND, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS | DATE OF LOSS |
|--|-------------------------------------|--|---------------------------|
| Freight Claims | \$ 15,011 | Merchandise lost in shipment to stores (no insurance) | Various 12/18/99-12/17/00 |
| Theft | \$540,744 | Portion of Inventory Shrink at Cost (no insurance) | Various 12/18/99-12/17/00 |
| Theft | \$37,632 | Cash short and Over (no insurance) | Various 12/18/99-12/17/00 |
| Fire Loss – Store # 803 Coolsprings, TN | \$ 7,923 \$ 7,434 | Contractor for Repairs Merchandise (no insurance) | Date of Fire: 10/00 |
| Various other damage claims (each less than \$5,000) | Less than \$10,000 in the aggregate | Various circumstances (no insurance, but losses may be covered by third parties) | Various |

9. Payments related to debt counseling or bankruptcy

None

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

| NAME & ADDRESS OF PAYEE | DATE OF PAYMENT | NAME OF PAYOR | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY |
|--|-----------------|---------------|---|
| Sheppard Mullin Richter & Hampton LLP 4 Embarcadero Center, 17 th Floor San Francisco, CA 94111 | 12/15/00 | Debtor | Amount paid for past debt counseling services \$61,571.00 Amount paid as legal services retainer \$278,598 |

| | | | |
|--|----------|--------|---|
| Deloitte & Touche PC 50 Fremont Street San Francisco, CA 94105 | 12/15/00 | Debtor | Amount paid for past debt counseling services \$11,731.00 Amount paid as professional retainer \$171,244 |
| Harris Beach & Wilcox LLP 130 East Main Street Rochester, NY 14604 | 12/15/00 | Debtor | \$2,000 legal services |

(ABOVE FIGURES SHOW TOTAL OF PAYMENTS RELATED TO DEBT COUNSELING OR BANKRUPTCY MADE ON BEHALF OF BOTH THE DEBTOR AND WORLD OF SCIENCE, INC. ALL SUCH PAYMENTS WERE MADE BY THE DEBTOR.)

10. Other transfers

None

a. List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR | DATE | DESCRIBE PROPERTY TRANSFERRED AND VALUE RECEIVED |
|---|---------|---|
| IBJ Whitehall Retail Finance IBJ Whitehall Retail Bank & Trust 45 Braintree Hill Office Park Suite 303 Braintree, MA 02184 (Debtor's lender) | 9/11/00 | Debtor granted such lender a security interest in all or substantially all of the Debtor's personal property. The Debtor does not believe that such lender perfected an interest in the Debtor's leasehold estate interests and the Debtor is reviewing other perfection issues as to other assets transferred. Value of such assets unknown |
| Hilco Capital LLP One Northbrook Place 5 Revere Drive, Suite 202 Northbrook, IL 60062 (Debtor's lender) | 9/11/00 | Debtor granted such lender a security interest in all or substantially all of the Debtor's personal property. The Debtor does not believe that such lender perfected an interest in the Debtor's leasehold estate interests and the Debtor is reviewing other perfection issues as to other assets transferred. Value of such assets unknown |

11. Closed financial accounts

None

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF INSTITUTION | TYPE AND NUMBER OF ACCOUNT AND AMOUNT OF FINAL BALANCE | AMOUNT AND DATE OF SALE OR CLOSING |
|-------------------------------|--|------------------------------------|
|-------------------------------|--|------------------------------------|

(PLEASE SEE EXHIBIT 3 -- ATTACHED "SOFA-11")

12. Safe deposit boxes

None



List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF BANK OR OTHER DEPOSITORY | NAME & ADDRESS OF THOSE WITH ACCESS TO BOX OR DEPOSITORY | DESCRIPTION OF CONTENTS | DATE OF TRANSFER OR SURRENDER, IF ANY |
|--|--|-------------------------|---------------------------------------|
|--|--|-------------------------|---------------------------------------|

13. Setoffs

None



List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

| NAME & ADDRESS OF CREDITOR | DATE OF SETOFF | AMOUNT OF SETOFF |
|----------------------------|----------------|------------------|
|----------------------------|----------------|------------------|

14. Property held for another person

None



List all property owned by another person that the debtor holds or controls.

| NAME & ADDRESS OF OWNER | DESCRIPTION AND VALUE OF PROPERTY | LOCATION OF PROPERTY |
|--|-----------------------------------|---|
| World Wildlife Fund 1250 24 th Street NW, Suite 400 Washington, DC 20037 | Donation Coupons \$54,449 | Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 94538 |
| POST-PETITION: World Wildlife Fund 1250 24 th Street NW, Suite 400 Washington, DC 20037 | Donation Coupons \$11,059 | Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 94538 |

15. Prior address of debtor

None



If the debtor has moved within the **two years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

| ADDRESS | NAME USED | DATES OF OCCUPANCY |
|---------|-----------|--------------------|
|---------|-----------|--------------------|

16. Spouses and Former Spouses

None

a. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the **six-year period** immediately preceding the commencement of this case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state.

17. Environmental Information

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or materials.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and, if known, the Environmental Law.

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|--|---|------------------------|---|
| Natural Wonders Distribution Center 7200 Intermodal Louisville, KY 40258 | No governmental unit notification. Non-governmental third-party notification. | Email notice 2/9/00 | "Candle (item #2424-973)" cannot be shipped via DHL until necessary papers stating the candle is non-flammable and non-hazardous are presented |
| Natural Wonders Distribution Center 7200 Intermodal Louisville, KY 40258 | U.S. Customs Service | Unknown | "Laser Ball" was stopped in U.S. Customs until proof that it did not contain a laser and Natural Wonders to show documentation of gases contained within. |
| Natural Wonders Distribution Center 7200 Intermodal Louisville, KY 40258 | U.S. Customs Service (Recall Notice) | 12/21/00 | Preliminary notice that "Tangle Pens" have failed the Toxic Substance Control Act. Debtor is investigating. |
| Natural Wonders Distribution Center 7200 Intermodal Louisville, KY 40258 | No governmental unit notification. Non-governmental third-party notification. | Unknown | "Estes rockets and rocket fuel" cannot be transported by trucking industry without hazardous material warning |
| Natural Wonders Distribution Center 7200 Intermodal Louisville, KY 40258 | No governmental unit notification. Non-governmental third-party notification. | Unknown | "Capiz Lanterns" require a license from state department of wildlife and fisheries. |

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|--------------------------|---|-------------------|-------------------|
|--------------------------|---|-------------------|-------------------|

| | | | |
|--------------------------------------|------------------|--|---|
| Natural Wonders Arizona locations | State of Arizona | Notified in store (awaiting written or formal notification) | “Moon Cachepot” contains Morning Glories, which are illegal to sell in Arizona. |
|--------------------------------------|------------------|--|---|

None



b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

| SITE NAME AND ADDRESS | NAME AND ADDRESS OF GOVERNMENTAL UNIT | DATE OF NOTICE | ENVIRONMENTAL LAW |
|--------------------------|--|-------------------|----------------------|
|--------------------------|--|-------------------|----------------------|

None



c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding and the docket number.

| NAME AND ADDRESS OF GOVERNMENTAL UNIT | DOCKET NUMBER | STATUS OR DISPOSITION |
|--|------------------|--------------------------|
|--|------------------|--------------------------|

18. Nature, location and name of business

None



a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was a self-employed professional within the **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

| NAME | TAXPAYER I.D. NUMBER | ADDRESS | NATURE OF BUSINESS | BEGINNING AND ENDING DATES |
|--|----------------------|--|---|----------------------------|
| World of Science, Inc., a NY corp. | 16-0963838 | 4209 Technology Drive Fremont, CA 94583 | Retail | 9/11/00 – Present |
| WOSI On The Web, Inc., a NY corp. | 16-1565744 | 4209 Technology Drive Fremont, CA 94583 | Online retailer selling same products as World of Science, Inc. | 4/17/99 – Present |
| NW Capital Management, Inc., a CA corp. | 94-3300990 | 4209 Technology Drive Fremont, CA 94583 | Asset management company | 5/01/98 – Present |
| NW Acquisition Company, Inc., a NY corp. | TF-1560980 | 4209 Technology Drive Fremont, CA 94583 | Acquisition company that merged with World of Science, Inc. | 8/21/00 – 9/11/00 |

None

b. Identify any business listed in response to subdivision a. above that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME ADDRESS

The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within the **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or otherwise self-employed.

(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within the six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

19. Books, records and financial statements

None

a. List all bookkeepers and accountants who within the **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

| NAME & ADDRESS | DATES SERVICES RENDERED |
|---|-------------------------|
| Peter G. Hanelt, President / Responsible Individual Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 94538 | 12/18/98 – Present |
| Cathy Klein, Controller Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 94538 | 12/18/98 – 1/05/01 |

None

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account or records, or prepared a financial statement of the debtor.

| NAME & ADDRESS | DATES SERVICES RENDERED |
|---|--|
| Deloitte & Touche LLP 50 Fremont Street San Francisco, CA 94105 | Year Ending 1/29/00 Year Ending 1/30/99 |

None

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books and records are not available, explain.

NAME & ADDRESS

Peter G. Hanelt, President /
Responsible Individual
Natural Wonders, Inc.
4209 Technology Drive
Fremont, CA 94538

Cathy Klein, Controller
Natural Wonders, Inc.
4209 Technology Drive
Fremont, CA 94538

None

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued within the **two years** immediately preceding the commencement of this case by the debtor.

| NAME & ADDRESS | DATE ISSUED |
|--|---|
| Foothill Capital Corporation 11111 Santa Monica Blvd., Suite 1500 Santa Monica, CA 90025-3333 | 12/98 (and monthly thereafter) (for Loan – 12/98 – 9/10/00) |
| IBJ Whitehall Retail Finance IBJ Whitehall Retail Bank & Trust 45 Braintree Hill Office Park, Suite 303 Braintree, MA 02184 | 7/00 (and monthly thereafter) (for Loan – 9/11/00 – Present) |
| Hilco Capital LLP One Northbrook Place 5 Revere Drive, Suite 202 Northbrook, IL 60062 | 7/00 (and monthly thereafter) (for Loan – 9/11/00 – Present) |
| Renaissance Captial Group, Inc. 70 West Madison Street, Suite 670 Chicago, IL 60602 | 6/00 (due diligence for purchase and merger) |
| GE Capital – Commercial Finance Attn: Mr. Tom Tuter 6130 Stoneridge Mall Rd., #300 Pleasanton, CA 94588 | 7/00 (forwarded confidential information for funding request in connection with purchase and merger) |
| Bank of America Attn: Mr. Steve Hinrichs 55 South Lane Ave., Suite 900 Pasadena, CA 91101 | 7/00 (forwarded confidential information for funding request in connection with purchase and merger) |
| Raymond James & Associates, Inc. c/o Thomas Mullins, Sr. V.P. 880 Carillon Parkway St. Petersburg, FL 33716 | 6/00 (due diligence for purchase and merger) |
| Celestron International P.O. Box 3578 Torrance, CA 90503 | 7/00 (due diligence related to credit terms) |
| Meade Instruments Corp. 6001 Oak Canyon Irvine, CA 92618 | 6/00 (due diligence related to credit terms) |
| Various Other Public Documents 10-K's and 10-Q's | Various |

20. Inventories

None

List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

| DATE OF INVENTORY | INVENTORY SUPERVISOR | DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis) | |
|-------------------|--|---|------------------|
| August 6-9, 2000 | Deborah Depatta Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 84538 | Cost | \$ 25,923,098.90 |
| January 2000 | Deborah Depatta Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 84538 | Cost | \$ 28,205,000.00 |

None

b. List the name and address of the person having possession of the records of each of the two inventories reported in a. above.

| DATE OF INVENTORY | NAME & ADDRESS OF CUSTODIAN OF INVENTORY RECORDS |
|-------------------|--|
| August 6-9, 2000 | Deborah Depatta Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 84538 |
| January 2000 | Deborah Depatta Natural Wonders, Inc. 4209 Technology Drive Fremont, CA 84538 |

21. Current partners, officers, directors and shareholders

None

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

| NAME & ADDRESS | NATURE OF INTEREST | PERCENTAGE OF INTEREST |
|----------------|--------------------|------------------------|
|----------------|--------------------|------------------------|

None b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

| NAME & ADDRESS | TITLE | NATURE AND PERCENTAGE OF STOCK OWNERSHIP |
|---|---|--|
| Peter G. Hanelt 4209 Technology Drive Fremont, CA 94538 | Director President / CEO / CFO / Secretary | 0.4% |
| Pearson C. Cummin III c/o Consumer Venture Partners Three Pickwick Plaza Greenwich, CT 06830 | Director Chairman of the Board | 0% |
| Bruce Beda c/o Orion Partners LLP 260 East Highland Avenue Milwaukee, WI 53202 | Director Assistant Secretary | 0% |
| Julius Jensen III c/o Copley Venture Partners 600 Atlantic Avenue, 13 th Floor Boston, MA 02210 | Director Assistant Secretary | 0% |
| Ronald S. Staffieri c/o Waldenbooks 100 Phoenix Drive Ann Arbor, MI 48108 | Director Assistant Secretary | 0% |
| Doug Charboneau 1602 Jefferson Natchez, MS 39120 | Senior Vice President, Chief Operations Officer | 0% |
| William Soncini 4209 Technology Drive Fremont, CA 94538 | Senior Vice President of Operations | 0.2% |
| Denise Ellwood 4209 Technology Drive Fremont, CA 94538 | Senior Vice President, General Merchandising Manager | 0.1% |
| Cathy Klein 4209 Technology Drive Fremont, CA 94538 | Controller | less than 0.1% |
| Michael Cape 4209 Technology Drive Fremont, CA 94538 | Vice President of Marketing / Visual | less than 0.1% |
| Robert J. Reed 4209 Technology Drive Fremont, CA 94538 | Vice President of Information Technology | 0% |

| NAME & ADDRESS | TITLE | NATURE AND PERCENTAGE OF STOCK OWNERSHIP |
|--|-------------|---|
| Centennial Associates LP Attn: Joe Reich 900 Third Avenue New York, NY 10022 | Shareholder | 22.8% |
| Robert S. Rubenstein 2341 El Camino Real Redwood City, CA 94063 | Shareholder | Unknown (but estimated at approximately 5%) |
| Grace & White, Inc. 515 Madison Avenue Suite 1700 New York, NY 10022 | Shareholder | 13.3% |
| Dimensional Fund Advisors I 1299 Ocean Avenue, 11 th Floor Santa Monica, CA 90401 | Shareholder | 5.5% |
| Norwest Equity Partners IV 2800 Piper Jaffray Tower 222 So. Ninth Street Minneapolis, MN 55402 | Shareholder | 5.5% |
| Copley Partners 2 LP Federal Reserve Plaza 600 Atlantic Plaza, 13 th Floor Boston, A 02110 | Shareholder | 5.2% |

22. Former partners, officers, directors and shareholders

None



a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of the case.

| NAME & ADDRESS | TITLE | DATE OF WITHDRAWAL |
|----------------|-------|--------------------|
|----------------|-------|--------------------|

None



b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of the case.

| NAME & ADDRESS | TITLE | DATE OF TERMINATION |
|----------------|-------|---------------------|
|----------------|-------|---------------------|

| | | |
|--|---|-----------|
| Kenneth Norton 903 Tournament Drive Hillsborough, CA 94010 | Executive Vice President, General Merchandising Manager | May, 2000 |
|--|---|-----------|

| | | |
|---|---|-----------|
| Debbie Wibbenmeyer 35944 Ashton Fremont, CA 94536 | Vice President of Planning and Allocation | May, 2000 |
|---|---|-----------|

| | | |
|---|----------|-----------|
| David H. Folkman 117 Roblar Avenue Hillsborough, CA 94010 | Director | May, 2000 |
|---|----------|-----------|

23. Withdrawals from a partnership or distributions by a corporation

None

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other perquisite during **one year** immediately preceding the commencement of this case.

| NAME & ADDRESS OF RECIPIENT, RELATIONSHIP TO DEBTOR | DATE AND PURPOSE OF WITHDRAWAL | AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY |
|---|--------------------------------------|---|
|---|--------------------------------------|---|

Various

Various

1) **PLEASE SEE RESPONSE TO QUESTION 3.B.
ABOVE FOR PAYMENTS.**

2) **PLEASE SEE EXHIBIT 4 -- ATTACHMENT "SOFA-23"
FOR NON-PAYMENT DISTRIBUTION DETAILS.**

24. Tax Consolidation Group

None

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within the **six-year period** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION

TAXPAYER
IDENTIFICATION NUMBER

25. Pension Funds

None

If the debtor not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within the **six-year period** immediately preceding the commencement of the case.

NAME OF PENSION FUND

TAXPAYER
IDENTIFICATION NUMBER

DECLARATION CONCERNING AMENDED STATEMENT OF FINANCIAL AFFAIRS

I, PETER G. HANELT, the Responsible Individual of NATURAL WONDERS, INC., the debtor-in-possession herein, declare under penalty of perjury under the laws of the United States of America that I have read the answers contained in the foregoing **Amended Statement of Financial Affairs** and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date: April ____, 2001

PETER G. HANELT, Responsible Individual
NATURAL WONDERS, INC.

Forty (40) continuation sheets attached

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years or both. 18 U.S.C. §§ 152 and 3571