



**Monthly Operating Report**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

**General Notes**

**Month:** OCTOBER 2014

**General Notes**

**1-1** The Debtors have prepared this presentation, as required by the Office of the United States Trustee, based on the information available to the Debtors at this time, but note that such information may be incomplete and may be materially deficient in certain respects. The Monthly Operating Report ("MOR") is not meant to be relied upon as a complete description of the Debtors, their business, condition (financial or otherwise), results of operations, prospects, assets or liabilities. The Debtors reserve all rights to revise this report.

**1-2** This MOR is not prepared in accordance with U.S. generally accepted accounting principles (GAAP). This MOR should be read in conjunction with the previously filed financial statements and accompanying notes in the Company's annual and quarterly reports that are filed with the United States Securities and Exchange Commission. Certain exceptions as listed below are not exhaustive of all non-GAAP compliance:

- The financial statements are unaudited and will not be subject to audit or review by the Debtor's external auditors at any time in the future and are subject to change.
- The MOR does not reflect normal quarterly adjustments that are generally recorded by the Debtor upon review of major accounts period to the end of each quarterly accounting period.
- Certain items presented in this MOR are under research and may be accounted for differently in future monthly reports.
- The MOR does not include explanatory footnotes such as disclosures required under GAAP.
- The MOR is not presented in GAAP-based SEC reporting format.

**1-3** The October monthly period ends on November 2, 2014 to correspond with the Debtors' fiscal month end. All data presented is for the period of October 13, 2014 - November 2, 2014.

**1-4** This MOR has been filed on a consolidated basis for ALCO Stores, Inc., case No.14-34941 and ALCO Holdings, LLC, case No. 14-34942 (collectively, the "Debtors"). The Debtors use a centralized cash management system. It is important to note that ALCO Holdings, LLC has no financial activity. See the Cash Management Order entered 10/16/14 for a full description of the Debtors' cash management system.

On October 12, 2014 (the "Petition Date"), the Debtors each filed a voluntary petition with the Bankruptcy Court for reorganization under Chapter 11 of Title 11 of the United States Code, 11 U.S.C §§ 101, et seq. (the "Bankruptcy Code"). The cases were consolidated for procedural purposes under Case No. 14-34941.

For financial reporting purposes, the Debtors generally prepare consolidate financial statements, which include financial information for all subsidiaries and affiliates. Separate Schedules and Statements were filed for each of the Debtors on November 14, 2014; however, all amounts shown in the "scheduled amounts" column remain subject to change. Each Debtor's Schedules and Statements were prepared using the assets and liabilities of that Debtor pursuant to the Debtor's accounting records. Financial information may include results for ALCO Discount Liquor, LLC, a non-debtor entity. These amounts would be insignificant to the overall results. For purposes of this MOR, however, the financial statements are presented as consolidated.

**Monthly Operating Report**  
**ACCRUAL BASIS-1**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

<b>COMPARATIVE BALANCE SHEET</b>		
	<b>SCHEDULE</b>	<b>OCTOBER 2014</b>
<b>ASSETS</b>		
1. UNRESTRICTED CASH	\$ 4,256,215	\$ 2,717,553
2. RESTRICTED CASH		226,000
3. TOTAL CASH (1)	\$ 4,256,215	\$ 2,943,553
4. ACCOUNTS RECEIVABLE (NET)	\$ 4,995,189	\$ 5,085,270
5. INVENTORY (2)	144,158,480	133,075,801
6. NOTES RECEIVABLE	-	-
7. PREPAID EXPENSES	5,336,406	3,862,602
8. OTHER (ATTACH LIST)	-	(40,865)
9. TOTAL CURRENT ASSETS	\$ 158,746,290	\$ 144,926,362
10. PROPERTY, PLANT & EQUIPMENT	\$ 36,446,061	\$ 124,594,312
11. LESS: ACCUMULATED		(88,891,820)
12. NET PROPERTY, PLANT & EQUIPMENT	\$ 36,446,061	\$ 35,702,492
13. DUE FROM INSIDERS	\$ -	\$ -
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	13,937,869	13,870,774
15. OTHER (ATTACH LIST)	1,708,291	680,571
16. <b>TOTAL ASSETS</b>	\$ 210,838,511	\$ 195,180,199
<b>POSTPETITION LIABILITIES</b>		
17. ACCOUNTS PAYABLE		\$ 1,345,733
18. TAXES PAYABLE		1,913,817
19. NOTES PAYABLE		-
20. PROFESSIONAL FEES		1,103,858
21. SECURED DEBT		-
22. OTHER (ATTACH LIST)		-
23. <b>TOTAL POSTPETITION LIABILITIES</b>		\$ 4,363,408
<b>PREPETITION LIABILITIES</b>		
24. SECURED DEBT	\$ 106,254,553	\$ 106,254,553
25. PRIORITY DEBT (3) (4)	1,359,294	1,359,294
26. UNSECURED DEBT (4)	40,716,988	40,716,988
27. OTHER (ATTACH LIST) (5)	-	9,173,403
28. <b>TOTAL PREPETITION LIABILITIES</b>	\$ 148,330,835	\$ 157,504,238
29. <b>TOTAL LIABILITIES</b>	\$ 148,330,835	\$ 161,867,646
<b>EQUITY</b>		
30. PREPETITION OWNERS' EQUITY		\$ 38,033,769
31. POSTPETITION CUMULATIVE PROFIT OR		
32. DIRECT CHARGES TO EQUITY (6)		(4,721,216)
33. <b>TOTAL EQUITY</b>		\$ 33,312,553
34. <b>TOTAL LIABILITIES &amp; OWNERS' EQUITY</b>		\$ 195,180,199

**Footnotes:**

- (1) Total Cash is based on the unaudited balance sheet for the debtor entities. The cash balance includes store cash, depository accounts, and primary operating account.
- (2) The scheduled inventory amount was from the Debtors' financial statements as of October 12, 2014. The November 2nd amount is based on the Debtors' borrowing base, which may exclude certain categories of data including prepaid and in-transit inventory.
- (3) The Priority Debt amount includes updated tax amounts for prepetition tax accruals and other priority prepetition liabilities.
- (4) Pursuant to various "first day" orders of the Bankruptcy Court, certain priority debt and unsecured debt payments were made.
- (5) Other prepetition liabilities include accruals from pre- and post-petition periods.
- (6) The Direct Charges to Equity is an adjustment for liabilities and assets (accrued expenses, deferred gains, and others) not reflected in the prepetition scheduled amounts.

**Monthly Operating Report**  
**ACCRUAL BASIS-1**  
**OTHER - Attachment**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

**COMPARATIVE BALANCE SHEET (OTHER)**

	SCHEDULE AMOUNT	OCTOBER 2014
<b>1 Unrestricted Cash</b>		
Operating Accounts	\$ 2,556,449	\$ 1,051,571
Store Depository Accounts	1,183,967	1,150,182
Petty Cash	515,800	515,800
<b>Total Unrestricted Cash</b>	<u>\$ 4,256,215</u>	<u>\$ 2,717,553</u>
<b>7 Prepaid Expenses</b>		
Prepaid Expense	\$ 1,927,924	\$ 1,622,388
Prepaid Sales Promotion	-	48,052
Prepaid Insurance	1,597,713	1,482,176
Prepaid Rent	1,524,082	-
Security Deposits	286,686	709,986
	<u>\$ 5,336,406</u>	<u>\$ 3,862,602</u>
<b>8 Other Assets</b>		
Deferred Tax Asset	-	(40,865)
<b>Total Other Assets</b>	<u>\$ -</u>	<u>\$ (40,865)</u>
<b>14 Other Assets - Net of Amortization</b>		
Property Under Capital Lease	\$ 13,937,869	\$ 13,870,774
Capital Leased Software	-	-
<b>Total Other Assets - Net of Amortization</b>	<u>\$ 13,937,869</u>	<u>\$ 13,870,774</u>
<b>15 Other Assets</b>		
Financing Costs	\$ 1,708,291	\$ 622,587
Capitalized Lease Costs	-	17,119
Deferred Income Taxes	-	40,865
<b>Total Other Assets</b>	<u>\$ 1,708,291</u>	<u>\$ 680,571</u>
<b>27 Other Prepetition Liabilities</b>		
Miscellaneous Accrued Expenses	\$	1,106,220
Accrued Percentage Rent Payable		381,916
Store Closing Reserves		252,952
Loyalty Liability		342,297
Customer Liabilities		235,013
Gift Certificates O/S		308,450
AFCO Installment Agreement		875,813
Deferred Gain on Operating Lease		2,376,707
Deferred Rent Credit		2,188,056
Non-Current Deferred Revenue		60,000
Miscellaneous - Other		1,045,979
<b>Total Other Prepetition Liabilities</b>	<u>\$</u>	<u>9,173,403</u>

**Monthly Operating Report****Accrual Basis-2**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

<b>INCOME STATEMENT</b>		<b>OCTOBER 2014</b>
<b>REVENUES</b>		
1. GROSS REVENUES		\$ 20,655,081
2. LESS: RETURNS & DISCOUNTS		32,452
3. NET REVENUE		\$ 20,622,629
<b>COST OF GOODS SOLD</b>		
4. MERCHANDISE & FREIGHT		12,148,125
5. TOTAL COST OF GOODS SOLD		\$ 12,148,125
6. GROSS PROFIT		\$ 8,474,504
<b>OPERATING EXPENSES</b>		
7. OFFICER / INSIDER COMPENSATION		\$ 69,158
8. OTHER PAYROLL		3,419,467
9. SELLING & MARKETING		995,231
10. GENERAL & ADMINISTRATIVE		4,058,032
11. RENT & LEASE		2,326,757
12. OTHER (ATTACH LIST)		-
13. TOTAL OPERATING EXPENSES		\$ 10,868,645
14. INCOME BEFORE NON-OPERATING INCOME & EXPENSE		\$ (2,394,141)
<b>OTHER INCOME &amp; EXPENSES</b>		
15. NON-OPERATING INCOME		\$ -
16. NON-OPERATING EXPENSE		-
17. INTEREST EXPENSE & BANK FEES		186,392
18. DEPRECIATION / DEPLETION		-
19. AMORTIZATION		-
20. OTHER (1)		3,902,602
21. NET OTHER INCOME & EXPENSES		\$ 4,088,994
<b>REORGANIZATION EXPENSES</b>		
22. PROFESSIONAL FEES		\$ 174,189
23. U.S. TRUSTEE FEES		-
24. OTHER		178,401
25. TOTAL REORGANIZATION EXPENSES		\$ 352,590
26. INCOME TAX		
27. NET PROFIT (LOSS)		\$ (6,835,725)

**Footnotes:**

(1) Amount includes write-offs of bank fees and Wells Fargo financing fees.

**Monthly Operating Report**  
**CASH BASIS-3**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

<b>CASH RECEIPTS AND DISBURSEMENTS (1)</b>	<b>OCTOBER 2014</b>
1. CASH - BEGINNING OF MONTH (2)	\$ 4,256,215
<b>RECEIPTS FROM OPERATIONS</b>	
2. CASH COLLECTIONS	\$ 22,520,803
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>	
3. PREPETITION	
4. POSTPETITION	
5. TOTAL OPERATING RECEIPTS	\$ 22,520,803
<b>NON-OPERATING RECEIPTS</b>	
6. LOANS & ADVANCES	\$ 2,073,121
7. SALE OF ASSETS	
8. OTHER	
9. TOTAL NON-OPERATING RECEIPTS	\$ 2,073,121
10. TOTAL RECEIPTS	\$ 24,593,924
11. TOTAL CASH AVAILABLE	\$ 28,850,139
<b>OPERATING DISBURSEMENTS</b>	
12. MERCHANDISE	\$ 16,681,706
13. FUEL	122,156
14. PAYROLL	3,842,069
15. BENEFITS	496,460
16. RENT	531
17. UTILITIES	1,779
18. ADVERTISING	400,388
19. FREIGHT	1,471,191
20. SALES TAX	2,077,672
21. INSURANCE	-
22. OTHER	374,182
23. BOARD FEES AND RELATED COSTS	-
24. TOTAL OPERATING DISBURSEMENTS	\$ 25,468,135
<b>REORGANIZATION EXPENSES</b>	
25. PROFESSIONAL FEES	\$ 174,189
26. U.S. TRUSTEE FEES	-
27. OTHER - LENDER INTEREST AND FEES	178,401
28. TOTAL REORGANIZATION EXPENSES	\$ 352,590
29. TOTAL DISBURSEMENTS	\$ 25,820,724
30. FLOAT CHANGE AND OTHER (3)	(85,862)
31. NET CASH FLOW	\$ (1,312,662)
32. CASH - END OF MONTH	\$ 2,943,553

**Footnotes:**

- (1) Cash Receipts and Disbursements represent ALCO Stores, Inc. and ALCO Holdings LLC.
- (2) Beginning and ending cash balances are based on the unaudited balance sheet for the debtor entity. The cash balance includes store cash, depository accounts, and the primary operating account.
- (3) Other includes checks written, but not yet cleared

**Monthly Operating Report**  
**ACCRUAL BASIS-4**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	OCTOBER 2014
1. 0-30		\$ 2,550,265
2. 31-60		307,796
3. 61-90		108,158
4. 91+		2,136,983
5. ACCOUNTS PAYABLE DEBIT BALANCES	7,785,694	7,785,694
6. TOTAL ACCOUNTS RECEIVABLE	\$ 12,780,883	\$ 12,888,896
7. AMOUNT CONSIDERED UNCOLLECTIBLE (1)	(7,785,694)	(7,803,626)
8. ACCOUNTS RECEIVABLE (NET)	\$ 4,995,189	\$ 5,085,270

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: <u>OCTOBER 2014</u>			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$ 288,088				\$ 288,088
2. STATE	1,369,426				1,369,426
3. LOCAL	256,304				256,304
4. OTHER (ATTACH LIST)					-
5. TOTAL TAXES PAYABLE	\$ 1,913,817	\$ -	\$ -	\$ -	\$ 1,913,817
6. ACCOUNTS PAYABLE	\$ 1,345,733	\$ -	\$ -	\$ -	\$ 1,345,733

STATUS OF POSTPETITION TAXES		MONTH: <u>OCTOBER 2014</u>			
FEDERAL	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY	
1. WITHHOLDING	\$ -	\$ 341,066	\$ 253,507	\$ 87,559	
2. FICA-EMPLOYEE	-	300,203	202,825	97,378	
3. FICA-EMPLOYER	-	300,203	202,825	97,378	
4. UNEMPLOYMENT	-	5,774	-	5,774	
5. INCOME	-	-	-	-	
6. OTHER (ATTACH LIST)	-	-	-	-	
7. TOTAL FEDERAL TAXES	\$ -	\$ 947,245	\$ 659,157	\$ 288,088	
<b>STATE AND LOCAL</b>					
8. WITHHOLDING	\$ -	\$ 78,103	\$ 19,395	\$ 58,708	
9. SALES	-	1,287,563	-	1,287,563	
10. EXCISE	-	-	-	-	
11. UNEMPLOYMENT	-	23,155	-	23,155	
12. REAL PROPERTY	-	206,287	-	206,287	
13. PERSONAL PROPERTY	-	50,016	-	50,016	
14. OTHER (ATTACH LIST)	-	-	-	-	
15. TOTAL STATE & LOCAL	\$ -	\$ 1,645,124	\$ 19,395	\$ 1,625,729	
16. TOTAL TAXES	\$ -	\$ 2,592,369	\$ 678,552	\$ 1,913,817	

**Footnotes:**

(1) These are amounts due from vendors for volume rebates and other monies earned. These are subject to significant investigation.

**Monthly Operating Report**  
ACCURAL BASIS-5

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

MONTH: OCTOBER 2014

<b>BANK RECONCILIATIONS (1)</b>				
	Account #1	Account #2	Account #3	
<b>A. BANK:</b>				TOTAL
<b>B. ACCOUNT NUMBER:</b>				
<b>C. PURPOSE (TYPE):</b>				
1. BALANCE PER BANK STATEMENT				\$ -
2. ADD: TOTAL DEPOSITS NOT CREDITED				\$ -
3. SUBTRACT: OUTSTANDING CHECKS				\$ -
4. OTHER RECONCILING ITEMS				\$ -
5. MONTH END BALANCE PER BOOKS	\$ -	\$ -	\$ -	\$ -
6. NUMBER OF LAST CHECK WRITTEN				

<b>INVESTMENT ACCOUNTS (2)</b>				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$ -	\$ -

<b>CASH</b>	
12. CURRENCY ON HAND	\$ -
13. TOTAL CASH - END OF MONTH	\$ 2,943,553

**Footnotes:**

(1) There are over 200 separate bank accounts that are maintained by the Debtors. These accounts are in the process of being reconciled for October 2014.

(2) The Debtors affirm that bank statements for all open and active bank accounts are retained by the Debtors. There were three accounts opened by the Debtors during the current reporting period (professional fee escrow account, utility deposit account, and payroll account).



**Monthly Operating Report  
ACCRUAL BASIS-6**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

MONTH: OCTOBER 2014

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Stanley B. Latacha	Payroll	\$ 36,450	\$ 36,450
2. Ricardo Clemente	Payroll	16,667	16,667
3. Brent Streit	Payroll	16,042	16,042
4.			
5.			
6. TOTAL PAYMENTS TO INSIDERS		\$ 69,158	\$ 69,158

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID
1. Choates	10/16/14	\$ 93,841	\$ 93,841	\$ 93,841	
2. Greenberg Traug	10/16/14	80,348	80,348	80,348	
3. Deloitte Transactions and Business Analytics					298,000
4. DLA Piper					500,000
5. UCC Professionals					188,000
6. Michael Moore					30,000
7. Prime Clerk					87,858
8. TOTAL PAYMENTS TO PROFESSIONALS (1)			\$ 174,189	\$ 174,189	\$ 1,103,858

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. Wells Fargo - post-petition interest	\$ 190,793	\$ 4,401	\$ 186,392
2. Wells Fargo - bank fees		1,000	-
3.			
4.			
5.			
6. TOTAL	\$ 190,793	\$ 5,401	\$ 186,392

**Footnotes:**  
(1) Total incurred amounts are estimated based on the cash flow budget. These amounts will be updated when invoices are received by the Debtors.

**Monthly Operating Report**  
**ACCRUAL BASIS-7**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

MONTH: OCTOBER 2014

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	X	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?	X	
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	X	
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

- 4. Pursuant to various "first day" orders of the Bankruptcy Court, certain priority debt and unsecured debt payments were made.
- 5. The Company received a loan from Wells Fargo Bank in the amount of \$122.675 million for debtor-in-possession financing.
- 11. Pursuant to orders of the Bankruptcy Court authorizing payment of prepetition sales and use taxes, the Debtors remitted outstanding pre-petition sales and use taxes to various authorities.

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.  
 SEE ATTACHMENT

**Monthly Operating Report**  
**ACCRUAL BASIS-7**

<b>CASE NAME:</b>	ALCO Stores, Inc.
<b>CASE NUMBER:</b>	14-34941

MONTH: OCTOBER 2014

INSTALLMENT PAYMENTS			
TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
PROPERTY	AFFILIATED FM INSURANCE COMPANY	06/01/14 - 06/01/15	342,121 (1)
GENERAL LIABILITY	ARCH INSURANCE COMPANY	06/01/14 - 06/01/15	211,750 (1)
WORKERS COMPENSATION	ARCH INSURANCE COMPANY	06/01/14 - 06/01/15	344,322 (1)
AUTO LIABILITY	ARCH INSURANCE COMPANY	06/01/14 - 06/01/15	47,158 (1)
LEAD SIDE A DIC	BEAZLEY INSURANCE COMPANY, INC.	06/01/14 - 06/01/15	52,500 (1)
DIRECTORS AND OFFICERS POLICY - 8241-2367	CHUBB SPECIALTY INSURANCE	08/29/14 - 08/29/15	87,730 (1)
CARGO - 68355	FEDERAL INSURANCE COMPANY	06/01/14 - 06/01/15	14,700 (1)
EMPLOYMENT PRACTICES LIAB	FEDERAL INSURANCE COMPANY	06/01/14 - 06/01/15	42,062 (1)
EXCESS UMBRELLA	FIREMANS FUND INSURANCE CO	06/01/14 - 06/01/15	5,586 (1)
DIRECTORS AND OFFICERS POLICY	GREAT AMERICAN	06/01/14 - 06/01/15	67,000 (1)
BOILER AND MACHINERY POLICY - FBP8360214	HARTFORD STEAM BOILER	06/01/14 - 06/01/15	23,303 (1)
EXCESS SIDE A DIC	HUDSON INSURANCE COMPANY	06/01/14 - 06/01/15	30,000 (1)
EXCESS DIRECTORS & OFFICERS LIABILITY - 01-207-30-06	ILLINOIS NATIONAL INSURANCE CO	06/01/14 - 06/01/15	21,985 (1)
NETWORK SECURITY SURPLUS LINES TAX	LLOYD'S OF LONDON	06/01/14 - 06/01/15	54,771 (1)
FIDELITY AND CRIME INSURANCE	NATIONAL UNION FIRE INSURANCE COMPANY OF PITTSBURGH, PA	06/01/14 - 06/01/15	5,565 (1)
2ND EXCESS SIDE A DIC	RSUI INDEMNITY CO	06/01/14 - 06/01/15	15,200 (1)
LIQUOR LIABILITY	US UNDERWRITERS INSURANCE COMPANY	06/01/14 - 06/01/15	3,643 (1)
UMBRELLA	XL SPECIALTY INSURANCE CO.	06/01/14 - 06/01/15	81,000 (1)

Amount Financed	\$ 1,362,666
Monthly Payment	\$ 125,130

**Footnotes:**  
 (1) These insurance policies have been financed through a premium finance company. Monthly installments of \$125,130 are payable on the first of each month.