

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re Deb Shops

**Case No.** 14-12676-KG

**Reporting Period:** 11/29/15-1/2/16

**MONTHLY OPERATING REPORT**

**File with Court and submit copy to United States Trustee within 20 days after end of month**

Submit copy of report to any official committee appointed in the case.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	X	
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4	X	
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Postpetition Debts	MOR-4	X	
Listing of aged accounts payable			
Accounts Receivable Reconciliation and Aging	MOR-5	X	
Debtor Questionnaire	MOR-5	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

4 Response: All employees were terminated as of the end of April 2015; Corporate offices were vacated by April 30, 2105 as well

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

*Timothy D. Boates*

\_\_\_\_\_  
2/16/2016

\_\_\_\_\_  
Signature of Authorized Individual\*

\_\_\_\_\_  
Date

Timothy D. Boates

\_\_\_\_\_  
CRO

Printed Name of Authorized Individual

\_\_\_\_\_  
Title of Authorized Individual

\*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 Deb Shops  
Debtor

Case No. 14-12676-KG  
Reporting Period: 11/29/15-1/2/16

**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.

#	Operating		Payroll		Tax		Other		Total	Deb Stores Holding LLC	Deb Stores Holding II LLC	Deb Shops SDP Inc.	Deb Shops SDIH Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops SDE Commerce	Deb Shops SDFMC LLC	Grand Total
	Various	#	Various	#	Various	#	Various	#											
<b>BALANCE PER BOOKS</b>	2,855,941.81								2,855,941.81									2,855,941.82	2,855,941.82
BANK BALANCE	2,941,168.64								2,941,168.64									2,941,168.64	2,941,168.64
(+) DEPOSITS IN TRANSIT (ATTACH LIST)																			
(-) OUTSTANDING CHECKS (ATTACH LIST)	(85,226.83)								(85,226.83)									(85,226.83)	(85,226.83)
OTHER (ATTACH EXPLANATION) [1]																			
ADJUSTED BANK BALANCE *	2,855,941.81								2,855,941.81									2,855,941.81	2,855,941.81

\* Adjusted bank balance must equal balance per books

**CHECKS OUTSTANDING**

Ck. #	Amount	Ck. #	Amount	Ck. #	Amount	Ck. #	Amount
358	50.55	536221	93.18		(0.33)		
368	115.20	536483	6.22				
370	103.68	538182	23.24				
405	125.76	523190	-				
423	258.00	523638	343.39				
455	46.16	523673	136.05				
457	58.38	523280	91.21				
540	177.79	525521	88.41				
634	258.00	524367	83.62				
647	129.00	524668	82.59				
653	19.20	525354	82.40				
654	36.00	523218	79.61				
658	48.00	523968	68.74				
660	15.00	525570	67.98				
662	25.00	524860	66.44				
665	12.00	525332	63.34				
794	5,000.00	523888	58.77				
946	81.60	523575	58.53				
1007	23.04	523217	56.89				
1033	29.76	524623	56.44				
1473	177.79	523468	48.04				
1475	30.00	523194	47.43				
1687	102.82	523375	46.15				
1688	85.32	525198	44.68				
1710	2,626.50	525254	44.52				
1725	4,559.89	525636	44.20				
1885	118.05	524984	42.43				
1904	115.20	524775	40.13				
1956	792.00	525561	37.43				
2316	430.14	523481	34.77				
2341	110.37	523437	34.59				
2430	164.93	525169	31.37				
2459	17.63	523617	31.34				
2528	1,276.37	525484	28.28				
2742	141.79	525436	27.59				
2745	1,261.90	523534	24.90				
2762	500.00	523459	23.13				
2902	30.12	525345	22.61				
2953	3,085.00	524973	21.66				
3046	3,274.00	525551	21.60				
3121	118.21	525605	20.42				
3169	5.50	523663	20.24				
3191	79.99	523406	20.08				
3424	167.73	524805	17.19				
3511	19.82	524252	8.37				
3545	114.48	523345	7.82				
3666	5,896.60	523980	5.08				
3803	167.73	524168	3.69				
3804	167.73	525318	3.11				
3849	158.09	524738	3.11				
3888	370.59	524625	3.00				
3909	855.89	524116	-				
3941	407.89	525816	12.31				
3969	407.89	525822	5.36				
4051	327.80	526726	26.56				
4091	384.26	527407	145.94				
4110	5.62	526096	135.93				
4125	2.27	527781	135.65				
4128	7.96	527384	118.08				
4135	1,777.16	527816	101.03				
4244	118.21	527734	72.64				
4272	8.53	526911	67.48				
4274	25.48	527873	61.45				
4275	11.23	527236	61.07				
4276	22.19	526055	55.67				
4279	6.16	526461	46.85				
4309	1,325.84	525910	44.46				
4323	40.32	526546	37.60				
4333	36.94	527320	36.14				
4367	2,920.29	527405	34.03				
4394	1,325.84	527817	32.37				
4436	128.40	526442	30.69				
4483	167.14	526152	29.03				
4510	8.00	526354	28.95				
4518	50.00	527427	28.94				
4519	32.14	525850	25.17				
4552	138.52	526842	21.52				
4625	165.87	526115	21.24				
4631	851.72	526855	20.90				
4632	109.03	525978	17.51				
4657	3.52	527223	14.65				
4658	6.66	526788	13.44				
4671	14.06	526764	11.38				
4673	141.86	526069	2.53				
4675	4.48	527994	0.48				
4680	115.98	527771	0.23				
4682	338.37	526622	-				
4687	1.09	528382	260.62				
4693	5.10	529128	256.63				
		528913	176.51				
		528260	68.13				
		529948	67.87				
Bank of America							
1004	173.17	529820	50.66				
1007	98.08	528795	47.45				
1008	184.34	529801	45.20				
1294	1,183.43	528136	38.15				
1338	5,437.80	528083	36.66				
0	1,515.36	528678	29.37				
0	20.95	528058	28.33				
0	104.03	529754	26.12				
0	128.43	528394	26.06				
0	602.25	529900	23.95				
0	409.06	528942	12.81				
0	54.80	528910	7.64				
1348	6,400.00	528768	-				
		530570	430.08				
		530693	82.72				



In re Deb Shops  
Debtor

Case No. 14-12676-KG  
Reporting Period: 11/29/15-1/2/16

**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.

#	Operating Variations	#	Payroll Variations	#	Tax Variations	#	Other Variations	Total	Deb Stores Holding LLC	Deb Stores Holdings II LLC	Deb Shops SDP Inc.	Deb Shops SDH Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops SDE- Commerce	Deb Shops SDFMC LLC	Grand Total
			538575					0.95										
			538528					0.56										
			538621					-										
			539291					8.49										
			539609					12.37										
			539176					18.79										
			539893					31.32										
			539681					31.47										
			539089					33.92										
			539928					35.32										
			539670					44.33										
			539863					118.16										
			539927					202.78										
			540169					729.58										
			540156					1,347.18										
			540160					851.72										
			539372					737.29										
			539380					649.91										
			539463					443.25										
			539173					399.47										
			539540					331.34										
			539374					291.57										
			539733					286.13										
			540164					235.71										
			539230					184.34										
			540314					164.87										
			539719					164.77										
			539267					152.82										
			540402					142.69										
			540375					131.51										
			540068					129.18										
			539384					118.27										
			539012					109.03										
			540273					106.48										
			539462					102.07										
			539231					98.08										
			540120					93.90										
			540001					88.79										
			540117					84.63										
			539202					75.93										
			539257					61.54										
			539288					47.20										
			539577					45.61										
			539159					44.14										
			539354					33.34										
			539691					27.20										
			539497					26.12										
			539149					23.00										
			539096					22.70										
			539892					15.70										
			539654					9.39										
			539551					8.79										
			540283					7.39										
			539656					7.23										
			539904					6.57										
			540286					6.10										
			539550					4.36										
			540315					4.17										
			539359					3.42										
			539549					3.33										
			539939					2.43										
			540430					170.29										
			540431					166.55										
			540428					29.67										
			540448					22.54										
			540455					76.68										
			540459					67.72										
			540464					15.43										
			540463					14.99										
			540456					9.89										
			540447					4.29										
			540485					8.14										
			540737					14.84										
			540682					21.94										
			540550					25.08										
			540773					29.56										
			540753					37.31										
			540513					39.81										
			540692					43.92										
			540654					45.51										
			540657					56.24										
			540566					70.46										
			540655					73.97										
			540730					94.89										
			540582					102.41										
			540676					112.00										
			540625					114.41										
			540609					114.42										
			540693					127.92										
			540631					137.58										
			540596					181.76										
			540735					183.02										
			540505					230.05										
			540797					161.39										
			540707					101.51										
			540780					67.35										
			540793					50.42										
			540549					34.39										
			540724					33.29										
			540775					33.26										
			540701					30.23										
			540622					29.18										
			540782					28.02										
			540781					27.60										
			540623					27.45										
			540500					24.13										
			540607					21.30										
			540540					13.62										
			540733					11.08										
			540795					5.91										
			540669					3.38										

23,836.38

In re Deb Shops Debtor

Case No. 14-12676-KG  
Reporting Period: 11/29/15-1/2/16

**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.

	Cumulative										Grand Total	
	Month	Filing to Date	Deb Stores Holding LLC	Deb Stores Holding II LLC	Deb Shops SDP Inc.	Deb Shops SDIH Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops SDE-Commerce LLC		Deb Shops SDFMC LLC
<b>REVENUES</b>												
Gross Revenues	-	58,629,042.56										-
Less: Returns and Allowances		(1,857,753.10)										-
Net Revenue		56,771,289.46										-
<b>COST OF GOODS SOLD</b>												0
Beginning Inventory	0.29	41,653,118.57									0.29	0.29
Add: Purchases	-	11,129,104.54										-
Add: Cost of Labor												0
Add: Other Costs (attach schedule)												0
Less: Ending Inventory											0.29	0.29
Cost of Goods Sold		52,782,223.11										-
Gross Profit		3,989,066.35										0
<b>OPERATING EXPENSES</b>												0
Advertising	-	521,093.23										-
Auto and Truck Expense	-	46,667.61										-
Bad Debts	-	0										-
Contributions	-	0										0
Employee Benefits Programs	-	2,507,303.63										-
Insider Compensation*	-	(86,776.50)										-
Insurance	-	575,607.60										-
Management Fees/Bonuses	-	0										0
Office Expense	6,310.75	141,326.46									6,310.75	6,310.75
Pension & Profit-Sharing Plans	-	0										0
Repairs and Maintenance	-	138,021.14										-
Rent and Lease Expense	-	2,248,420.70										-
Salaries/Commissions/Fees	26,075.00	11,413,401.04									26,075.00	26,075.00
Supplies	-	491,076.15										-
Taxes - Payroll	469.20	957,666.13									469.20	469.20
Taxes - Real Estate	12,139.90	433,314.17									12,139.90	12,139.90
Taxes - Other	-	264,506.63										-
Travel and Entertainment	-	72,109.98										-
Utilities	(1,485.56)	1,010,688.26									(1,485.56)	(1,485.56)
Other (attach schedule)	(176.63)	11,269,784.94									(176.63)	(176.63)
Total Operating Expenses Before Depreciation	43,332.66	32,004,211.17									43,332.66	43,332.66
Depreciation/Depletion/Amortization	-	527,555.44										-
Net Profit (Loss) Before Other Income & Expenses	(43,332.66)	(28,542,700.26)									(43,332.66)	(43,332.66)
<b>OTHER INCOME AND EXPENSES</b>												0
Other Income (attach schedule)	288,779.00	17,354,336.75									288,779.00	288,779.00
Interest Expense	-	9,009,381.69										-
Other Expense (attach schedule)	-	0										-
Net Profit (Loss) Before Reorganization Items	245,446.34	(20,197,745.20)									245,446.34	245,446.34
<b>REORGANIZATION ITEMS</b>												0
Professional Fees	25,044.00	6,748,312.13									25,044.00	25,044.00
U. S. Trustee Quarterly Fees	-	56,325.00										-
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	-	-										0
Gain (Loss) from Sale of Equipment	-	(18,003,576.43)										-
Other Reorganization Expenses (attach schedule)	-	-										0
Total Reorganization Expenses	-	-										0
Income Taxes	-	-										0
Net Profit (Loss)	220,402.34	(45,005,958.76)									220,402.34	220,402.34

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

In re Deb Shops  
Debtor

Case No. 14-12676-KG  
Reporting Period: 11/29/15-1/2/16

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Cumulative		Deb Stores Holding LLC	Deb Stores Holding II LLC	Deb Shops SDP Inc.	Deb Shops SDIH Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops SDE-Commerce LLC	Deb Shops SDFMC LLC	Grand Total
	Month	Filing to Date										
<b>Other Costs</b>												
<b>Other Operational Expenses</b>												
Bank and Credit Card Charges	390.00	1,519,254.30									390.00	390.00
Temporary Labor	-	119,559.98									-	-
Store Expense	-	716,881.07									-	-
Postage	8.83	194,778.61									8.83	8.83
Non-Bankruptcy Consulting	-	(86,849.91)									-	-
Stationary and Printing	-	13,734.20									-	-
Stolen Funds	(575.46)	62,604.87									(575.46)	(575.46)
Letter of Credit and Debt Issuance Costs	-	492,289.60									-	-
Goodwill Impairment	-	4,409,000.00									-	-
Telephone	-	197,144.50									-	-
Total	(176.63)	7,638,397.22	-	-	-	-	-	-	-	-	(176.63)	(176.63)
<b>Other Income</b>												
IP Sale	-	4,409,000.00									-	-
Furniture, Fixtures, Equipment Sales	-	1,215,449.68									-	-
Preference claims collections	462,191.44	3,745,264.39									462,191.44	462,191.44
Agency Funding Payroll/ Store Occupancy/Other Str Exps	-	-									-	-
other miscellaneous Exps	(173,412.44)	4,821,361.83									(173,412.44)	(173,412.44)
Total	288,779.00	14,191,075.90									288,779.00	288,779.00
<b>Other Expenses</b>												
<b>Other Reorganization Expenses</b>												

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

In re Deb Shops Debtor Case No. 14-12676-KG Reporting Period: 11/29/15-1/2/16

BALANCE SHEET

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

ASSETS	BOOK VALUE AT END OF		Deb Stores										Grand Total
	CURRENT REPORTING MONTH	PETITION DATE	Deb Stores Holding LLC	Deb Stores Holding II LLC	Deb Shops SDP Inc.	Deb Shops SDHI Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops SDE-Commerce LLC	Deb Shops SDFMC LLC	Intercompany Eliminations	
<b>CURRENT ASSETS</b>													
Unrestricted Cash and Equivalents	2,855,941.82	5,821,132.23	-	-	-	-	-	-	-	-	2,855,941.82	-	2,855,941.82
Restricted Cash and Cash Equivalents (see continuation sheet)	-	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable (Net)	-	3,206,236.26	-	-	-	-	-	-	-	12,173,631.67	(12,173,631.67)	-	-
Notes Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories	-	41,653,118.57	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses	-	2,553,014.57	-	-	-	-	-	-	-	-	-	-	-
Professional Retainers	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Current Assets (attach schedule)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL CURRENT ASSETS</b>	2,855,941.82	53,233,502.63	-	-	-	-	-	-	-	12,173,631.67	(9,317,689.85)	-	2,855,941.82
<b>PROPERTY AND EQUIPMENT</b>													
Real Property and Improvements	-	-	-	-	-	-	-	-	-	-	-	-	-
Machinery and Equipment	-	-	-	-	-	-	-	-	-	-	-	-	-
Furniture, Fixtures and Office Equipment	-	13,671,592.43	-	-	-	-	-	-	-	-	-	-	-
Leasehold Improvements	-	30,808,294.29	-	-	-	-	-	-	-	-	-	-	-
Vehicles	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Accumulated Depreciation	-	(25,215,267.16)	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	-	19,264,619.56	-	-	-	-	-	-	-	-	-	-	-
<b>OTHER ASSETS</b>													
Loans to Insiders*	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets (attach schedule)	-	11,267,106.14	-	-	18,693,020.67	18,751,354.00	18,447,154.00	-	-	-	61,362,621.15	(117,254,149.82)	-
<b>TOTAL OTHER ASSETS</b>	-	11,267,106.14	-	-	18,693,020.67	18,751,354.00	18,447,154.00	-	-	-	61,362,621.15	(117,254,149.82)	-
<b>TOTAL ASSETS</b>	2,855,941.82	83,765,228.33	-	-	18,693,020.67	18,751,354.00	18,447,154.00	-	-	12,173,631.67	52,044,931.30	(117,254,149.82)	2,855,941.82
			X										0
<b>LIABILITIES AND OWNER EQUITY</b>													
Accounts Payable	179,149.92	-	-	-	-	-	-	-	-	-	179,149.92	-	179,149.92
Taxes Payable (refer to FORM MOR-4)	(45,311.58)	(420,050.04)	-	-	-	-	-	-	-	(913.43)	(44,398.15)	-	(45,311.58)
Wages Payable	-	-	-	-	-	-	-	-	-	-	-	-	0
Notes Payable	-	-	-	-	-	-	-	-	-	-	-	-	0
Rent / Leases - Building/Equipment	-	5,330,619.26	-	-	-	-	-	-	-	-	-	-	-
Secured Debt / Adequate Protection Payments	-	-	-	-	-	-	-	-	-	-	-	-	0
Professional Fees	-	-	-	-	-	-	-	-	-	-	-	-	0
Amounts Due to Insiders*	-	-	-	-	-	-	-	-	-	-	-	-	0
Other Prepetition Liabilities (attach schedule)	2,345,555.26	6,835,711.55	650.00	650.00	217,424.19	650.00	(101,725.00)	8,548,276.59	10,780,612.27	8,224,158.98	(44,370,762.70)	19,045,620.93	2,345,555.26
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>													
Secured Debt	74,957,325.56	99,681,174.81	-	-	-	-	-	-	-	-	74,957,325.56	-	74,957,325.56
Priority Debt	-	-	-	-	-	-	-	-	-	-	-	-	0
Unsecured Debt	17,403,544.35	20,843,632.28	-	-	-	-	-	-	-	3,207,131.11	14,196,413.24	-	17,403,544.35
<b>TOTAL PRE-PETITION LIABILITIES</b>	92,360,869.91	120,524,807.09	-	-	-	-	-	-	-	3,207,131.11	89,153,738.80	-	92,360,869.91
<b>TOTAL LIABILITIES</b>	94,840,263.51	132,271,087.86	650.00	650.00	217,424.19	650.00	(101,725.00)	8,548,276.59	10,780,612.27	11,430,376.66	44,917,727.87	19,045,620.93	94,840,263.51
<b>OWNER EQUITY</b>													
Capital Stock	2.00	2.00	-	-	1.00	2.00	1.00	-	-	-	2.00	(4.00)	2.00
Additional Paid-In Capital	18,751,352.02	18,751,352.02	-	-	18,751,353.00	18,751,352.00	18,751,353.00	24,977,408.39	54,774,033.43	-	18,751,352.02	(136,005,499.82)	18,751,352.02
Partners' Capital Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Owner's Equity Account	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings - Pre-Petition	(67,257,213.55)	(67,257,213.55)	-	-	4,892.48	-	(201,825.00)	(7,755,660.12)	(26,570,164.97)	-	(32,734,455.94)	0.00	(67,257,213.55)
Retained Earnings - Postpetition	(43,478,462.16)	-	(650.00)	(650.00)	(280,650.00)	(650.00)	(650.00)	(25,770,024.86)	(38,984,480.73)	743,255.01	21,110,305.35	(294,266.93)	(43,478,462.16)
Adjustments to Owner Equity (attach schedule)	-	-	-	-	-	-	-	-	-	-	-	-	-
Postpetition Contributions (Distributions) (Draws) (attach schedule)	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>NET OWNER EQUITY</b>	(91,984,321.69)	(48,505,859.53)	(650.00)	(650.00)	18,475,596.48	18,750,704.00	18,548,879.00	(8,548,276.59)	(10,780,612.27)	743,255.01	7,127,203.43	(136,299,770.75)	(91,984,321.69)
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	2,855,941.82	83,765,228.33	-	-	18,693,020.67	18,751,354.00	18,447,154.00	-	0.00	12,173,631.67	52,044,931.30	(117,254,149.82)	2,855,941.82
	(0)	0	0	0	0	0	0	0	0	0	0	(0)	(0)

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



In re Deb Shops Debtor

14-12676-KG  
11/29/15-1/2/16

BALANCE SHEET - continuation sheet

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE	Deb Stores Holding LLC	Deb Stores Holding II LLC	Deb Shops SDP Inc.	Deb Shops SDHI Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops SDE-Commerce LLC	Deb Shops SDFMC LLC	Intercompany Eliminations	Grand Total
<b>Other Current Assets</b>													
<b>Other Assets</b>													
Intercompany Investments	-	(2,185,942.39)	-	-	18,693,020.67	18,751,354.00	18,447,154.00	-	-	-	-	(55,891,528.67)	-
Trademarks	-	2,847,100.00	-	-	-	-	-	-	-	-	-	-	-
Debt Acquisition Costs	-	292,721.30	-	-	-	-	-	-	-	-	61,362,621.15	(61,362,621.15)	-
Goodwill	-	7,927,716.54	-	-	-	-	-	-	-	-	-	-	-
Letter of Credit Fees	-	199,568.30	-	-	-	-	-	-	-	-	-	-	-
Total	-	9,081,163.75	-	-	18,693,020.67	18,751,354.00	18,447,154.00	-	-	-	61,362,621.15	(117,254,149.82)	-
<b>LIABILITIES AND OWNER EQUITY</b>													
<b>Other Pre-petition Liabilities</b>													
Gift Card Liability	1,459,450.52	1,742,090.65	-	-	-	-	-	-	-	-	1,459,450.52	-	1,459,450.52
Accrued Expenses	632,802.26	2,815,743.02	-	-	-	-	-	-	-	-	632,802.26	-	632,802.26
Miscellaneous Employee Withholdings	-	(51,637.91)	-	-	-	-	-	-	-	-	-	-	-
Layaway Liability	253,302.48	253,335.70	-	-	-	-	-	102,395.07	150,907.41	-	-	-	253,302.48
Accrued Interest	-	1,537,579.38	-	-	-	-	-	-	-	-	-	-	-
Accrued Income Taxes	-	538,600.71	-	-	-	-	-	-	-	-	-	-	-
Intercompany	-	-	650.00	650.00	217,424.19	650.00	(101,725.00)	8,445,881.52	10,629,704.86	8,224,158.98	(46,463,015.48)	19,045,620.93	(0.00)
Total	2,345,555.26	6,835,711.55	650.00	650.00	217,424.19	650.00	(101,725.00)	8,548,276.59	10,780,612.27	8,224,158.98	(44,370,762.70)	19,045,620.93	2,345,555.26
<b>Postpetition Contributions (Distributions) (Draws)</b>													

Restricted Cash: cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re Deb Shops  
Debtor

Case No. 14-12676-KG  
Reporting Period 11/29/15-1/2/16

**STATUS OF POSTPETITION 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 or	Amount	Date	Check No.	Ending Tax	Deb Shops						Grand Total		
	Liability	Accrued	Paid	Paid	or EFT	Liability	Stores Holding LLC	Stores Holding II LLC	Shops SDP Inc.	Shops SDIH Inc.	Shops SD Inc.	Shops SDE LLC		Shops SDW LLC	SDE-Commerce LLC
<b>Federal</b>															
Withholding	-	-	-	Various	EFT	(913.43)	-	-	-	-	-	-	-	-	(913.43)
FICA-Employee															
FICA-Employer															
Unemployment															
Income															
Other:															
Total Federal Taxes	-	-	-			(913.43)	-	-	-	-	-	-	-	-	(913.43)
<b>State and Local</b>															
Withholding	-	-	-	Various	EFT	-	-	-	-	-	-	-	-	-	-
Sales	(61,718.37)			Various	EFT	-	-	-	-	-	-	-	-	-	-
Excise															
Unemployment															
Real Property			0												
Personal Property															
Other:															
Total State and Local	(61,718.37)	-	-			-	-	-	-	-	-	-	-	-	-
<b>Total Taxes</b>	<b>(61,718.37)</b>	<b>-</b>	<b>-</b>			<b>(913.43)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(913.43)</b>

**SUMMARY OF UNPAID POSTPETITION DEBTS**

Attach aged listing of accounts payable.

	Current	Number of Days Past Due				Total	
		0-30	31-60	61-90	Over 90		
Accounts Payable		179,149.92				179,149.92	See MOR 4 AP Schedule
Wages Payable		-				-	
Taxes Payable		(45,311.58)				(45,311.58)	
Rent/Leases-Building		-				-	
Rent/Leases-Equipment		-				-	
Secured Debt/Adequate Protection Payments		-				-	
Professional Fees		-				-	
Amounts Due to Insiders*		-				-	
Other:		2,345,555.26				2,345,555.26	
Other:		-				-	
<b>Total Postpetition Debts</b>		<b>2,479,393.60</b>				<b>2,479,393.60</b>	

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

Debtor will pay past due postpetition debts in due course

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

Reporting Period 11/29/15-1/2/16

Description	Deb Shops			Total
	Deb Shops SDW LLC	SDE-Commerce LLC	Deb Shops SDFMC LLC	
Merchandise	\$0.00	\$0.00	-	-
Merchandise Received But Not Processed in AP Yet	-	-	-	-
Subtotal, Merchandise	-	-	-	-
Expenses	179,149.92	\$0.00	-	179,149.92
Expense Adjustments	-	-	-	-
Subtotal, Expenses	179,149.92	-	-	179,149.92
Rent	-	-	-	-
Accrued Freight and Charges	-	-	-	-
Timing Variances	-	-	-	-
TOTAL	179,149.92	-	-	179,149.92

**Aging**

	Number of Days Past Due				Total
	0-30	31-60	61-90	Over 90	
Merchandise	\$0.00	\$0.00	\$0.00	\$0.00	-
Merchandise Received But Not Processed in AP Yet	-	-	-	-	-
Subtotal, Merchandise	-	-	-	-	-
Expenses	179,149.92	-	\$0.00	\$0.00	\$179,149.92
Expense Adjustments	-	-	-	-	-
Subtotal, Expenses	179,149.92	-	-	-	179,149.92
Rent	\$0.00	-	-	-	-
Accrued Freight and Charges	-	-	-	-	-
Timing Variances	-	-	-	-	-
TOTAL	179,149.92	-	-	-	179,149.92

In re Deb Shops  
Debtor

Case No. 14-12676-KG  
Reporting Period: 11/29/15-1/2/16

**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

	Amount	Deb Stores Holding LLC	Deb Stores Holding II LLC	Deb Shops SDP Inc.	Deb Shops SDIH Inc.	Deb Shops SD Inc.	Deb Shops SDE LLC	Deb Shops SDW LLC	Deb Shops Commerce LLC	Deb Shops SDE-LLC	Deb Shops SDFMC LLC	Grand Total
<b>Accounts Receivable Reconciliation</b>												
Total Accounts Receivable at the beginning of the reporting period	74,609.51										74,609.51	496,584.76
+ Amounts billed during the period											-	-
- Amounts collected during the period	74,609.51										-	-
Total Accounts Receivable at the end of the reporting period	-										-	-
<b>Accounts Receivable Aging</b>												
0 - 30 days old	-											
31 - 60 days old												
61 - 90 days old												
91+ days old												
Total Accounts Receivable	-											
Amount considered uncollectible (Bad Debt)	-											
Accounts Receivable (Net)	-											

**DEBTOR QUESTIONNAIRE**

Must be completed each month	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.		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.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.		X
4 Response: All employees were terminated as of the end of April 2015; Corporate offices were vacated by April 30, 2105 as well		