

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

Case No. 12-11127
Chapter 11

AFA INVESTMENT INC., ET AL.

Monthly Operating Report for
the period from April 1, 2013 through April 28, 2013

Debtors' Address for Notices:
1001 17th Street, Suite 1100
Denver, Colorado 80202

Debtors' Attorneys

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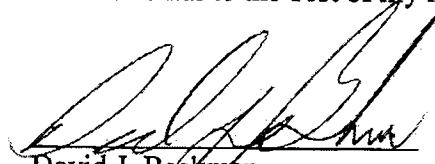
Jones Day
1420 Peachtree Street, N.E.
Suite 800
Atlanta, Georgia 30309-3053

Monthly Operating Income (Loss):
\$(1,264,283)

Report Preparer:

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury that the information contained therein is complete, accurate and truthful to the best of my knowledge.

Date: May 31, 2013


David J. Beckman
Chief Restructuring Officer



IN RE AFA INVESTMENT INC., *ET AL.*

Case No. 12-11127

DEBTOR IN POSSESSION

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Global Notes

1. Introduction.

On April 2, 2012 (the "Commencement Date"), AFA Investment Inc. ("AFA") and certain of its subsidiaries and affiliates, as debtors and debtors in possession (collectively with AFA, the "Debtors"),¹ each filed a voluntary petition for relief commencing cases (the "Chapter 11 Cases") under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code"). The Debtors continue to operate their businesses and manage their property as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On April 12, 2012, the United States Trustee for the District of Delaware (the "U.S. Trustee") appointed an official committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code.

This Monthly Operating Report ("MOR") has been prepared for the period from April 1, 2013 to April 28, 2013 (the "Reporting Period") consistent with discussions between the Debtors and the U.S. Trustee. In particular, the Debtors have prepared the MOR on a consolidated basis for all of the Debtors, as agreed by the U.S. Trustee. Please note that certain information contained herein may differ from data in the Debtors' filings on the Commencement Date because more accurate information has become available in the period since the Commencement Date.

2. GAAP.

The financial statements and supplemental information contained herein are preliminary and unaudited, and may not comply in all material respects with generally accepted accounting principles in the United States of America ("GAAP"). In addition, the financial statements and supplemental information contained herein represent information for the Debtors only and exclude all non-Debtor affiliates.

The unaudited financial statements have been derived from the Debtors' books and records. Certain procedures that typically would be applied to financial information in accordance with GAAP have not been applied to this data. Upon application of such procedures, the Debtors believe that the financial information could be subject to change, which could be material. The information furnished in this MOR includes normal recurring adjustments, but does not include all adjustments that typically would be made for financial statements in accordance with GAAP.

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number, as applicable, are: AFA Investment Inc. (0331); American Foodservice Corporation (1780); American Fresh Foods, Inc. (7389); American Fresh Foods, L.P. (7302); AFA Foods, Inc. (0429); American Fresh Foods, LLC (7301); Fairbank Reconstruction Corporation (2405); American Foodservice Investment Company, LLC (9525); and United Food Group LLC (7584). Each of the Debtors was formerly located at 860 First Avenue, Suite 9A, King of Prussia, Pennsylvania 19406.

3. General Methodology.

The Debtors prepared this MOR relying primarily upon the information set forth in their books and records. Consequently, certain transactions that, in the normal course of business, are not identified in the Debtors' books and records may not be included in this MOR. Nevertheless, in preparing this MOR, the Debtors made reasonable efforts to supplement the information set forth in their books and records with available and relevant information concerning transactions that are not reflected therein.

4. Past Performance.

The results of operations contained herein are not necessarily indicative of results that may be expected for any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

5. Prepetition vs. Postpetition Liabilities.

The Debtors allocated liabilities between prepetition and postpetition periods based upon the information available at the time of, and research conducted in connection with, the preparation of this MOR. As additional information becomes available and further research is conducted, the Debtors' allocation of liabilities between the prepetition and postpetition periods may change. Except as otherwise noted, the Debtors' liabilities are identified as of the close of business on April 28, 2013. The Debtors reserve all rights to amend, supplement or otherwise modify this MOR as necessary or appropriate.

6. Book Value of Assets.

Unless otherwise indicated, the values of assets contained in this MOR represent book values as of April 28, 2013 and are not based on any estimate of their market value. Amounts ultimately realized from any disposition of the Debtors' assets may vary materially from the stated book value. The Debtors reserve their rights to amend or adjust the value of each asset set forth herein, as necessary or appropriate.

7. Intercompany Receivables/Payables.

In accordance with the Bankruptcy Court's Order (I) Approving the Continued Use of the Debtors' Cash Management System and (II) Granting Related Relief (Docket No. 37), AFA maintains intercompany ("I/C") receivables/payables with its operating subsidiaries. AFA records I/C receivables for payments made on behalf of its operating subsidiaries, which record corresponding I/C payables. AFA records I/C payables for cash receipts for product sold to customers that is produced by its operating subsidiaries, which in turn record I/C receivables.

In connection with the acquisition of certain facilities by the Debtors' current owner and its subsequent acquisition of Debtor United Food Group LLC, AFA recorded

large I/C receivables by applying the purchase accounting method for business combinations under GAAP.

8. Liabilities Subject to Compromise.

As a result of the commencement of the Chapter 11 Cases, the payment of prepetition indebtedness generally is subject to compromise or other treatment under a chapter 11 plan. Generally, creditor actions to enforce or otherwise collect prepetition liabilities are stayed.

9. Liabilities Not Subject to Compromise.

The payment of prepetition claims generally is not permitted except pursuant to a chapter 11 plan or as specifically authorized by the Bankruptcy Court. In these cases, the Bankruptcy Court has entered certain orders (collectively, the "Prepetition Claim Orders") authorizing the Debtors in their discretion to pay certain prepetition claims in designated categories and subject to certain terms and conditions (collectively, the "Designated Claims"). The relief granted in the Prepetition Claim Orders generally was designed to preserve the value of the Debtors' businesses and assets. To the extent that Designated Claims have been authorized for payment pursuant to the Prepetition Claim Orders, such Designated Claims have been categorized as "Liabilities Not Subject to Compromise;" however, the Debtors reserve all of their rights to dispute such claims or exercise their discretion not to pay such claims under the Prepetition Claim Orders.

10. Reservation of Rights.

Given the complexity of the Debtors' businesses, inadvertent errors or omissions may have occurred in the preparation of this MOR. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status or enforceability of any identified claim amounts, or challenge any representation or other statement, in this MOR and reserve the right to amend or supplement this MOR, if and to the extent necessary or appropriate.

Nothing contained in this MOR shall constitute a waiver of the Debtors' rights or an admission with respect to the Chapter 11 Cases, including with respect to any issues involving the Debtors' ownership interests, executory contracts and unexpired leases, substantive consolidation, equitable subordination and any causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws or defenses thereto.

11. The Debtors' Postpetition Financing Facility.

On April 30, 2012, the Bankruptcy Court entered a final order (Docket No. 199) (the "Final DIP Order") approving the postpetition financing facility (the "DIP Facility") between (a) the Debtors (in their capacities either as borrowers or guarantors) and (b) the lenders (collectively, the "Lenders") under the Debtors' prepetition first lien credit facility

(the "Prepetition First Lien Facility"). Pursuant to the Final DIP Order, the borrowing Debtors were authorized to borrow, and the remaining Debtors to guarantee, on a final basis up to an aggregate principal amount not to exceed \$56 million under the DIP Facility, \$4,969,885.57 having been deemed advanced and applied to repayment of obligations under the Prepetition First Lien Facility, pursuant to the Bankruptcy Court's order approving the DIP Facility on an interim basis (Docket No. 42) (the "Interim DIP Order").

Pursuant to the Interim DIP Order and the Final DIP Order, receipts from cash collateral were first used to pay down certain of the Debtors' obligations to the Lenders under the Prepetition First Lien Facility, and new advances are secured by newly created assets, such that the DIP Facility effectively "rolled over" certain of the debt payable under the Prepetition First Lien Facility. Consequently, prior to April 30, 2012, approximately \$47,856,000 in repayments related to the DIP Facility was applied to repaying amounts outstanding under the Prepetition First Lien Facility (collectively, the "Roll-Over Payments"). All of these Roll-Over Payments occurred prior to the Reporting Period.

As set forth in MOR-3, the Debtors extinguished the outstanding balances of the DIP Facility and the Prepetition First Lien Facility prior to the Reporting Period, in accordance with the Bankruptcy Court's orders approving the sales of the assets associated with the Debtors' Texas and Pennsylvania facilities (Docket Nos. 463 and 464, respectively).

AFA Investment Inc. & Subsidiaries

Debtors-in-Possession

MOR - 1

Consolidating Schedule of Receipts and Disbursements for Month [1] [2]

for April 1, 2013 to April 28, 2013

In U.S. Dollars	American Foodservice Corporation	American Fresh Foods, L.P.	Fairbank Reconstruction Corporation	United Food Group LLC	AFA Foods, Inc.	Consolidated AFA Investment Inc., et al.
Beginning Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 14,953,412
Cash Receipts:						
Trade Receipts	-	-	-	-	18,684	18,684
Asset Sale Receipts	-	122,769	-	-	-	122,769
Net Receipts Held for Third Party [3]	-	-	-	-	-	-
TSA Fee Receipts	-	-	-	-	-	-
Other Receipts	-	-	-	-	5,572	5,572
Total Cash Receipts	-	122,769	-	-	24,256	147,026
Disbursements:						
Meat Purchases	-	-	-	-	-	-
Term Debt Payoff	-	-	-	-	-	-
Payroll	-	-	-	-	(3,860)	(3,860)
Packaging	-	-	-	-	-	-
Freight	-	-	-	-	-	-
L/C Draw and Fees	-	-	-	-	-	-
Interest & Bank Fees	-	-	-	-	(4,354)	(4,354)
Insurance	-	-	-	(125)	-	(125)
Commercial (Including Sales Rebates)	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Other SG&A	(197)	(3,868)	-	-	(2,809)	(6,874)
401K	-	-	-	-	-	-
Professional Services and Fees	-	(2,500)	-	-	(147,926)	(150,426)
HR	-	-	-	-	-	-
Quality Control	-	-	-	-	-	-
Other Plant Costs	-	(7,037)	-	-	-	(7,037)
Other	-	-	-	-	-	-
Maintenance	-	-	-	-	-	-
Total Cash Disbursements	\$ (197)	\$ (13,405)	\$ -	\$ (125)	\$ (158,949)	\$ (172,676)
					DIP Loan Activity:	
					Draws	-
					Repayments	-
					Net Loan Reduction [4]	-
					Subtotal	14,927,762
					Petty Cash	-
					Ending Cash Balance	\$ 14,927,762

[1] The Debtors are reporting a rolling cash balance on a consolidated basis. All receipts and disbursements are controlled centrally through the Debtors' cash management system. However, receipts and disbursements can be separated by legal entity and have been illustrated accordingly.

[2] There was no activity in the Reporting Period for the following Debtors: AFA Investment Inc., American Fresh Foods, LLC, American Foodservice Investment Company, LLC and American Fresh Foods, Inc.

[3] Represents the net balance of customer receipts received into the Debtors' bank accounts that are owed to the purchasers of the receivables associated with the Debtors' Pennsylvania and Texas facilities.

[4] The Debtors extinguished the outstanding balance of their DIP Facility prior to the Reporting Period.

AFA Investment Inc. & Subsidiaries

Debtors-in-Possession

MOR - 1

Consolidating Schedule of Receipts and Disbursements to Date [1] [2]

for April 2, 2012 to April 28, 2013

In U.S. Dollars	American Foodservice Corporation	American Fresh Foods, L.P.	Fairbank Reconstruction Corporation	United Food Group LLC	AFA Foods, Inc.	Consolidated AFA Investment Inc., et al.
Beginning Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,616,104
Cash Receipts:						
Trade Receipts	130,523,938	35,399,089	50,993,222	29,238,681	357,491	246,512,422
Asset Sale Receipts [3]	-	122,769	-	-	63,721,127	63,843,897
Net Receipts Held for Third Party [4]	-	-	-	-	211,956	211,956
TSA Fee Receipts [5]	-	-	-	-	260,000	260,000
Other Receipts	-	-	-	-	1,351,283	1,351,283
DIP Draws	131,725,515	35,063,700	41,053,553	13,773,795	-	221,616,563
Total Cash Receipts	262,249,453	70,585,559	92,046,775	43,012,476	65,901,857	533,796,120
Disbursements:						
Meat Purchases	(110,565,278)	(28,587,253)	(42,749,020)	(2,136,379)	(32,342)	(184,070,271)
Term Debt Payoff [6]	-	-	-	-	(11,511,906)	(11,511,906)
Payroll	(4,478,656)	(896,038)	(1,849,052)	(1,257,825)	(2,044,537)	(10,526,108)
Packaging	(2,162,705)	(1,382,524)	(1,927,736)	(1,590,976)	-	(7,063,941)
Freight	(939,468)	(446,769)	(1,536,040)	(1,423,343)	(63,025)	(4,408,645)
L/C Draw and Fees	-	-	-	-	(752,207)	(752,207)
Interest & Bank Fees	-	-	-	(9,668)	(2,187,306)	(2,196,974)
Insurance	(10,232)	(9)	-	(173)	(3,726,191)	(3,736,606)
Commercial (Including Sales Rebates)	(610,323)	(30,958)	(43,256)	(281,489)	(39,551)	(1,005,577)
Sanitation	(1,177,366)	(81,322)	(250,287)	(122,221)	(1,925)	(1,633,122)
Other SG&A	(407,582)	(322,666)	(348,912)	(169,350)	(578,950)	(1,827,460)
401K	-	-	(19,287)	-	(866,908)	(886,196)
Professional Services and Fees	(35,549)	(24,613)	(8,765)	(105,804)	(12,184,979)	(12,359,710)
HR	(6,411)	(25,930)	(5,283)	(100)	(424,909)	(462,634)
Quality Control	(352,526)	(18,386)	(108,604)	(55,192)	(9,214)	(543,922)
Other Plant Costs	(1,154,021)	(184,886)	(244,777)	(57,775)	(59,117)	(1,700,576)
Other	(1,793,628)	(473,834)	(573,311)	(1,019,055)	(1,959,876)	(5,819,704)
Maintenance	(1,040,157)	(341,261)	(82,766)	(41,059)	(1,573)	(1,506,816)
DIP Repayments	(156,588,999)	(43,219,448)	(53,485,015)	(16,178,627)	-	(269,472,089)
Total Cash Disbursements	\$ (281,322,902)	\$ (76,035,897)	\$ (103,232,112)	\$ (24,449,036)	\$ (36,444,516)	(521,484,463)
					Subtotal	14,927,762
					Petty Cash	-
					Ending Cash Balance	\$ 14,927,762

[1] The Debtors are reporting a rolling cash balance on a consolidated basis. All receipts and disbursements are controlled centrally through the Debtors' cash management system. However, receipts and disbursements can be separated by legal entity and have been illustrated accordingly.

[2] There was no activity in the Reporting Period for the following Debtors: AFA Investment Inc., American Fresh Foods, LLC, American Foodservice Investment Company, LLC and American Fresh Foods, Inc.

[3] Represents cash receipts from the sales of the assets associated with the Debtors' California, Georgia, New York, Pennsylvania and Texas facilities.

[4] Represents the net balance of customer receipts received into the Debtors' bank accounts post-closing that are owed to the purchasers of the receivables associated with the Pennsylvania and Texas facilities.

[5] Represents payments received from the purchasers of the assets associated with the Debtors' Pennsylvania and Texas facilities during the Reporting Period pursuant to the terms of the applicable Transition Services Agreements.

[6] Represents payments made by the Debtors to extinguish the principal balance of the Prepetition First Lien Facility.

AFA Investment Inc. & Subsidiaries
Debtors-in-Possession
MOR - 1a
Schedule of Bank Account Balances
as of April 28, 2013

Case #	Related Entity	Bank Name	Bank Account Ending in:	Balance
12-11134	United Food Group	Wells Fargo Pledge Account	9548	\$ -
12-11134	United Food Group	Bank of America	7123	-
12-11128	AFA Foods Inc.	Bank of America	7152	-
12-11128	AFA Foods Inc.	Bank of America	7149	-
12-11128	AFA Foods Inc.	Bank of America	7136	1,306,032
12-11128	AFA Foods Inc.	Bank of America	1489	-
12-11128	AFA Foods Inc.	Bank of America	1471	55,000
12-11128	AFA Foods Inc.	Bank of America	1693	217,276
12-11128	AFA Foods Inc.	Wells Fargo	6538	-
12-11129	American Foodservice Corp	Wachovia	2349	-
12-11129	American Foodservice Corp	Petty Cash	N/A	-
12-11128	AFA Foods Inc.	Petty Cash	N/A	-
12-11134	United Food Group	Bank of America, LA Sale Proceeds Escrow Account	8152	-
12-11128	AFA Foods Inc.	Bank of America, GA Sale Proceeds Escrow Account	8165	-
12-11129 / 12-11133	American Foodservice Corporation / American Fresh Foods, L.P.	Bank of America, Texas Sale Proceeds Escrow Account	9889	-
12-11129	American Foodservice Corporation	Bank of America, King of Prussia Sale Proceeds Escrow Account	9876	-
12-11135	Fairbank Reconstruction Corporation	Bank of America, New York Sale Proceeds Escrow Account	9863	-
12-11128	AFA Foods Inc.	Bank of America, Professional Fees Escrow Account	6505	-
12-11127	AFA Investment Inc.	Union Bank	0063	13,349,455
				\$ 14,927,762

[7]
 [1]
 [2]
 [2]
 [3] [8]
 [3] [8]
 [4] [5] [8]
 [5] [8]
 [5] [8]
 [6] [8]
 [9]

[1] Account opened on 4/17/12 - Utility Adequate Assurance Deposit. Amount of original deposit was \$270,000 which has been reduced to the current balance due to adequate assurance payments negotiated with certain utilities.

[2] Accounts closed prior to the Reporting Period.

[3] Accounts opened on 6/28/12.

[4] Certain of the assets associated with the Debtors' Texas and Georgia facilities are allocated between American Foodservice Corporation and American Fresh Foods, L.P. Accordingly, both Debtors and their respective chapter 11 case numbers are identified.

[5] Accounts opened on 7/10/12.

[6] Account opened on 9/25/12.

[7] Account closed in February 2013.

[8] Account closed in March 2013.

[9] Pursuant to paragraph 20 of the Interim Order (I) Authorizing the Debtors to Use Cash Collateral of the Second Lien Secured Parties and (II) Providing Adequate Protection to the Second Lien Secured Parties (Docket No. 662), the debtors transferred the balance of all sales proceeds accounts to the second lien agent designated account at Union Bank "for the benefit of AFA Investment Inc."

AFA Investment Inc. & Subsidiaries
 Debtors-in-Possession
 MOR - 1b
 Schedule of Professional Fees and Expenses Paid
 for April 1, 2013 to April 28, 2013

Payee	Period Covered	Amount Approved	Payor	Check/Wire Number	Date(s)	Amount Paid for Period		Filing to Date	
						Fees	Expenses	Fees	Expenses
Conway, Del Genio, Gries and Co.	N/A	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ 500,000	\$ 16,783
FTI Consulting Inc.	April	50,000	AFA Foods Inc.	N/A	4/26/2013	50,000	-	3,438,333	213,342
Imperial Capital	N/A	-	N/A	N/A	N/A	-	-	1,738,592	12,655
Jones Day	February	41,712	AFA Foods Inc.	N/A	4/19/2013	41,564	148	2,685,104	65,328
Kurtzman Carson Consultants, LLC	February	16,269	AFA Foods Inc.	N/A	4/19/2013	8,264	8,005	182,811	229,768
McDonald Hopkins, LLC	January & February	37,508	AFA Foods Inc.	N/A	4/19 & 4/8	35,826	1,682	707,307	33,813
J.H. Cohn, LLP	N/A	-	N/A	N/A	N/A	-	-	336,234	1,979
Potter Anderson and Caroon, LLP	February	2,437	AFA Foods Inc.	N/A	4/19/2013	2,225	212	107,678	6,474
Sidley Austin, LLP	N/A	-	N/A	N/A	N/A	-	-	644,721	14,961
Richards, Layton & Finger	N/A	-	N/A	N/A	N/A	-	-	53,314	2,633
Pachulski Stang Ziehl and Jones LLP	N/A	-	N/A	N/A	N/A	-	-	459,888	24,689
Morris, Nichols, Arsht & Tunnell	N/A	-	N/A	N/A	N/A	-	-	178,087	2,137
Munger, Tolles & Olson	N/A	-	N/A	N/A	N/A	-	-	295,612	228
		\$ 147,926				\$ 137,879	\$ 10,047	\$ 11,327,681	\$ 624,789

AFA Investment Inc. & Subsidiaries
 Debtors-in-Possession
 MOR - 2
 Consolidating Statement of Operations [1]
 for April 1, 2013 to April 28, 2013

In U.S. Dollars	American Foodservice Corporation	American Fresh Foods, L.P.	Fairbank Reconstruction Corporation	United Food Group LLC	AFA Foods, Inc.	Consolidated AFA Investment Inc., et al.
Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Outbound Freight	-	-	-	-	-	-
Net Sales	-	-	-	-	-	-
Meat Cost	-	-	-	-	-	-
Adjustments	-	-	-	-	-	-
Total Cost of Materials	-	-	-	-	-	-
Variable Costs						
Packaging Supplies	-	-	-	-	-	-
Labor and Benefits	-	-	-	-	-	-
Utilities	-	7,037	-	-	-	7,037
Freezing and Chilling	-	-	-	-	-	-
Sanitation and Janitorial	-	-	-	-	-	-
Equipment Maintenance	-	-	-	-	-	-
Lab and QC Expenses	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total Variable Costs	-	7,037	-	-	-	7,037
Fixed Mfg. Costs						
Total Fixed Mfg. Costs	-	-	-	-	-	-
SG&A Costs						
Brokerage and Commissions	-	-	-	-	-	-
Wages and Benefits	-	-	-	-	1,540	1,540
Professional Fees	-	-	-	-	1,797	1,797
Other SG&A Costs	197	3,868	-	125	(18,890)	(14,701)
Total SG&A Costs	197	3,868	-	125	(15,553)	(11,364)
Adjusted EBITDA	(197)	(10,905)	-	(125)	15,553	4,326
Other (Income) Expense						
Depreciation	-	-	-	-	48,284	48,284
Reorganization Expense	-	2,500	-	-	7,164	9,664
Other	-	308,680	-	-	901,981	1,210,661
Total Other (Income) Expense	-	311,180	-	-	957,429	1,268,609
Income Tax (Benefit) Expense	-	-	-	-	-	-
Net Income (Loss)	\$ (197)	\$ (322,085)	\$ -	\$ (125)	\$ (941,876)	\$ (1,264,283)

[1] There was no activity in the Reporting Period for the following Debtors: AFA Investment Inc.; American Fresh Foods, LLC; American Foodservice Investment Company, LLC; and American Fresh Foods, Inc.

AFA Investment Inc. & Subsidiaries
Debtors-in-Possession
MOR - 3
Consolidating Balance Sheet [1]
as of April 28, 2013

In U.S. Dollars	American Foodservice Corporation [2]	American Fresh Foods, L.P. [2]	Fairbank Reconstruction Corporation [2]	United Food Group LLC [2]	AFA Foods, Inc.	Consolidated AFA Investment Inc., et al.
Cash and Equivalents	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted Cash	-	-	-	2,213,072	12,714,691	14,927,762
Accounts Receivable, Net	66,150	112,444	(0)	854,616	239,075	1,272,285
Inventories	-	-	7,650	-	-	7,650
Income Taxes, Net	-	-	(36,309)	-	112,130	75,821
Other Current Assets	-	-	(17,500)	-	2,558,250	2,540,750
Total Current Assets	66,150	112,444	(46,159)	3,067,688	15,624,145	18,824,268
PP&E at Cost	-	-	-	-	170,345	170,345
Cumulative Depreciation & Amortization	-	-	-	-	(154,608)	(154,608)
Net Property, Plant and Equipment	-	-	-	-	15,737	15,737
Deferred Financing Costs, Net	-	-	-	-	395,156	395,156
Excess Purchase Price	-	-	-	-	-	-
Other Intangibles, Net	-	-	-	-	-	-
Other Assets	-	-	-	126,827	36,000	162,827
Total Intangible and Other Assets	-	-	-	126,827	431,156	557,983
TOTAL ASSETS	\$ 66,150	\$ 112,444	\$ (46,159)	\$ 3,194,514	\$ 16,071,038	\$ 19,397,988
Liabilities Not Subject to Compromise						
Accounts Payable, Trade	797,990	276,253	17,780	253,266	125,008	1,470,298
Accounts Payable, Other	-	-	-	-	-	-
Accrued Expenses	-	-	-	-	305,000	305,000
Long-Term Debt	-	-	-	-	-	-
Other Liabilities	-	-	-	-	-	-
DIP Financing [3]	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	797,990	276,253	17,780	253,266	430,008	1,775,298
Liabilities Subject to Compromise						
Accounts Payable, Trade	19,255,788	5,246,985	3,657,593	20,578,560	135,983	48,874,908
Accounts Payable, Other	543,505	5,138	-	1,988,953	3,427,906	5,965,502
Accrued Expenses	3,512	18,931	-	-	888,732	911,174
Intercompany Accounts	(18,604,542)	16,878,001	(15,070,723)	82,902,731	(66,108,582)	(3,116)
Payable to Former Shareholders	-	-	-	-	2,380,324	2,380,324
Other Liabilities	-	-	-	5,670,598	2,565,490	8,236,088
Long-Term Debt [3]	-	-	-	1,653,252	82,486,401	84,139,653
Total Liabilities Subject to Compromise	1,198,262	22,149,055	(11,413,131)	112,794,092	25,776,254	150,504,533
TOTAL LIABILITIES	1,996,252	22,425,308	(11,395,351)	113,047,359	26,206,263	152,279,831
Consolidated Equity [4]	-	-	-	-	-	(132,881,843)
TOTAL LIABILITIES AND EQUITY						\$ 19,397,988

[1] There was no activity in the Reporting Period for the following Debtors: AFA Investment Inc., American Fresh Foods, LLC, American Foodservice Investment Company, LLC and American Fresh Foods, Inc.

[2] As a result of the sale of the assets associated with the Debtors' New York, Texas, Pennsylvania, Georgia and California facilities prior to the Reporting Period, Property, Plant and Equipment and certain Intangible Assets are recorded as zero.

[3] The Debtors extinguished the outstanding balance of their DIP Facility and Prepetition First Lien Facility prior to the Reporting Period. As a result, the Long-Term Debt balance relates primarily to amounts owed under the Debtors' prepetition second lien credit facility.

[4] The Debtors maintain equity accounts on a consolidated basis rather than by individual Debtor.

AFA Investment Inc. & Subsidiaries
Debtors-in-Possession
MOR - 4
Consolidated Status of Postpetition Taxes
for April 1, 2013 to April 28, 2013

In U.S. Dollars	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<u>Federal</u>						
Withholding/FICA	\$ -	\$ -	\$ -	N/A	N/A	\$ -
FUTA	-	-	-	N/A	N/A	-
<i>Total Federal Taxes</i>	-	-	-			-
<u>State and Local</u>						
Withholding						
PA	-	-	-	N/A	N/A	-
GA	-	-	-	N/A	N/A	-
NJ	-	-	-	N/A	N/A	-
SUI	-	-	-	N/A	N/A	-
Philadelphia Wage Tax	-	-	-	N/A	N/A	-
Other Local Tax	-	-	-	N/A	N/A	-
NY School Tax	-	-	-	N/A	N/A	-
NY County/Twp. Tax Pilot	-	-	-	N/A	N/A	-
<i>Total State and Local</i>	-	-	-			-
Total Taxes	\$ -	\$ -	\$ -			\$ -

AFA Investment Inc. & Subsidiaries
Debtors-in-Possession
MOR - 4a
Consolidated Summary of Unpaid Postpetition Debts
as of April 28, 2013

In U.S. Dollars	0-30 Days	31-60 Day	61-90 Days	91-120 Days	Over 120 Days	Total
Accounts Payable, Trade [1]	\$ 490,194	\$ -	\$ -	\$ -	\$ 980,104	\$ 1,470,298

[1] The Debtors having completed the sales of their operating assets, the majority of prepetition accounts payable is located at the corporate entity, which includes liabilities to professionals and other third parties.

AFA Investment Inc. & Subsidiaries
Debtors-in-Possession
MOR - 5
Consolidated Summary of Accounts Receivable
as of April 28, 2013

	Number of Days Outstanding					Total
	0-7 Days	8-15 Days	16-23 Days	24-31 Days	32+ Days	
Trade Receivables	\$ -	\$ -	\$ -	\$ -	\$ 327,517	\$ 327,517
Trade Allowances and Sales in Transit Adjustment [1]						(141,118)
Non-Trade Receivables [1]						1,085,886
						\$ 1,272,285

[1] Trade Allowances, Sales in Transit Adjustment and Non-Trade Receivables are not aged.

AFA Investment Inc. & Subsidiaries
Debtors-in-Possession
MOR - 5a
Debtors' Questionnaire
for April 1, 2013 to April 28, 2013

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below. An auction was held for a facility owned by American Fresh Foods LP in Texas. The sale of the property closed in April for approximately \$122k.	X	
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below. ^[1]		X
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened, provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

[1] The Office of the Attorney General for the State of Texas has informed the Debtors that they did not file 2012 or 2013 franchise tax returns by the applicable deadlines. The Debtors are having these tax returns prepared and will promptly file them once completed.