

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re:

Chapter 11

Betsey Johnson LLC

Case No. 12-11732 (JMP)

Debtor

**Monthly Operating Report for the Period
From August 1, 2013 to August 31, 2013**

Debtors' Address:

700 Penhorne Ave.
Secaucus, NJ 07094
Telephone: (201) 770-1702

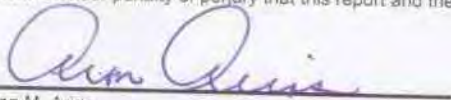
Debtors' Attorneys:

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One Penn Plaza, Suite 3335
New York, NY 10119
Telephone: (212) 594-5000

This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in these Chapter 11 cases and is in a format that the Debtors believe is acceptable to the United States Trustee. The financial information contained herein is limited in scope and covers a limited time period. Moreover, such information is preliminary and unaudited, and is not prepared in accordance with accounting principles generally accepted in the United States ("GAAP").

I declare under penalty of perjury that this report and the attached documents are true and correct to the best of my knowledge and belief.



Aron M. Arias
Chief Financial Officer
Betsey Johnson LLC

Monday, September 23, 2013

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF NEW YORK

| | |
|----------------------|---------------------------|
| -----X | |
| In re | : Chapter 11 |
| BETSEY JOHNSON LLC, | : Case No. 12-11732 (JMP) |
| Debtor. ¹ | : |
| -----X | |

GLOBAL NOTES TO MONTHLY OPERATING REPORT

1. Description of the Debtor and Its Case.

On April 26, 2012 (the "Petition Date"), the Debtor filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtor is operating its business and managing its properties as a debtor in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code.

On May 3, 2012, the United States Trustee for the Southern District of New York appointed a statutory committee of unsecured creditors pursuant to section 1102(a)(1) of the Bankruptcy Code.

As of the Petition Date, the Debtor operated out of various leased facilities in New York and New Jersey as follows: a) 498 Seventh Avenue, New York, NY, consisting of a showroom, design and corporate offices, b) 700 Penhorn Avenue, Secaucus, NJ, consisting of administrative offices and a warehouse. In addition, the Debtor operates 63 corporate retail stores and outlets in the United States, and also sells its products in department and specialty stores worldwide, including Macy's and Lord & Taylor, and online at www.betseyjohnson.com. As of the date of these Global Notes, the Debtor has closed all of its stores, its New York showroom as well as the corporate head office / warehouse. The Debtor now operates out of the CFOs home office.

On May 10, 2012, the Bankruptcy Court authorized the Debtor, in partnership with a joint venture consisting of Hilco Merchant Resources, LLC and Gordon Brothers Retail Partners, LLC, to conduct store closing sales at all of the Debtor's U.S. retail store locations (the "Store Closing Sales"). Store Closing Sales commenced on May 11, 2012 and concluded on July 22, 2012. At present, the Debtor is continuing the orderly wind-down of its estate. Effective September 1, 2012 all employees have been terminated and there is one officer remaining. Certain former employees continue to assist on a part time contractual basis.

¹ The last four digits of the Debtor federal tax identification number is 8779.

As of the Petition Date, Betsey Johnson was the 100% shareholder of each of Betsey Johnson Canada Ltd. ("BJ Canada") and Betsey Johnson UK Ltd. ("BJ UK"). BJ Canada operated 5 retail stores located in various provinces in Canada. BJ UK operated a single retail store located in London, England. On May 15, 2012, BJ Canada filed a Notice of Intention to Make a Proposal in the Quebec Superior Court, Commercial Division and obtained approval of that court to liquidate the inventory and assets in all of its Canadian retail stores. The liquidation of the Canadian retail stores was completed by June 30, 2012 and a proposal to BJ Canada's creditors was accepted on August 16, 2012 and approved by the Quebec Superior Court on September 18, 2012. Substantially all of the remaining funds are expected to be transferred by BJ Canada in December. As of February 12, 2013, the proposal has been fully performed. BJ UK has not commenced any formal restructuring proceedings, but has conducted a liquidation sale which concluded on June 16, 2012. BJ UK believes it has settled its remaining obligations and returned all excess funds to the Debtor in settlement of its intercompany debt. The Debtor expects to complete the formal wind-down of BJ UK by year-end. As of May 31, 2013, all Intercompany accounts have been settled, with the final \$56,000 dividend received by the U.S. Company in May 2013 from the Canadian Trustee.

2. GAAP

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

The unaudited financial statements have been derived from the books and records of the Debtor. This information, however, has not been subject to certain procedures that would typically be applied to financial information in accordance with GAAP, and upon application of such procedures (such as tests for asset impairment), the Debtor believes that the financial information could be subject to changes, and these changes could be material. The information furnished in this report includes primarily normal recurring adjustments but does not include all adjustments that would typically be made for financial statements in accordance with GAAP. Further, certain additional adjustments have been made to reflect the current situation of the Debtor such as writing down assets to realizable values where the information is known.

3. General Methodology

The Debtor prepared this Monthly Operating Report ("MOR") relying primarily upon the information set forth in their books and records. Consequently, certain transactions that are not identified in the normal course of business in the Debtor's books and records may not be included in this MOR. Nevertheless, in preparing this MOR, the Debtor made reasonable efforts to supplement the information set forth in their books and records with additional information concerning transactions that may not have been identified therein.

4. **Retail Calendar**

In 2012, the Debtors books and records were prepared in accordance with the retail calendar method whereby the year-end date is the Saturday closest to the calendar year-end. As such and as most retailers have adopted, the Debtor reported on a 4, 5, 4 basis. It was unduly burdensome, a waste of limited resources and of no value to convert the Debtor's established accounting procedures to report on a calendar basis. Starting in January 2013, since all Retail Store Operations have ceased, the company moved to a calendar month-end reporting. Therefore, the month end for August is August 31, 2013, and this MOR covers the period of August 1st to August 31st, 2013.

5. **Net Book Value of Assets**

It would be prohibitively expensive, unduly burdensome and an inefficient use of estate assets for the Debtor to obtain current market valuations of all its assets. To the extent the Debtor has information on the net realizable value of its assets due to marketing efforts, the Debtor has written down assets to reflect such value. The Debtor reserves the right to amend or adjust the value of each asset or liability set forth herein.

6. **Cash Receipts and Disbursements**

The Debtor has maintained up to 74 bank accounts in connection with its cash management system. Of the accounts, 10 are used by the Debtor at the "corporate" level with the rest representing individual store accounts. The sole purpose of the store accounts is to collect and remit funds to the corporate accounts. Since no disbursements are made from the store accounts, only intercompany transfers, they do not impact the determination of the U.S. Trustee fee. As such, total store inflows are included as an interbank transfer into the corporate concentration account in the Cash Receipts and Disbursements Schedule (MOR-1) and presented only the corporate accounts. As of the date of these Global Notes, the Debtor has closed all non-essential bank accounts.

7. **Prepetition vs. Postpetition Liabilities**

The Debtor allocated liabilities between the pre-petition and post-petition periods based on the information available and research conducted in connection with the preparation of this MOR. As additional information becomes available and further research is conducted, the allocation of liabilities between the prepetition and postpetition periods may change. The liability information, except as otherwise noted, is listed as of the close of business as of August 31st, 2013. Accordingly, the Debtor reserves all rights to amend, supplement or otherwise modify this MOR as necessary and appropriate.

In addition, the liabilities listed in this MOR do not reflect any analysis conducted by the Debtor regarding potential claims under section 503(b)(9) of the Bankruptcy Code. Accordingly, the Debtor reserves any and all of their rights to dispute or challenge the validity of any claims asserted under section 503(b)(9) of the Bankruptcy Code or the characterization of the structure of any transaction, document or instrument related to any creditor's claim.

In December 2012, a settlement payment was made to Steve Madden Ltd. in the amount of \$1,522,000 in accordance with the court-approved agreement between Betsey Johnson, LLC and Steven Madden Ltd. to share in the proceeds from the Collateral sold during the store liquidation process.

8. **Insiders**

For the MOR, the Debtor uses the term "insiders" as that term is defined in section 101(31) of the Bankruptcy Code.

Persons listed as "insiders" have been included for informational purposes only. The Debtor does not take any position with respect to: (a) such person's influence over the control of the Debtor; (b) the management responsibilities or functions of such individual; (c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law, including the federal securities laws, or with respect to any theories of liability or for any other purpose.

9. **Reservation of Rights**

Given the complexity in preparing this MOR, caused by the carve-out of the stub period, inadvertent errors, omissions or the over-inclusion of contracts or leases may have occurred. Accordingly, the Debtor hereby reserves all of its rights to dispute the validity, status, enforceability or the executory nature of any claim amounts, representation or other statement in this MOR and reserve the right to amend or supplement the MOR, if necessary.

Nothing contained in this MOR shall constitute a waiver of the Debtor's rights or an admission with respect to these chapter 11 cases, including with respect to any issues involving the Debtor's ownership interests, substantive consolidation, equitable subordination, defenses and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re Betsey Johnson LLC
Debtor

Case No. 12-11732 (JMP)
Reporting Period: August 1, 2013 to August 31, 2013
Federal Tax I.D. # 26-0618779

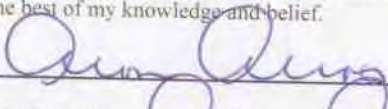
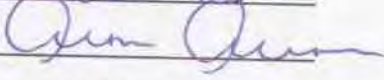
CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

| REQUIRED DOCUMENTS | Form No. | Document Attached | Explanation Attached |
|--|----------|-------------------|----------------------|
| Schedule of Cash Receipts and Disbursements | 1120-C | X | |
| Bank Reconciliation (or copies of debtor's bank reconciliations) | 1120-C | X | |
| Copies of bank statements | | X | |
| Cash disbursements journals | | X | |
| Statement of Operations | 1120-C | X | |
| Balance Sheet | 1120-C | X | |
| Status of Post-petition Taxes | 1120-C | X | |
| Copies of IRS Form 6123 or payment receipt | | n/a | |
| Copies of tax returns filed during reporting period | | n/a | |
| Summary of Unpaid Post-petition Debts | 1120-C | X | |
| Listing of Aged Accounts Payable | | X | |
| Accounts Receivable Reconciliation and Aging | 1120-C | X | |
| Taxes Reconciliation and Aging | 1120-C | X | |
| Payments to Insiders and Professional | 1120-C | X | |
| Post Petition Status of Secured Notes, Leases Payable | 1120-C | X | |
| Debtor Questionnaire | 1120-C | X | |

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor  Date 23-Sep-13
 Signature of Authorized Individual*  Date 23-Sep-13
 Printed Name of Authorized Individual: Aron M. Arias Date 23-Sep-13

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

In re Betsy Johnson LLC
Debtor

Case No. 12-11732 (JMP)
Reporting Period: August 1, 2013 to August 31, 2013

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

| | FN xxx1763 CDA Accounts Payable | FN xxx6173 Payroll | FN xxx6181 Concentration | FN xxx6157 American Express | FN xxx6140 Mastercard | FN xxx1755 Funding Operating DIP |
|---|---------------------------------------|-----------------------|-----------------------------|-----------------------------------|--------------------------|--|
| BEGINNING BOOK BALANCE | \$ (8,319.15) | \$ (1,710.84) | \$ - | \$ - | \$ - | \$ 970,064.93 |
| Inflows | | | | | | |
| Total | - | - | - | - | - | - |
| Inter-Bank Transfers | | | | | | |
| CDA AP from Funding Acct | 5,319.86 | | | | | (5,319.86) |
| Total | 5,319.86 | - | - | - | - | (5,319.86) |
| TOTAL INFLOW | 5,319.86 | - | - | - | - | (5,319.86) |
| Outflow | | | | | | |
| Payroll / Net Payroll | - | - | | | | (4,010.00) |
| Legal And Prof Fees | | | | | | (116,164.88) |
| Operating Expenses | (1,905.10) | | | | | (3,420.70) |
| Bank Fees | (389.56) | | | | | - |
| TOTAL OUTFLOWS | (2,294.66) | - | - | - | - | (123,595.58) |
| ENDING BALANCE (BOOK CASH) | \$ (5,293.95) | \$ (1,710.84) | \$ - | \$ - | \$ - | \$ 841,149.49 |
| Balance as per Bank | Agreed | Agreed | Agreed | Agreed | Agreed | Agreed |
| Diff | (5,293.95) | (1,710.84) | - | - | - | 841,149.49 |
| * COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE | | | | | | 0.00 |

In re Betsy Johnson LLC
Debtor

Case No. 12-11732 (JMP)
Reporting Period: August 1, 2013 to August 31, 2013

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

| | FN xxx6132 Funding Account | Revolver | Revolver DIP | BOA Concentration xxx6126 | TO DATE |
|-----------------------------------|----------------------------------|----------|--------------|---------------------------------|---------------|
| BEGINNING BOOK BALANCE | \$ - | \$ - | \$ - | \$ 4,076.06 | \$ 964,111.00 |
| Inflows | | | | | |
| Total | - | - | - | - | - |
| Inter-Bank Transfers | | | | | |
| CDA AP from Funding Acct | | | | | |
| Total | - | - | - | - | - |
| TOTAL INFLOW | - | - | - | - | - |
| Outflow | | | | | |
| Payroll / Net Payroll | - | - | - | - | (4,010.00) |
| Legal And Prof Fees | - | - | - | - | (116,164.88) |
| Operating Expenses | - | - | - | - | (5,325.80) |
| Bank Fees | - | - | - | (230.49) | (620.05) |
| TOTAL OUTFLOWS | - | - | - | (230.49) | (126,120.73) |
| ENDING BALANCE (BOOK CASH) | \$ - | \$ - | \$ - | \$ 3,845.57 | \$ 837,990.27 |

Note 1

Balance as per Bank Agreed Agreed Agreed Agreed 3,845.57

Diff

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

| | | | Total |
|--|---------------|------|---------------|
| TOTAL DISBURSEMENTS | \$ 126,120.73 | | \$ 126,120.73 |
| LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS | - | - | - |
| PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts) | - | - | - |
| TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES | \$ 126,120.73 | \$ - | \$ 126,120.73 |

Note 1: The difference between the ending balance on MOR-1 and the cash balance on the balance sheet is due to the fact that only corporate accounts are presented on this schedule as outlined in the global notes. Refer to the Cash Receipts and Disbursements to Balance Sheet Reconciliation for the additional account balances.

In re Betsey Johnson LLC
Debtor

Case No. 12-11732 (JMP)

Reporting Period: August 1, 2013 to August 31, 2013

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
(Bank account numbers may be redacted to last four numbers.)

| | FN xxx1763 CDA Accounts Payable | FN xxx6173 Payroll | FN xxx6181 Concentration | FN xxx6157 American Express | FN xxx6140 Mastercard |
|---------------------------------------|---------------------------------------|-----------------------|-----------------------------|-----------------------------------|--------------------------|
| BALANCE PER BOOKS | \$ (5,293.95) | \$ (1,710.84) | \$ - | \$ - | \$ - |
| BANK BALANCE | - | - | - | - | - |
| (+) DEPOSITS IN TRANSIT (ATTACH LIST) | | | | | |
| (-) OUTSTANDING CHECKS (ATTACH LIST): | (5,293.95) | (1,710.84) | | | |
| OTHER (ATTACH EXPLANATION) | | | | | |
| ADJUSTED BANK BALANCE * | \$ (5,293.95) | \$ (1,710.84) | \$ - | \$ - | \$ - |

*"Adjusted Bank Balance" must equal "Balance per Books"

| DEPOSITS IN TRANSIT | Date | Amount | Date | Amount |
|---------------------|----------------------|----------------------|-------|--------|
| | None | None | None | None |
| | | | | |
| | | | | |
| CHECKS OUTSTANDING | Ck. # | Amount | Ck. # | Amount |
| | See Attached Listing | See Attached Listing | None | None |
| | | | | |
| | | | | |

OTHER

In re Betsey Johnson LLC

Debtor

Case No. 12-11732 (JMP)

Reporting Period: August 1, 2013 to August 31, 2013

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
(Bank account numbers may be redacted to last four numbers.)

| | FN xxx1755 Funding Operating DIP | FN xxx6132 Funding Account | Revolver | Revolver DIP | BOA Concentration xxx6126 |
|---------------------------------------|--|-------------------------------|----------|--------------|------------------------------|
| BALANCE PER BOOKS | \$ 841,149.49 | \$ - | \$ - | \$ - | \$ 3,845.57 |
| BANK BALANCE | \$ 841,149.49 | \$ - | \$ - | \$ - | \$ 3,845.57 |
| (+) DEPOSITS IN TRANSIT (ATTACH LIST) | | | | | |
| (-) OUTSTANDING CHECKS (ATTACH LIST): | | | | | |
| OTHER (ATTACH EXPLANATION) | | | | | |
| ADJUSTED BANK BALANCE * | \$ 841,149.49 | \$ - | \$ - | \$ - | \$ 3,845.57 |

*"Adjusted Bank Balance" must equal "Balance per Books"

| DEPOSITS IN TRANSIT | Date | Amount | Date | Amount |
|---------------------|-------|--------|------|--------|
| | None | None | None | None |
| | | | | |
| | | | | |
| CHECKS OUTSTANDING | Ck. # | Amount | Ck # | Amount |
| | None | None | None | None |
| | | | | |
| | | | | |

OTHER

FIRST NIAGARA

BETSEY JOHNSON LLC
 DEBTOR IN POSSESSION
 700 PENHORN AVE
 SECAUCUS NJ 07094-2158

057 Statement Date: 08/30/13

Account Number: [REDACTED] 763

***** BUSINESS CHECKING ACCOUNT [REDACTED] 763 *****

All Transactions by Date

| Date | Description | Withdrawal | Deposit | Balance |
|-------|-------------------------|------------|----------|----------|
| 07/31 | Balance Forward | | | .00 |
| 08/05 | TFR FROM CK# XXXXXX1755 | | 4,875.00 | 4,875.00 |
| 08/05 | Check Num 90342 | 4,875.00 | | .00 |
| 08/15 | ANALYSIS SERVICE CHARGE | 389.56 | | 389.56 |
| 08/15 | TFR FROM CK# XXXXXX1755 | | 389.56 | .00 |
| 08/16 | TFR FROM CK# XXXXXX1755 | | 55.30 | 55.30 |
| 08/16 | Check Num 90340 | 30.00 | | 25.30 |
| 08/16 | Check Num 90343 | 25.30 | | .00 |

Checks in Order

| Date | Number | Amount | Date | Number | Amount | Date | Number | Amount |
|-------|--------|--------|-------|--------|----------|-------|--------|--------|
| 08/16 | 90340 | 30.00 | 08/05 | 90342* | 4,875.00 | 08/16 | 90343 | 25.30 |

(* Check Numbers Missing)

Account Summary

| Beginning Balance | + | Deposits | + | Interest Paid | - | Withdrawals | - | Service Charge | = | Ending Balance |
|-------------------|---|----------|---|---------------|---|-------------|---|----------------|---|----------------|
| .00 | | 5,319.86 | | .00 | | 4,930.30 | | 389.56 | | .00 |

Statement from 08/01/13 Thru 08/30/13

***** Summary of Deposit Accounts *****

| AP ACCOUNT | BALANCE | INT-RATE% | YTD-INT | YTD-PENALTY |
|-----------------------|---------|-----------|---------|-------------|
| -10 61 [REDACTED] 763 | | .00 | | |

FIRST NIAGARA

BETSEY JOHNSON LLC
 DEBTOR IN POSSESSION
 700 PENHORN AVE
 SECAUCUS NJ 07094-2158

057 Statement Date: 08/30/13

Account Number: [REDACTED] 755

***** BUSINESS CHECKING ACCOUNT [REDACTED] 755 *****

All Transactions by Date

| Date | Description | Withdrawal | Deposit | Balance |
|-------|---|------------|---------|------------|
| 07/31 | Balance Forward | | | 970,064.93 |
| 08/05 | TFR TO CK# XXXXXX1763 | 4,875.00- | | 965,189.93 |
| 08/06 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 16,055.85- | | 949,134.08 |
| 08/06 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 15,802.03- | | 933,332.05 |
| 08/06 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 9,741.22- | | 923,590.83 |
| 08/06 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 4,001.04- | | 919,589.79 |
| 08/06 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 3,420.70- | | 916,169.09 |
| 08/12 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 3,300.00- | | 912,869.09 |
| 08/14 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 510.00- | | 912,359.09 |
| 08/15 | TFR TO CK# XXXXXX1763 | 389.56- | | 911,969.53 |
| 08/16 | TFR TO CK# XXXXXX1763 | 55.30- | | 911,914.23 |
| 08/19 | Wire BNF: DONLIN RECANO COMPA INC | 4,719.87- | | 907,194.36 |
| 08/19 | Wire BNF: CAPSTONE ADVISORY G P LLC | 2,159.83- | | 905,034.53 |
| 08/19 | Wire BNF: TOGUT SEGAL SEGAL L | 6,989.06- | | 898,045.47 |
| 08/19 | Wire BNF: RICHTER CONSULTING | 1,564.00- | | 896,481.47 |
| 08/19 | Wire BNF: TOGUT SEGAL SEGAL L | 2,602.25- | | 893,879.22 |
| 08/19 | Wire BNF: RICHTER CONSULTING | 1,153.25- | | 892,725.97 |
| 08/19 | Wire BNF: CAPSTONE ADVISORY G P LLC | 2,284.50- | | 890,441.47 |

BETSEY JOHNSON LLC
DEBTOR IN POSSESSION
700 PENHORN AVE
SECAUCUS NJ 07094-2158

057 Statement Date: 08/30/13

Account Number: [REDACTED] 1755

***** BUSINESS CHECKING ACCOUNT 7900681755 *****

| Date | Description | Withdrawal | Deposit | Balance |
|-------|---|------------|---------|------------|
| | Balance Forward from Previous Page | | | 890,441.47 |
| 08/19 | Wire BNF: Goulston & Storrs Operating Account | 8,236.68- | | 882,204.79 |
| 08/19 | Wire BNF: Goulston & Storrs Operating Account | 11,957.80- | | 870,246.99 |
| 08/19 | Wire BNF: DONLIN RECANO COMPA INC | 12,068.03- | | 858,178.96 |
| 08/20 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 7,944.07- | | 850,234.89 |
| 08/20 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 5,580.40- | | 844,654.49 |
| 08/20 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 3,305.00- | | 841,349.49 |
| 08/20 | BETSEYJOHNSON755 PAYMENTS ID :BATCH OFFSET NAME :OFFST BETSEYJOHNSON755 | 200.00- | | 841,149.49 |

Account Summary

| Beginning Balance | + Deposits | + Interest Paid | - Withdrawals | - Service Charge | = Ending Balance |
|-------------------|------------|-----------------|---------------|------------------|------------------|
| 970,064.93 | .00 | .00 | 128,915.44 | .00 | 841,149.49 |

Statement from 08/01/13 Thru 08/30/13

*****Summary of Deposit Accounts *****

| AP | ACCOUNT | BALANCE | INT-RATE% | YTD-INT | YTD-PENALTY |
|--------|-----------------|------------|-----------|---------|-------------|
| -10 61 | [REDACTED] 1755 | 841,149.49 | | | |



P.O. Box 15284
Wilmington, DE 19850

AG 0 038 856 011285 #001 AV 0.360

BETSEY JOHNSON LLC
295 PRINCETON-HIGHTSTOWN ROAD
BOX 11-364
WEST WINDSOR, NJ 08550

Customer service information

- Customer service: 1.888.400.9009
- bankofamerica.com
- Bank of America, N.A.
P.O. Box 25118
Tampa, FL 33622-5118

Your Full Analysis Business Checking

for August 1, 2013 to August 31, 2013

Account number: [REDACTED] 6126

Account summary

| | |
|-------------------------------------|------------|
| Beginning balance on August 1, 2013 | \$4,076.06 |
| Deposits and other credits | 0.00 |
| Withdrawals and other debits | -0.00 |
| Checks | -0.00 |
| Service fees | -230.49 |
| Ending balance on August 31, 2013 | \$3,845.57 |

of deposits/credits: 0
 # of withdrawals/debits: 1
 # of days in cycle: 31
 Average ledger balance: \$3,949.66



Bank of America
Merrill Lynch

Your checking account



BETSEY JOHNSON LLC | Account # [REDACTED] 5126 | August 01, 2013 to August 31, 2013

Service fees

| Date | Transaction description | Amount |
|--------------------|-------------------------|---------|
| 08/15/13 | 07/13 ACCT ANALYSIS FEE | -230.49 |
| Total service fees | | -230.49 |

Note your Ending Balance already reflects the subtraction of Service Fees.

Daily ledger balances

| Date | Balance (\$) | Date | Balance(\$) |
|-------|--------------|-------|-------------|
| 08/01 | 4,076.06 | 08/15 | 3,845.57 |

| Betsey Johnson LLC | |
|--|----------------|
| Cash Receipts and Disbursements to Balance Sheet Reconciliation | |
| 31-Aug-13 | |
| Account | Balance |
| Total Non-Corporate Accounts | \$ - |
| Total Per Cash Receipts and Disbursements (MOR-1) | 837,990 |
| Total Per Balance Sheet (MOR - 3) | 837,990 |

| Betsey Johnson FIRST NIAGARA CDA Post-Petition Account Outstanding Checks 8/31/2013 | | | |
|---|---------|--------------------------------|--------------------|
| Date | Check # | Payee | Amount |
| 5/9/2012 | 60026 | CAITLIN KENNEY | \$ 60.83 |
| 5/9/2012 | 60032 | DEEDRA BOND | 139.66 |
| 5/9/2012 | 60033 | LYNDSAY GRACIN | 54.99 |
| 5/9/2012 | 60038 | MILICA VELICKOVICH | 79.43 |
| 5/9/2012 | 60041 | SARAH SUMMERS | 21.53 |
| 5/9/2012 | 60046 | BRIANA VILLA | 9.97 |
| 5/9/2012 | 60059 | AJA HILL | 71.60 |
| 5/9/2012 | 60064 | JANELY BENCOMO | 125.00 |
| 5/9/2012 | 60072 | JESSICA CLAEYSSSEN | 106.28 |
| 5/10/2012 | 60080 | FARIAS, INC | 39.61 |
| 6/12/2012 | 80464 | MARGOT E HASWELL | 769.92 |
| 6/21/2012 | 80616 | KIMBERLY E. MAYBERRY | 337.20 |
| 8/8/2012 | 90025 | NSTAR ELECTRIC | 60.06 |
| 8/23/2012 | 90065 | JOLEE ACOSTA | 47.27 |
| 8/23/2012 | 90070 | ASHLEY ANGELO | 12.64 |
| 8/23/2012 | 90072 | ABIGAIL ARNETT | 16.40 |
| 8/23/2012 | 90080 | SHANNON BOUTHILLETTE | 79.22 |
| 8/23/2012 | 90083 | KATELYN BREHONY | 28.54 |
| 8/23/2012 | 90092 | TARALYNN CONGEMI | 12.64 |
| 8/23/2012 | 90093 | ANTHONY COOPER | 62.37 |
| 8/23/2012 | 90098 | LEARIE D. DAWKINS | 15.40 |
| 8/23/2012 | 90114 | MARY HAMILTON | 31.14 |
| 8/23/2012 | 90123 | TACEY JONES | 19.20 |
| 8/23/2012 | 90125 | EDWARD KIM | 100.92 |
| 8/23/2012 | 90129 | BRINKLEY LEMARIE | 14.38 |
| 8/23/2012 | 90137 | MICHAEL MOLINA | 12.64 |
| 8/23/2012 | 90142 | SAMUEL OLMEDO | 12.64 |
| 8/23/2012 | 90150 | TAYLOR RICHEY | 20.13 |
| 8/23/2012 | 90162 | IRAM SUBA | 47.27 |
| 8/23/2012 | 90165 | ROBERT TILLERY | 47.27 |
| 4/15/2013 | 90320 | VERMONT DEPARTMENT OF TAXES | 250.00 |
| 4/15/2013 | 90322 | AZ Secretary of State Ken Benn | 13.00 |
| 4/15/2013 | 90324 | ILLINOIS DEPT OF REVENUE | 100.00 |
| 4/15/2013 | 90325 | COMMONWEALTH OF MASSACHUSETTS | 500.00 |
| 4/15/2013 | 90326 | MINNESOTA SECRETARY OF STATE | 35.00 |
| 4/15/2013 | 90328 | MISSOURI DEPT. OF REVENUE TAXA | 25.00 |
| 4/15/2013 | 90329 | TENNESSEE SECRETARY OF STATE | 20.00 |
| 4/15/2013 | 90331 | SECRETARY OF STATE OF TEXAS | 15.00 |
| 8/9/2013 | 90344 | INTERNATIONAL EQUITY RESEARCH | 1,879.80 |
| | | | <u>\$ 5,293.95</u> |

| Betsey Johnson Payroll Outstanding Checks 8/31/2013 | | | |
|---|---------|---------|--------------------|
| Date | Check # | Payee | Amount |
| 5/25/2012 | 10285 | Payroll | \$ 81.40 |
| 6/8/2012 | 10489 | Payroll | 170.56 |
| 6/8/2012 | 10531 | Payroll | 42.79 |
| 6/15/2012 | 10563 | Payroll | 82.10 |
| 6/15/2012 | 10578 | Payroll | 66.77 |
| 6/15/2012 | 10632 | Payroll | 118.70 |
| 7/6/2012 | 10852 | Payroll | 40.33 |
| 7/6/2012 | 10853 | Payroll | 48.56 |
| 7/6/2012 | 10855 | Payroll | 58.93 |
| 7/6/2012 | 10858 | Payroll | 163.47 |
| 7/6/2012 | 10871 | Payroll | 122.85 |
| 7/6/2012 | 10922 | Payroll | 285.18 |
| 7/20/2012 | 11006 | Payroll | 77.27 |
| 7/20/2012 | 11013 | Payroll | 7.43 |
| 7/20/2012 | 11015 | Payroll | 244.20 |
| 7/20/2012 | 11031 | Payroll | 99.77 |
| 7/27/2012 | 11049 | Payroll | 0.53 |
| | | | \$ 1,710.84 |

| Betsey Johnson Disbursement Journal August 1, 2013 to August 31, 2013 | | | | | | |
|---|---------|---|----------------------|--------------------|----------------------|--------------------|
| Date | Check # | Vendor | Amount | Consulting | Prof Fees | Operating |
| 8/6/2013 | WT | HAHN & HESSEN LLP - FEBRUARY 2013 BILLING | 16,055.85 | | 16,055.85 | |
| 8/6/2013 | WT | HAHN & HESSEN LLP - JANUARY 2013 BILLING | 15,802.03 | | 15,802.03 | |
| 8/6/2013 | WT | HAHN & HESSEN LLP - MARCH 2013 BILLING | 9,741.22 | | 9,741.22 | |
| 8/6/2013 | WT | HAHN & HESSEN LLP - APRIL 2013 BILLING | 4,001.04 | | 4,001.04 | |
| 8/6/2013 | WT | DATAGRAM - OUTSOURCED IT NETWORK-HOSTING SERVICE | 3,420.70 | | | 3,420.70 |
| 8/12/2013 | WT | ARON ARIAS W/E - 7/28/13 AND 8/4/13 | 3,300.00 | 3,300.00 | | |
| 8/14/2013 | WT | JOSHUA LOPEZ - IT CONSULTANT | 510.00 | 510.00 | | |
| 8/19/2013 | WT | DONLIN RECANO COMPANY INC - JULY 2013 BILLING | 4,719.87 | | 4,719.87 | |
| 8/19/2013 | WT | CAPSTONE ADVISORY GROUP LLC - JUNE 2013 BILLING | 2,159.83 | | 2,159.83 | |
| 8/19/2013 | WT | TOGUT SEGAL SEGAL LLP - JUNE 2013 BILLING | 6,989.06 | | 6,989.06 | |
| 8/19/2013 | WT | RICHTER CONSULTING INC - JUNE 2013 BILLING | 1,564.00 | | 1,564.00 | |
| 8/19/2013 | WT | TOGUT SEGAL SEGAL LLP - 3RD INTERIM FEE PAYMENT | 2,602.25 | | 2,602.25 | |
| 8/19/2013 | WT | RICHTER CONSULTING INC - 3RD INTERIM FEE PAYMENT | 1,153.25 | | 1,153.25 | |
| 8/19/2013 | WT | CAPSTONE ADVISORY GROUP - 3RD INTERIM FEE PAYMENT | 2,284.50 | | 2,284.50 | |
| 8/19/2013 | WT | GOULSTON AND STORRS - JUNE 2013 BILLING | 8,236.68 | | 8,236.68 | |
| 8/19/2013 | WT | GOULSTON AND STORRS - 3RD INTERIM FEE PAYMENT | 11,957.80 | | 11,957.80 | |
| 8/19/2013 | WT | DONLIN RECANO COMPANY INC - JUNE 2013 BILLING | 12,068.03 | | 12,068.03 | |
| 8/20/2013 | WT | MARCUM LLP - 3RD INTERIM FEE PAYMENT | 7,944.07 | | 7,944.07 | |
| 8/20/2013 | WT | HAHN & HESSEN - 3RD INTERIM FEE PAYMENT | 5,580.40 | | 5,580.40 | |
| 8/20/2013 | WT | MARCUM LLP - JUNE 2013 BILLING | 3,305.00 | | 3,305.00 | |
| 8/20/2013 | WT | JONATHAN FRIEDMAN | 200.00 | 200.00 | | |
| 8/9/2013 | 90343 | VERIZON - TRNTON NJ | 25.30 | | | 25.30 |
| 8/9/2013 | 90344 | INTERNATIONAL EQUITY RESEARCH - UNCLAIMED PROPERTY RECLAIMED COMMISSION | 1,879.80 | | | 1,879.80 |
| 8/15/2013 | FEEs | BANK FEES - FIRST NIAGARA CDA ACCOUNT | 389.56 | | | 389.56 |
| 8/15/2013 | FEEs | BANK FEES - BANK OF AMERICA CONCENTRATION | 230.49 | | | 230.49 |
| | | | \$ 126,120.73 | \$ 4,010.00 | \$ 116,164.88 | \$ 5,945.85 |

Debtor

Reporting Period: August 31, 2013

STATEMENT OF OPERATIONS (Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

| REVENUES | Aug 1, 2013 to 2014 | Aug 31, 2013 | CUMULATIVE - FILING TO DATE |
|--|------------------------|--------------------|--------------------------------|
| Net Sales | | | \$ 14,104,131 |
| COST OF GOODS SOLD | | | |
| Cost of Goods Sold | | | 7,665,239 |
| Gross Profit | | | 6,438,891 |
| OPERATING EXPENSES | | | |
| Payroll | | | 1,195,707 |
| Commissions and Bonus | | | 479,629 |
| Benefits | | | 217,139 |
| Occupancy Expense | | | 1,708,993 |
| Website Fee | | | 212,702 |
| Freight Out (Web-GSI - Net Freight Income) | | | (21,380) |
| Other Expense | | | 628,676 |
| Total Store Operating Expenses | | | 4,421,466 |
| Payroll / Contract Employees | | 10,550 | 816,545 |
| Commissions and Bonus | | | 257,053 |
| Benefits (Cobra Reimbursements) | | | 81,169 |
| Occupancy Expense | | | 206,371 |
| Freight Out | | | 34,135 |
| Outsource & Production Black Label | | | 4,535 |
| Other Expense/(Income) - (Note 1 for breakdown) | | 5,946 | 396,553 |
| Total Corporate Expenses | | 16,496 | 1,796,362 |
| Total Operating Expenses | | 16,496 | 6,217,828 |
| OTHER INCOME AND EXPENSES | | | |
| Senior Management Bonus | | | (99,231) |
| Depreciation & Amortization | | | 300,591 |
| Cash Interest Expense | | | 5,735 |
| Interest Expense-Earnout | | | 330 |
| Other Extraordinary Loss/(Gain) | | | 10,535,812 |
| Net Agency Fee Expense | | | 1,998,811 |
| Non-Cash Interest- SM Loan | | | - |
| Management Fees | | | (24,999) |
| Debtor Counsel (Goulston/Togut) | | 10,849 | 1,345,668 |
| Debtor Financial Advisors (Richter) | | 287 | 651,049 |
| Debtor Accountants (Marcum LLP) | | 10,712 | 270,019 |
| Committee Professionals (Hahn & Hessen/Capstone) | | 20,000 | 753,619 |
| Debtor Claims Agent (Donlin) | | 4,074 | 385,774 |
| U.S. Trustee | | - | 39,975 |
| Leasing Agent | | | 14,063 |
| Bank Lender Fees | | | 152,703 |
| Sales Tax Assessment | | | 77,000 |
| Total Non-Operating Expense | | 45,922 | 16,406,918 |
| Income Taxes | | | 15,844 |
| Net Profit (Loss) | | \$ (62,418) | \$ (16,201,698) |

**"Insider" is defined in 11 U.S.C. Section 101(31).

Debtor

NOTE 1: BREAKDOWN OF OTHER EXPENSE/(INCOME)

OTHER OPERATIONAL EXPENSES

| | |
|---|-------|
| Datagram Offsite Network Hosting | 3,421 |
| Bank Fees (Note - April NSF Fees of \$407 still to be reversed by FN) | 620 |
| Telephone (local company servie for May & June) | 25 |
| | |
| | |

OTHER EXPENSES

| | |
|---|--------------|
| Unclaimed Property Refunds Commission - International Equity Research Corp. | 1,880 |
| | |
| | |
| NET OTHER EXPENSES/(INCOME) | 5,946 |

In re Betsey Johnson LLC

Case No. 12-11732 (JMP)

Debtor

Reporting Period: August 1, 2013 to August 31, 2013

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

| <i>ASSETS</i> | <i>BOOK VALUE AT END OF CURRENT REPORTING</i> | <i>BOOK VALUE AT END OF PRIOR REPORTING MONTH</i> | <i>BOOK VALUE ON PETITION DATE OR SCHEDULED - Note 1</i> |
|---|---|---|--|
| <i>CURRENT ASSETS</i> | | | |
| Cash | \$ 837,990 | \$ 964,111 | \$ 113,469 |
| Accounts Receivables, Less Allowance | - | - | 1,231,952 |
| Other Receivables - See schedule (Note 5) | - | - | |
| Intercompany | - | - | 8,727,614 |
| Inventory | - | 0 | 8,022,274 |
| Prepays - Note 2 | 188,334 | 188,334 | 611,963 |
| TOTAL CURRENT ASSETS | 1,026,325 | 1,152,445 | 18,707,272 |
| <i>NON-CURRENT ASSETS</i> | | | |
| Property & Equipment | - | - | 6,340,350 |
| Other Assets - See schedule | 1,159 | 1,159 | 261,875 |
| TOTAL NON-CURRENT ASSETS | 1,159 | 1,159 | 6,602,226 |
| TOTAL ASSETS | \$ 1,027,484 | \$ 1,153,605 | \$ 25,309,498 |

| <i>LIABILITIES AND OWNER EQUITY</i> | <i>BOOK VALUE AT END OF CURRENT REPORTING</i> | <i>BOOK VALUE AT END OF CURRENT REPORTING MONTH</i> | <i>BOOK VALUE ON PETITION DATE</i> |
|---|---|---|--|
| <i>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</i> | | | |
| Accounts Payable | \$ 408,834 | \$ 492,537 | |
| Loan Payable - Current | 897 | 897 | |
| Revolver | - | - | 2,109,339 |
| Accrued Liabilities - Note 3 | 43,500 | 23,500 | |
| TOTAL POST-PETITION LIABILITIES | 453,231 | 516,934 | 2,109,339 |
| <i>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</i> | | | |
| Accounts Payable | 6,123,505 | 6,123,505 | 7,658,643 |
| Term Loan - Madden | 1,876,746 | 1,876,746 | 3,398,745 |
| Accrued Liabilities | 988,870 | 988,870 | |
| TOTAL PRE-PETITION LIABILITIES | 8,989,121 | 8,989,121 | 11,057,388 |
| TOTAL LIABILITIES | 9,442,352 | 9,506,054 | 13,166,727 |
| <i>OWNERS' EQUITY</i> | | | |
| Owners' Equity | 3,200,000 | 3,200,000 | |
| Retained Earnings - Pre-Petition | 4,586,830 | 4,586,830 | |
| Retained Earnings - Post-petition | (16,201,698) | (16,139,280) | |
| NET OWNERS' EQUITY | (8,414,868) | (8,352,450) | - |
| TOTAL LIABILITIES AND OWNERS' EQUITY | \$ 1,027,484 | \$ 1,153,605 | \$ 13,166,727 |

**"Insider" is defined in 11 U.S.C. Section 101(31).

Note 1: The Debtor has only included comparable amounts as reflected on the schedules.

Note 2: Includes a \$97K carve-out in escrow with Goulston & Storrs, P.C. as well as \$91k of retainers.

Note 3: Increase due to additional \$20,000 accrual for Hahn & Hessen professional fees for August 2013.

Debtor

Reporting Period: August 1, 2013 to August 31, 2013

BALANCE SHEET - continuation section

| ASSETS | BOOK VALUE AT END OF CURRENT REPORTING MONTH | BOOK VALUE AT END OF PRIOR REPORTING MONTH | BOOK VALUE ON PETITION DATE |
|---|--|---|--------------------------------|
| Other Receivables | | | |
| Joint Venture Liquidation Receivable (Payment received in Oct.) | \$ - | \$ - | |
| Credit Card | - | - | |
| Expenses | | | |
| Medical | - | - | |
| Web | | | |
| | \$ - | \$ - | |
| Other Assets | | | |
| Rent Security Deposits | \$ - | \$ - | |
| Tax Recovery | 1,159 | 1,159 | |
| Utility Deposit | - | - | |
| | \$ 1,159 | \$ 1,159 | |

In re Betsey Johnson LLC

Debtor

Case No. 12-11732 (JMP)

Reporting Period: August 1, 2013 to August 31, 2013

STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

| | Beginning Tax | Amount Withheld and/or Accrued | Amount Paid | Date Paid | Check # or EFT | Ending Tax |
|------------------------|---------------|--------------------------------|-------------|-----------|----------------|------------|
| Federal | | | | | | |
| Withholding | | | | | | \$ - |
| FICA-Employee | | | | | | - |
| FICA-Employer | | | | | | - |
| Unemployment | | | | | | - |
| Income | | | | | | - |
| Other: | | | | | | - |
| Total Federal Taxes | - | - | - | - | - | - |
| State and Local | | | | | | |
| Withholding | | | | | | - |
| Sales | - | - | - | | | - |
| Excise | | | | | | - |
| Unemployment | | | | | | - |
| Real Property | | | | | | - |
| Personal Property | | | | | | - |
| Other: | | | | | | - |
| Total State and Local | - | - | - | - | - | - |
| Total Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

| | Number of Days Past Due | | | | | Total |
|---|-------------------------|-----------|----------|-----------|------------|------------|
| | Current | 1-30 | 31-60 | 61-90 | Over 91 | |
| Accounts Payable (Note 1 & 2) | \$ 22,997 | \$ 47,985 | \$ 8,286 | \$ 12,551 | \$ 317,015 | \$ 408,834 |
| Wages Payable | - | - | - | - | - | - |
| Taxes Payable | - | - | - | - | - | - |
| Rent/Leases-Building | | | | | | - |
| Rent/Leases-Equipment | | | | | | - |
| Secured Debt/Adequate Protection Payments | | | | | | - |
| Professional Fees (Accruals) | 43,500 | - | - | - | - | 43,500 |
| Amounts Due to Insiders | | | | | | - |
| Other: ADP Manual Checks and Stale Dated Checks | - | - | - | - | - | - |
| Total Post-petition Debts | \$ 66,497 | \$ 47,985 | \$ 8,286 | \$ 12,551 | \$ 317,015 | \$ 452,334 |

Explain how and when the Debtor intends to pay any past due post-petition debts.

To be paid from existing cash collateral.

Note 1: Of the total AP balance, \$341K relates professional fees (\$54k payable and \$287k holdbacks).

Note 2: The Debtor, and counsel are in the final stages of evaluating all Administrative Claims submitted to determine the status of the Open Non-Professional Fee Post-Petition Payables.

| Betsey Johnson LLC Post - Petition AP Aging by Due Date 31-Aug-13 | | | | | Current | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | Over 91 days |
|---|----------------------|--------------|------------|--------|---------|-----------------|------------------|------------------|-----------------|
| Vendor | Invoice # | Invoice Date | Due Date | Total | | | | | |
| 100 West 72nd Street Associates LLC | 1-COL-072312 | 7/23/2012 | 8/2/2012 | 4,509 | | | | | 4,509 |
| 19 EAST 80TH ST. ASSOCIATION | 16-MAD-072112 | 7/21/2012 | 7/21/2012 | 4,465 | | | | | 4,465 |
| 19 EAST 80TH ST. ASSOCIATION | 16-MAD-061012A | 12/28/2012 | 12/28/2012 | 6,234 | | | | | 6,234 |
| ARON M. ARIAS | 20130825 | 8/25/2013 | 8/25/2013 | 8,550 | | 8,550 | | | |
| AT&T | 62812-240 | 6/28/2012 | 7/20/2012 | 39 | | | | | 39 |
| ATLANTIC PIER ASSOCIATES LLC | 58-ADMINCLAIM | 12/28/2012 | 12/28/2012 | 7,099 | | | | | 7,099 |
| BELLWETHER PROPERTIES OF MA | 73-JUNE ADJUSTMENT | 12/28/2012 | 12/28/2012 | 73 | | | | | 73 |
| CANON BUSINESS SOLUTIONS | 4006711598 | 2/18/2012 | 2/28/2012 | 864 | | | | | 864 |
| CANON BUSINESS SOLUTIONS | 4007127482 | 5/10/2012 | 5/20/2012 | 770 | | | | | 770 |
| CANON FINANCIAL SERVICES INC | 11944218 | 6/21/2012 | 7/10/2012 | 944 | | | | | 944 |
| CANON FINANCIAL SERVICES INC | 11944252 | 6/21/2012 | 7/10/2012 | 648 | | | | | 648 |
| CAPSTONE ADVISORY GROUP | JUNE2012-HBACK | 6/30/2012 | 6/30/2012 | 2,523 | | | | | 2,523 |
| CAPSTONE ADVISORY GROUP | JUNE2012-OPER EXP | 6/30/2012 | 6/30/2012 | 189 | | | | | 189 |
| CAPSTONE ADVISORY GROUP | JUL2012-CARVE | 7/31/2012 | 7/31/2012 | 95 | | | | | 95 |
| CAPSTONE ADVISORY GROUP | JUL2012-HBACK | 7/31/2012 | 7/31/2012 | 6,000 | | | | | 6,000 |
| CAPSTONE ADVISORY GROUP | HBACK-093012 | 9/30/2012 | 9/30/2012 | 6,000 | | | | | 6,000 |
| CAPSTONE ADVISORY GROUP | OCT2012HOLDBK | 10/27/2012 | 10/27/2012 | 6,000 | | | | | 6,000 |
| CAPSTONE ADVISORY GROUP | DEC - HOLDBACK | 3/19/2013 | 3/19/2013 | 1,012 | | | | | 1,012 |
| CAPSTONE ADVISORY GROUP | FEB - HOLDBACK | 3/19/2013 | 3/19/2013 | 817 | | | | | 817 |
| CAPSTONE ADVISORY GROUP | JAN - HOLDBACK | 3/19/2013 | 3/19/2013 | 252 | | | | | 252 |
| CAPSTONE ADVISORY GROUP | CAP-MAR13-HOLDBACK | 4/17/2013 | 4/17/2013 | 24 | | | | | 24 |
| CAPSTONE ADVISORY GROUP | CAP-APRIL13-HOLDBACK | 5/20/2013 | 5/20/2013 | 179 | | | | | 179 |
| CAPSTONE ADVISORY GROUP | CAP-MAY2013-HOLDBAC | 6/21/2013 | 6/21/2013 | 265 | | | | 265 | |
| CAPSTONE ADVISORY GROUP | JUNE 13 - HOLDBACK | 7/28/2013 | 7/28/2013 | 538 | | | | 538 | |
| CAPSTONE ADVISORY GROUP | JULY 2013 - HOLDBK | 8/14/2013 | 8/14/2013 | 24 | | 24 | | | |
| CAPSTONE ADVISORY GROUP | JULY 2013 - OPER | 8/14/2013 | 8/14/2013 | 97 | | 97 | | | |
| CENTRAL VERMONT PUBLIC SERV | 51712-281 | 5/17/2012 | 6/16/2012 | 84 | | | | | 84 |
| CITY OF SAN ANTONIO | 90564610 | 5/15/2012 | 5/15/2012 | 130 | | | | | 130 |
| DONLIN RECANO | 1297-017 | 9/17/2013 | 9/17/2013 | 4,074 | 4,074 | | | | |
| FORBES/COHEN FLORIDA PROP. LP | 43-ADMINCLAIMINSUR | 12/28/2012 | 12/28/2012 | 145 | | | | | 145 |
| GOULSTON & STORRS | MAY2012-HBACK | 5/31/2012 | 5/31/2012 | 1,590 | | | | | 1,590 |
| GOULSTON & STORRS | JUNE2012-HBACK | 6/30/2012 | 6/30/2012 | 17,169 | | | | | 17,169 |
| GOULSTON & STORRS | JUL2012-HBACK | 7/31/2012 | 7/31/2012 | 13,850 | | | | | 13,850 |
| GOULSTON & STORRS | HBACK-093012 | 9/30/2012 | 9/30/2012 | 8,365 | | | | | 8,365 |
| GOULSTON & STORRS | OCT 2012 - HOLDBK | 10/27/2012 | 10/27/2012 | 5,971 | | | | | 5,971 |
| GOULSTON & STORRS | NOV12-HOLDBACK | 12/20/2012 | 12/20/2012 | 8,690 | | | | | 8,690 |
| GOULSTON & STORRS | DEC - HOLDBACK | 1/18/2013 | 1/18/2013 | 3,172 | | | | | 3,172 |
| GOULSTON & STORRS | GOULSTON-MAR-HOLDBI | 4/22/2013 | 4/22/2013 | 4,528 | | | | | 4,528 |
| GOULSTON & STORRS | GOULSTON-APR13-HLDBI | 5/20/2013 | 5/20/2013 | 7,501 | | | | | 7,501 |
| GOULSTON & STORRS | GS-MAY2013-HOLDBACK | 6/19/2013 | 6/19/2013 | 3,331 | | | | 3,331 | |
| GOULSTON & STORRS | JUNE '13 HOLDBACK | 7/18/2013 | 7/18/2013 | 2,025 | | | | 2,025 | |
| GOULSTON & STORRS | JULY 13 HOLDBACK | 8/20/2013 | 8/20/2013 | 1,585 | | 1,585 | | | |
| GOULSTON & STORRS | JULY 13 OPER | 8/20/2013 | 8/20/2013 | 6,392 | | 6,392 | | | |
| GOULSTON & STORRS | GOULSTON-AUG13-HOLD | 9/17/2013 | 9/17/2013 | 1,739 | 1,739 | | | | |
| GOULSTON & STORRS | GOULSTON-AUG13-OPER | 9/17/2013 | 9/17/2013 | 7,203 | 7,203 | | | | |
| GXS | 290840 | 6/30/2012 | 7/10/2012 | 173 | | | | | 173 |
| GXS | 295837 | 6/30/2012 | 7/10/2012 | 196 | | | | | 196 |
| GXS | 296849 | 6/30/2012 | 7/10/2012 | 76 | | | | | 76 |
| HAHN & HESSEN LLP | 050312-053112-HBACK | 5/31/2012 | 5/31/2012 | 2,322 | | | | | 2,322 |
| HAHN & HESSEN LLP | JUN2012-HBACK | 6/30/2012 | 6/30/2012 | 10,637 | | | | | 10,637 |
| HAHN & HESSEN LLP | JUL2012-HBACK | 7/31/2012 | 7/31/2012 | 8,660 | | | | | 8,660 |
| HAHN & HESSEN LLP | OCT2012HOLDBACK | 10/27/2012 | 10/27/2012 | 2,650 | | | | | 2,650 |
| HAHN & HESSEN LLP | HOLDBACK-DEC2012 | 2/21/2013 | 2/21/2013 | 4,265 | | | | | 4,265 |
| HAHN & HESSEN LLP | HOLDBACK-NOV2012 | 2/21/2013 | 2/21/2013 | 5,323 | | | | | 5,323 |
| HAHN & HESSEN LLP | HH-APR2013-HOLDBACK | 6/21/2013 | 6/21/2013 | 989 | | | | 989 | |
| HAHN & HESSEN LLP | HH-FEB2013-HOLDBACK | 6/21/2013 | 6/21/2013 | 2,253 | | | | 2,253 | |
| HAHN & HESSEN LLP | HH-MAR2013-HOLDBACK | 6/21/2013 | 6/21/2013 | 2,338 | | | | 2,338 | |
| HAHN & HESSEN LLP | MAY13-154369-HOLDBK | 8/8/2013 | 8/8/2013 | 2,442 | | 2,442 | | | |
| HAHN & HESSEN LLP | MAY13-154369-OPER | 8/8/2013 | 8/8/2013 | 9,982 | | 9,982 | | | |
| HAHN & HESSEN LLP | JUNE13-154586-HOLDBK | 8/9/2013 | 8/9/2013 | 3,252 | | 3,252 | | | |
| HAHN & HESSEN LLP | JUNE13-154586-OPER | 8/9/2013 | 8/9/2013 | 13,194 | | 13,194 | | | |
| MARCUM GROUP LLP | 10419669-HBACK | 7/4/2012 | 7/4/2012 | 2,082 | | | | | 2,082 |
| MARCUM GROUP LLP | 10419942-HBACK | 7/4/2012 | 7/4/2012 | 459 | | | | | 459 |
| MARCUM GROUP LLP | 10420153-HBACK | 7/31/2012 | 7/31/2012 | 2,144 | | | | | 2,144 |
| MARCUM GROUP LLP | 10420301-HBACK | 7/31/2012 | 7/31/2012 | 886 | | | | | 886 |
| MARCUM GROUP LLP | 10420303-HBACK | 7/31/2012 | 7/31/2012 | 114 | | | | | 114 |
| MARCUM GROUP LLP | 10422135-HBACK | 8/31/2012 | 8/31/2012 | 1,600 | | | | | 1,600 |
| MARCUM GROUP LLP | 10422707-HBACK | 8/31/2012 | 8/31/2012 | 642 | | | | | 642 |
| MARCUM GROUP LLP | 10422770-HBACK | 8/31/2012 | 8/31/2012 | 2,137 | | | | | 2,137 |
| MARCUM GROUP LLP | 10424799-HBACK | 9/30/2012 | 9/30/2012 | 915 | | | | | 915 |

| Vendor | Invoice # | Invoice Date | Due Date | Total | Current | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | Over 91 days |
|---|----------------------|--------------|------------|----------------|---------------|---------------|---------------|---------------|----------------|
| MARCUM GROUP LLP | 10424805-HBACK | 9/30/2012 | 9/30/2012 | 54 | | | | | 54 |
| MARCUM GROUP LLP | 10424808-HBACK | 9/30/2012 | 9/30/2012 | 148 | | | | | 148 |
| MARCUM GROUP LLP | 10424870-HBACK | 9/30/2012 | 9/30/2012 | 1,183 | | | | | 1,183 |
| MARCUM GROUP LLP | HBACK-10424741 | 9/30/2012 | 9/30/2012 | 184 | | | | | 184 |
| MARCUM GROUP LLP | OCT12401KHOLDBK | 11/1/2012 | 11/1/2012 | 1,718 | | | | | 1,718 |
| MARCUM GROUP LLP | 10432136-HOLDBACK | 11/30/2012 | 11/30/2012 | 31 | | | | | 31 |
| MARCUM GROUP LLP | 10432138-HOLDBACK | 11/30/2012 | 11/30/2012 | 631 | | | | | 631 |
| MARCUM GROUP LLP | 10432160-HOLDBACK | 12/1/2012 | 12/1/2012 | 267 | | | | | 267 |
| MARCUM GROUP LLP | 10432173 - HOLDBACK | 12/15/2012 | 12/15/2012 | 743 | | | | | 743 |
| MARCUM GROUP LLP | 10432250-HOLDBACK | 12/15/2012 | 12/15/2012 | 651 | | | | | 651 |
| MARCUM GROUP LLP | 10435024-HOLDBACK | 1/15/2013 | 1/15/2013 | 1,377 | | | | | 1,377 |
| MARCUM GROUP LLP | 10436419-HOLDBACK | 1/31/2013 | 1/31/2013 | 44 | | | | | 44 |
| MARCUM GROUP LLP | 10437607-HOLDBACK | 2/15/2013 | 2/15/2013 | 364 | | | | | 364 |
| MARCUM GROUP LLP | 10437609-HOLDBACK | 2/15/2013 | 2/15/2013 | 552 | | | | | 552 |
| MARCUM GROUP LLP | 10437764-HOLDBACK | 2/15/2013 | 2/15/2013 | 1,240 | | | | | 1,240 |
| MARCUM GROUP LLP | NYC-UBT-MAR-HOLDBAC | 4/17/2013 | 4/17/2013 | 1,747 | | | | | 1,747 |
| MARCUM GROUP LLP | TAXES 2012-MAR-HLDBK | 4/17/2013 | 4/17/2013 | 2,300 | | | | | 2,300 |
| MARCUM GROUP LLP | 10450340-HOLDBACK | 4/30/2013 | 4/30/2013 | 281 | | | | | 281 |
| MARCUM GROUP LLP | 10452014-HOLDBACK | 5/31/2013 | 5/31/2013 | 566 | | | | | 566 |
| MARCUM GROUP LLP | 10455506-HOLDBACK | 6/30/2013 | 6/30/2013 | 826 | | | | 826 | |
| MARCUM GROUP LLP | 10458472-HOLDBACK | 7/31/2013 | 7/31/2013 | 493 | | | 493 | | |
| MARCUM GROUP LLP | 10458472-OPER | 7/31/2013 | 7/31/2013 | 1,974 | | | 1,974 | | |
| MARCUM GROUP LLP | 10458568-HOLDBACK | 7/31/2013 | 7/31/2013 | 234 | | | 234 | | |
| MARCUM GROUP LLP | 10458568-OPER | 7/31/2013 | 7/31/2013 | 936 | | | 936 | | |
| MARCUM GROUP LLP | 10461387-HOLDBK | 9/17/2013 | 9/17/2013 | 1,443 | 1,443 | | | | |
| MARCUM GROUP LLP | 10461387-OPER | 9/17/2013 | 9/17/2013 | 5,774 | 5,774 | | | | |
| MARCUM GROUP LLP | 10461391-HOLDBACK | 9/17/2013 | 9/17/2013 | 697 | 697 | | | | |
| MARCUM GROUP LLP | 10461391-OPER | 9/17/2013 | 9/17/2013 | 2,798 | 2,798 | | | | |
| MCI/verizon | 408803055 | 5/25/2012 | 6/4/2012 | 74 | | | | | 74 |
| MIAMI-DADE WATER & SEWER | 53012-298 | 5/30/2012 | 6/20/2012 | 105 | | | | | 105 |
| RICHTER CONSULTING, INC | MAY2012-HBACK | 5/31/2012 | 5/31/2012 | 6,552 | | | | | 6,552 |
| RICHTER CONSULTING, INC | JUN2012-HBACK | 6/30/2012 | 6/30/2012 | 24,068 | | | | | 24,068 |
| RICHTER CONSULTING, INC | JUL2012-HBACK | 7/31/2012 | 7/31/2012 | 11,217 | | | | | 11,217 |
| RICHTER CONSULTING, INC | HBACK-093012 | 9/30/2012 | 9/30/2012 | 7,607 | | | | | 7,607 |
| RICHTER CONSULTING, INC | OCT2012HOLDBK | 10/27/2012 | 10/27/2012 | 4,901 | | | | | 4,901 |
| RICHTER CONSULTING, INC | NOV12-HOLDBACK | 12/18/2012 | 12/18/2012 | 2,017 | | | | | 2,017 |
| RICHTER CONSULTING, INC | DEC - HOLDBACK | 1/18/2013 | 1/18/2013 | 1,591 | | | | | 1,591 |
| RICHTER CONSULTING, INC | HOLDBACK-FEB2013 | 3/18/2013 | 3/18/2013 | 95 | | | | | 95 |
| RICHTER CONSULTING, INC | RC200-MAR-HOLDBACK | 4/19/2013 | 4/19/2013 | 173 | | | | | 173 |
| RICHTER CONSULTING, INC | RICHTER-APR13-HOLDBK | 5/13/2013 | 5/13/2013 | 886 | | | | | 886 |
| RICHTER CONSULTING, INC | RC-MAY2013-HOLDBACK | 6/18/2013 | 6/18/2013 | 1,631 | | | | 1,631 | |
| RICHTER CONSULTING, INC | RICHTER-JUN13-HLDBK | 7/10/2013 | 7/10/2013 | 391 | | | 391 | | |
| RICHTER CONSULTING, INC | JULY 13 HOLDBACK | 8/20/2013 | 8/20/2013 | 115 | | 115 | | | |
| RICHTER CONSULTING, INC | JULY 13 OPER | 8/20/2013 | 8/20/2013 | 460 | | 460 | | | |
| RICHTER CONSULTING, INC | RICHTER-AUG13-HOLDBK | 9/17/2013 | 9/17/2013 | 58 | 58 | | | | |
| RICHTER CONSULTING, INC | RICHTER-AUG13-OPER | 9/17/2013 | 9/17/2013 | 230 | 230 | | | | |
| SAWGRASS MILLS | 94-SGM-80112-%RENT | 12/28/2012 | 12/28/2012 | 2,346 | | | | | 2,346 |
| SP 1143 SECOND LLC | 3-60TH-061012 | 6/10/2012 | 6/10/2012 | 2,000 | | | | | 2,000 |
| SP 1143 SECOND LLC | 3-60TH-071912 | 7/19/2012 | 7/19/2012 | 968 | | | | | 968 |
| SPG CENTER LLC | 63-SPG-6114749 | 12/28/2012 | 12/28/2012 | 2,711 | | | | | 2,711 |
| TOGUT, SEGAL & SEGAL LLP | 060112-063012-HBACK | 6/30/2012 | 6/30/2012 | 20,740 | | | | | 20,740 |
| TOGUT, SEGAL & SEGAL LLP | JUL2012-HBACK | 7/31/2012 | 7/31/2012 | 13,352 | | | | | 13,352 |
| TOGUT, SEGAL & SEGAL LLP | HBACK-093012 | 9/30/2012 | 9/30/2012 | 2,735 | | | | | 2,735 |
| TOGUT, SEGAL & SEGAL LLP | OCT2012-HOLDBK | 10/27/2012 | 10/27/2012 | 1,718 | | | | | 1,718 |
| TOGUT, SEGAL & SEGAL LLP | 12182012-HOLDBACK | 12/18/2012 | 12/18/2012 | 2,374 | | | | | 2,374 |
| TOGUT, SEGAL & SEGAL LLP | DEC - HOLDBACK | 12/28/2012 | 12/28/2012 | 1,868 | | | | | 1,868 |
| TOGUT, SEGAL & SEGAL LLP | JAN - HOLDBACK | 2/15/2013 | 2/15/2013 | 359 | | | | | 359 |
| TOGUT, SEGAL & SEGAL LLP | HOLDBACK-FEB2013 | 3/19/2013 | 3/19/2013 | 337 | | | | | 337 |
| TOGUT, SEGAL & SEGAL LLP | TOGUT-MAR-HOLDBACK | 4/17/2013 | 4/17/2013 | 1,360 | | | | | 1,360 |
| TOGUT, SEGAL & SEGAL LLP | TOGUT-APR13-HOLDBK | 5/15/2013 | 5/15/2013 | 547 | | | | | 547 |
| TOGUT, SEGAL & SEGAL LLP | TOGUT-MAY13-HOLDBAC | 6/13/2013 | 6/13/2013 | 918 | | | | 918 | |
| TOGUT, SEGAL & SEGAL LLP | JUNE 13 HOLDBACK | 7/17/2013 | 7/17/2013 | 1,695 | | | 1,695 | | |
| TOGUT, SEGAL & SEGAL LLP | JULY 13 HOLDBACK | 8/18/2013 | 8/18/2013 | 372 | | 372 | | | |
| TOGUT, SEGAL & SEGAL LLP | JULY 13 OPER | 8/18/2013 | 8/18/2013 | 1,520 | | 1,520 | | | |
| TOGUT, SEGAL & SEGAL LLP | TOGUT-AUG13-HOLDBK | 9/17/2013 | 9/17/2013 | 379 | 379 | | | | |
| TOGUT, SEGAL & SEGAL LLP | TOGUT-AUG13-OPER | 9/17/2013 | 9/17/2013 | 1,528 | 1,528 | | | | |
| US TRUSTEE | OVERPAYMENTQ13 | 7/31/2013 | 7/31/2013 | (2,925) | (2,925) | | | | |
| VERIZON WIRELESS 586737517-000(2744686977 | | 5/16/2012 | 6/11/2012 | 676 | | | | | 676 |
| VERIZON WIRELESS 586737517-000(2758895450 | | 6/16/2012 | 7/11/2012 | 1,990 | | | | | 1,990 |
| VERIZON WIRELESS 586737517-000(062612-071612 | | 7/16/2012 | 7/16/2012 | 8,599 | | | | | 8,599 |
| VERIZON WIRELESS 586737517-000(071712-081612 | | 8/16/2012 | 8/16/2012 | 6,162 | | | | | 6,162 |
| VERIZON WIRELESS 586737517-000(081712-091612 | | 9/16/2012 | 9/16/2012 | 7,500 | | | | | 7,500 |
| WESTCOAST ESTATES | 76-ADMINRENTADJ | 12/28/2012 | 12/28/2012 | 101 | | | | | 101 |
| (Note 1 and Note 2) | | | | | | | | | |
| | | | | 408,834 | 22,997 | 47,985 | 8,286 | 12,551 | 317,015 |

| Vendor | Invoice # | Invoice Date | Due Date | Total | Current | 1 to 30 Days | 31 to 60 Days | 61 to 90 Days | Over 91 days |
|---|-----------|--------------|----------|-------|---------|--------------|---------------|---------------|--------------|
| Note 1: Of the total AP balance, \$341K relates professional fees (\$54k payable and \$287k holdbacks). | | | | | | | | | |
| Note 2: The Debtor, and counsel are in the final stages of evaluating all Administrative Claims submitted to determine the status of the Open Non-Professional Fee Post-Petition Payables. | | | | | | | | | |

In re Betsey Johnson LLC
Debtor

Case No. 12-11732 (JMP)
Reporting Period: August 1, 2013 to August 31, 2013

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

| Accounts Receivable Reconciliation | Amount |
|--|--------|
| Total Accounts Receivable at the beginning of the reporting period | \$ - |
| Plus: Amounts billed during the period, net of returns and adjustments | - |
| Less: Amounts collected during the period | - |
| Total Accounts Receivable at the end of the reporting period | \$ - |

| Accounts Receivable Aging | 0-30 Days | 31-60 Days | 61-90 Days | 91+ Days | Total |
|---|-----------|------------|------------|----------|-------|
| 0 - 30 days old | \$ - | | | | \$ - |
| 31 - 60 days old | | - | | | - |
| 61 - 90 days old | | | - | | - |
| 91+ days old | | | | - | - |
| Total Accounts Receivable | - | - | - | - | - |
| Less: Bad Debts (Amount considered uncollectible) | | | | | - |
| Net Accounts Receivable | \$ - | \$ - | \$ - | \$ - | \$ - |

TAXES RECONCILIATION AND AGING

| Taxes Payable | 0-30 Days | 31-60 Days | 61-90 Days | 91+ Days | Total |
|-------------------------------------|-----------|------------|------------|------------|------------|
| 0 - 30 days old | \$ - | | | | \$ - |
| 31 - 60 days old | | - | | | - |
| 61 - 90 days old | | | - | | - |
| 91+ days old | | | | - | - |
| Total Taxes Payable | - | - | - | - | - |
| Total Accounts Payable - Note 1 & 2 | \$ 22,997 | \$ 47,985 | \$ 8,286 | \$ 329,565 | \$ 408,834 |

Note 1: Of the total AP balance, \$341K relates professional fees (\$54k payable and \$287k holdbacks).

Note 2: The Debtor, and counsel are in the final stages of evaluating all Administrative Claims submitted to determine the status of the Open Non-Professional Fee Post-Petition Payables.

Debtor

Reporting Period: August 1, 2013 to August 31, 2013

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1), list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

| INSIDERS | | | |
|----------------------------|-------------------|-------------|--------------------|
| NAME | TYPE OF PAYMENT | AMOUNT PAID | TOTAL PAID TO DATE |
| Jonathan Friedman | Gross Salary | - | \$ 115,455 |
| Jonathan Friedman | Vacation Pay | - | \$ 12,500 |
| Jonathan Friedman | KEIP | - | \$ 200,000 |
| Jonathan Friedman | Travel Expenses | - | \$ 6,354 |
| Aron Arias | Gross Salary | 3,300 | \$ 149,346 |
| Aron Arias | Travel & Office E | - | \$ 4,387 |
| | | - | \$ - |
| | | - | \$ - |
| | | - | \$ - |
| | | - | \$ - |
| | | - | \$ - |
| TOTAL PAYMENTS TO INSIDERS | | \$ 3,300 | \$ 488,042 |

| PROFESSIONALS | | | | | |
|---------------------------------|---|-----------------|---------------------------------|---------------------------|---------------------------------|
| NAME | DATE OF COURT ORDER AUTHORIZING PAYMENT | AMOUNT APPROVED | AMOUNT PAID IN AUG '13 (Note 1) | TOTAL PAID TO DATE AUG'13 | TOTAL INCURRED & UNPAID AUG '13 |
| Richter Consulting, Inc. | | \$ - | \$ 2,717 | \$ 587,588 | \$ 61,990 |
| Togut, Segal & Segal LLP | | - | \$ 9,591 | \$ 423,864 | \$ 51,800 |
| Goulston & Storrs, P.C. | | - | \$ 20,194 | \$ 776,890 | \$ 93,398 |
| Capstone Advisory Group, LLC | | - | \$ 4,444 | \$ 213,242 | \$ 24,015 |
| Hahn & Hessen | | - | \$ 51,181 | \$ 404,555 | \$ 108,307 |
| Donlin Recano & Company, Inc. | | - | \$ 16,788 | \$ 393,865 | \$ 4,074 |
| Marcum LLP | | - | \$ 11,249 | \$ 228,263 | \$ 40,231 |
| U.S. Trustee | | - | \$ - | \$ 42,900 | \$ (2,925) |
| Committee Members | | - | \$ - | \$ 3,495 | \$ - |
| TOTAL PAYMENTS TO PROFESSIONALS | | \$ - | \$ 116,165 | \$ 3,074,663 | \$ 380,890 |

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

Note 1: In the week of May 11, 2012, the Debtor established a carve-out of \$950,000 which is being used to fund professional fees. The Debtors are authorized to fund approved payments to professionals in accordance with the Order establishing Procedures for Interim Compensation and Reimbursement of Expenses of Professionals.

Note 2: To date \$2,222K was paid from the Company's accounts and \$853K was paid from the segregated client account at Goulston & Storrs P.C. (Total \$3,075K)

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

| NAME OF CREDITOR | SCHEDULED MONTHLY PAYMENT DUE | AMOUNT PAID DURING MONTH | TOTAL UNPAID POST-PETITION |
|------------------|-------------------------------|--------------------------|----------------------------|
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| | | | |
| TOTAL PAYMENTS | | | Not Applicable |

In re Betsey Johnson LLC

Case No. 12-11732 (JMP)

August 1, 2013 to

Debtor

Reporting Period: August 31, 2013

DEBTOR QUESTIONNAIRE

| Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary. | | 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 this reporting period? | | X |
| 3 | Is the Debtor delinquent in the timely filing of any post-petition tax returns? | | X |
| 4 | Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies? | X | |
| 5 | Is the Debtor delinquent in paying any insurance premium payment? | | X |
| 6 | Have any payments been made on pre-petition liabilities this reporting period? | | X |
| 7 | Are any post petition receivables (accounts, notes or loans) due from related parties? | | X |
| 8 | Are any post petition payroll taxes past due? | | X |
| 9 | Are any post petition State or Federal income taxes past due? | | X |
| 10 | Are any post petition real estate taxes past due? | | X |
| 11 | Are any other post petition taxes past due? | X | |
| 12 | Have any pre-petition taxes been paid during this reporting period? | | X |
| 13 | Are any amounts owed to post petition creditors delinquent? | | X |
| 14 | Are any wage payments past due? | | X |
| 15 | Have any post petition loans been received by the Debtor from any party? | | X |
| 16 | Is the Debtor delinquent in paying any U.S. Trustee fees? | | X |
| 17 | Is the Debtor delinquent with any court ordered payments to attorneys or other professionals? | | X |
| 18 | Have the owners or shareholders received any compensation outside of the normal course of business? | | X |

Notes

4- Effective August 31, 2012 the Debtor terminated its workers compensation policy as all employees were terminated.
 11 - The Debtor is in the process of evaluating the amount of Personal Property Taxes that are due for 2012 (Pre/Post-Petition)
 Note 13: The Debtor, and counsel are in the final stages of evaluating all Administrative Claims submitted to determine the status of the Open-Non-Professional Fee Post-Petition Payables.