

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re: Old FENM Inc., et al.,
Debtor

Case No. : 13-12569
Reporting Period: June 1 - June 29, 2014

MONTHLY OPERATING REPORT

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit / Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	Yes		
Bank Reconciliation	MOR-1a	Yes		
Schedule of Professional Fees Paid	MOR-1b	Yes		
Copies of bank statements		No	Note 1	
Cash disbursements journals		No	Note 1	
Statement of Operations	MOR-2	Yes		
Balance Sheet	MOR-3	Yes		
Status of Post-Petition Taxes	MOR-4	Yes		MOR-4A & 4B
Copies of IRS Form 6123 or payment receipt		No	Note 1	
Copies of tax returns filed during reporting period		No	Note 1	
Summary of Unpaid Post-Petition Debts	MOR-4	Yes		
Listing of aged accounts payable	MOR-4	No	Note 1	
Accounts Receivable Reconciliation and Aging	MOR-5	Yes		
Debtor Questionnaire	MOR-5	Yes		

Notes:

(1) Due to system constraints and/or the volume of records, UST has agreed to waive requirement to provide requested information.

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.

Matthew Woodlake

Signature of Authorized Individual*

18 JULY 2014

Date

MATTHEW WOODLAKE

TREASURER

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.

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MOR-1A: BANK RECONCILIATIONS

Operating Company (USD Accounts)			
BANK NAME	Account Description	Account Number	Balance(\$)
JPMorgan Distribution Services	JPMorgan 100% U.S. Treasury Securities Money Market Fund	XXX-0843	111,000,000.00
Citibank, N.A.	F&E Neighborhood Market Inc - Group Treasury	XXXX-8348	3,657,870.00
Citibank, N.A.	F&E Neighborhood Market Inc - Accounts Payable Controlled Disbursement	XXXX-4502	51,683.54
Citibank, N.A.	F&E Neighborhood Market Inc - Payroll Controlled Disbursement	XXXX-4529	-
Citibank, N.A.	F&E Neighborhood Market Inc - Wire Disbursement	XXXX-8529	-
Citibank, N.A.	F&E Neighborhood Market Inc - Card Collections	XXXX-6528	-
Citibank, N.A.	F&E Neighborhood Market Inc - Cash Collections	XXXX-8356	-
Citibank, N.A.	F&E Neighborhood Market Inc - AR Deposit Account	XXXX-9839	-
Citibank, N.A.	F&E Neighborhood Market Inc - Fintech BWS	XXXX-0047	-
Citibank, N.A.	F&E Neighborhood Market Inc - Deposits	XXXX-2261	590,595.36
Citibank, N.A.	F&E Neighborhood Market Inc - Citl California Misc Check Deposits	XXXXXXXX-80687	470,040.90
Harris Bank	JLLA aff Fresh and Easy NBHD Operating	XXX-381-7	6,274.88
Harris Bank	JLLA aff Fresh and Easy NBHD Subtenant Rev	XXX-273-1	-
Union Bank, N.A.	F&E WIC account	XXXX212832	-
Union Bank, N.A.	F&E WIC Trust account	XXXX037190	-

Operating Company (GBP Accounts)			
BANK NAME	Account Description	Account Number	Balance (£)
Citibank, N.A. (1)	F&E Neighborhood Market Pound Sterling Account	XXXX-1376	350,142.40

Property Company			
BANK NAME	Account Description	Account Number	Balance(\$)
Citibank, N.A.	F&E Property Company LLC - Group Treasury	XXXX-9263	4,816,539.70
Citibank, N.A.	F&E Property Company LLC - Receipts	XXXX-2843	-
Citibank, N.A.	F&E Property Company LLC - Wire/ACH Payments	XXXX-9255	-
Citibank, N.A.	F&E Property Company LLC - Check Payments	XXXX-4259	-
Harris Bank	JLLA Inc aff Fresh and Easy Property Company Rev	XXX-302-3	-

Notes:

(1) Balance is held in GBP

I attest that each of the Debtors' corporate bank accounts is reconciled to monthly bank statements. The Company's standard practice is to ensure that each corporate bank account is reconciled to monthly bank statements for each fiscal month within 30 days after month end. See attached listing of each of the Debtors' bank accounts and the book balance of the account as of the end of the fiscal month covered by this report

Matthew Westlake

Authorized Representative

MATTHEW WESTLAKE

Printed Name of Authorized Representative

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MOR IB: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

PAYEE	Period Covered	Amount Approved	Payor	Wire	Payment Date	Amount Paid		Case-To-Date	
						Fees	Expenses	Fees	Expenses
Alvarez and Marsal Securities LLC									
Alvarez and Marsal Securities LLC	October	\$ 156,631	Fresh & Easy	Wire	11/18/2013	\$ 150,000	\$ 6,631	\$ 150,000	\$ 6,631
Alvarez and Marsal Securities LLC	November	150,142	Fresh & Easy	Wire	11/18/2013	150,000	142	300,000	6,773
Alvarez and Marsal Securities LLC	September - December	1,025,000	Fresh & Easy	Wire	3/13/2014	1,022,463	-	1,322,463	6,773
Prime Clerk LLC									
Prime Clerk LLC	October	\$ 248,256	Fresh & Easy	Wire	12/12/2013	\$ 68,078	\$ 180,178	\$ 68,078	\$ 180,178
Prime Clerk LLC	November	144,548	Fresh & Easy	Wire	12/12/2013	55,436	89,112	123,514	269,290
Prime Clerk LLC	December	111,956	Fresh & Easy	Wire	1/13/2014	35,143	76,814	158,657	346,104
Prime Clerk LLC	January	71,817	Fresh & Easy	Wire	2/27/2014	40,114	31,703	198,771	377,806
Prime Clerk LLC	February	34,497	Fresh & Easy	Wire	3/21/2014	24,108	10,389	222,879	388,193
Prime Clerk LLC	March	48,794	Fresh & Easy	Wire	5/9/2014	21,798	26,997	244,676	415,192
Prime Clerk LLC	April	50,415	Fresh & Easy	Wire	5/16/2014	16,990	33,426	261,666	448,618
Richards Layton & Finger									
Richards Layton & Finger	October	\$ 83,062	Fresh & Easy	Wire	12/26/2013	\$ 78,354	\$ 4,707	\$ 78,354	\$ 4,707
Richards Layton & Finger	November	62,014	Fresh & Easy	Wire	2/27/2014	56,505	5,509	134,860	10,216
Richards Layton & Finger	December	30,232	Fresh & Easy	Wire	3/21/2014	27,049	3,183	161,909	13,399
Richards Layton & Finger ¹	Interim Holdback	39,882	Fresh & Easy	Wire	4/3/2014	40,477	(596)	202,386	12,804
Richards Layton & Finger	January	28,218	Fresh & Easy	Wire	6/13/2014	26,758	1,460	229,144	14,264
Richards Layton & Finger	February	27,008	Fresh & Easy	Wire	6/13/2014	26,194	815	255,338	15,079
Richards Layton & Finger	March	39,786	Fresh & Easy	Wire	6/18/2014	38,294	1,492	293,632	16,370
Richards Layton & Finger	April	24,550	Fresh & Easy	Wire	6/18/2014	23,036	1,514	316,668	18,084
Alvarez & Marsal North America LLC									
Alvarez & Marsal North America LLC	October	\$ 623,182	Fresh & Easy	Wire	12/26/2013	\$ 609,166	\$ 14,015	\$ 609,166	\$ 14,015
Alvarez & Marsal North America LLC	November - December	747,945	Fresh & Easy	Wire	4/3/2014	732,861	15,084	1,342,028	29,099
Alvarez & Marsal North America LLC	Interim Holdback	335,594	Fresh & Easy	Wire	4/3/2014	335,594	-	1,677,622	29,099
Alvarez & Marsal North America LLC	January	405,264	Fresh & Easy	Wire	5/20/2014	405,182	82	2,082,805	29,181
Alvarez & Marsal North America LLC	February - March	641,412	Fresh & Easy	Wire	6/13/2014	638,414	2,999	2,721,218	32,180
Jones Day									
Jones Day	October	\$ 427,912	Fresh & Easy	Wire	12/26/2013	\$ 423,856	\$ 4,056	\$ 423,856	\$ 4,056
Jones Day	November	384,470	Fresh & Easy	Wire	2/27/2014	381,419	3,051	805,275	7,108
Jones Day	December	275,677	Fresh & Easy	Wire	3/21/2014	269,887	5,790	1,075,162	12,898
Jones Day	Interim Holdback	261,618	Fresh & Easy	Wire	4/3/2014	261,618	-	1,336,780	12,898
Jones Day	January	217,239	Fresh & Easy	Wire	4/14/2014	212,150	5,089	1,548,930	17,987
Jones Day	February	235,138	Fresh & Easy	Wire	5/16/2014	231,919	3,219	1,780,849	21,206
Jones Day	March	360,033	Fresh & Easy	Wire	6/13/2014	356,138	3,896	2,136,987	25,102
Pillsbury Winthrop Shaw Pittman LLP									
Pillsbury Winthrop Shaw Pittman LLP	October	\$ 164,195	Fresh & Easy	Wire	12/26/2013	\$ 163,587	\$ 607	\$ 163,587	\$ 607
Pillsbury Winthrop Shaw Pittman LLP	November	257,471	Fresh & Easy	Wire	2/27/2014	256,507	964	420,094	1,571
Pillsbury Winthrop Shaw Pittman LLP	December	155,505	Fresh & Easy	Wire	3/20/2014	151,130	4,375	571,224	5,946
Pillsbury Winthrop Shaw Pittman LLP ¹	Interim Holdback	140,521	Fresh & Easy	Wire	4/3/2014	142,341	(1,820)	713,565	4,127
Pillsbury Winthrop Shaw Pittman LLP	January	151,783	Fresh & Easy	Wire	5/16/2014	151,634	149	865,198	4,276
Pillsbury Winthrop Shaw Pittman LLP	February	192,910	Fresh & Easy	Wire	5/16/2014	192,210	700	1,057,408	4,976
Pillsbury Winthrop Shaw Pittman LLP	March	80,466	Fresh & Easy	Wire	6/20/2014	78,684	1,782	1,136,092	6,759
Pachulski Stang Ziehl & Jones LLP									
Pachulski Stang Ziehl & Jones LLP	October	\$ 168,150	Fresh & Easy	Wire	2/10/2014	\$ 164,065	\$ 4,085	\$ 164,065	\$ 4,085
Pachulski Stang Ziehl & Jones LLP	November	153,681	Fresh & Easy	Wire	2/10/2014	148,327	5,354	312,392	9,439
Pachulski Stang Ziehl & Jones LLP	December	57,620	Fresh & Easy	Wire	2/23/2014	54,402	3,219	366,794	12,658
Pachulski Stang Ziehl & Jones LLP ¹	Interim Holdback	88,343	Fresh & Easy	Wire	4/3/2014	90,848	(2,505)	457,642	10,152
Pachulski Stang Ziehl & Jones LLP	January	70,292	Fresh & Easy	Wire	5/30/2014	59,823	10,469	517,465	20,621
Pachulski Stang Ziehl & Jones LLP	February	31,133	Fresh & Easy	Wire	6/13/2014	29,944	1,190	547,409	21,811
FTI Consulting Inc.									
FTI Consulting Inc.	November	\$ 217,118	Fresh & Easy	Wire	3/3/2014	\$ 215,929	\$ 1,189	\$ 215,929	\$ 1,189
FTI Consulting Inc.	December	53,696	Fresh & Easy	Wire	3/21/2014	53,365	330	269,295	1,519
FTI Consulting Inc.	Interim Holdback	83,804	Fresh & Easy	Wire	4/3/2014	83,804	-	353,098	1,519
FTI Consulting Inc. ²	January	77,151	Fresh & Easy	Wire	4/14/2014	76,910	241	430,008	1,760
FTI Consulting Inc.	February	62,833	Fresh & Easy	Wire	6/4/2014	62,838	33	492,846	1,793
FTI Consulting Inc.	March	28,568	Fresh & Easy	Wire	6/13/2014	28,568	-	521,414	1,793
U.S. Trustee									
U.S. Trustee	December	\$ 325	Fresh & Easy	Check	12/12/2013	\$ 325	\$ -	\$ 325	\$ -
U.S. Trustee	February	30,000	Fresh & Easy	Check	2/27/2014	30,000	-	30,325	-
U.S. Trustee	Q3'13	325	Fresh & Easy	Check	12/5/2013	325	-	30,650	-
U.S. Trustee	Q4'13	4,875	Fresh & Easy	Check	2/11/2014	4,875	-	35,525	-
U.S. Trustee	Q1'14	13,021	Fresh & Easy	Check	5/30/2014	13,021	-	48,546	-
U.S. Trustee	Q1'14	329	Fresh & Easy	Check	5/30/2014	329	-	48,875	-

¹ Interim holdback amounts include adjustments made to prior period fee and/or expense payments pursuant to review by the Fee Auditor.

² The January fees paid to FTI incorrectly included the 20% holdback which only should have been paid upon approval of the 2nd Interim Fee Application. The Debtor will make the appropriate adjustments, if any, upon approval of the 2nd Interim Fee Application.

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MOR-2: STATEMENT OF OPERATIONS

OPERATING COMPANY		
	Current Month	Cumulative Filing to Date
REVENUES		
Net Sales	\$ -	\$ 142,459,030
OPERATING EXPENSES		
Cost of Good Sold	-	(101,665,437)
Selling, General and Administrative Expenses	88,490	(42,625,858)
Total Operating Expenses	88,490	(144,291,295)
Operating Income	88,490	(1,832,265)
OTHER INCOME AND EXPENSES		
Other Income (Expense)	(103,186)	58,370,185
Interest Income (Expense)	6,079	87,676
Income Tax Benefit (Expense)	-	10,289,432
Net Profit (Loss)	\$ (8,617)	\$ 66,915,028

PROPERTY COMPANY		
	Current Month	Cumulative Filing to Date
REVENUES		
Rent Revenue	\$ -	\$ 3,914,078
OPERATING EXPENSES		
General and Administrative Expenses	(864)	(43,513)
Total Operating Expenses	(864)	(43,513)
Operating Income	(864)	3,870,565
OTHER INCOME AND EXPENSES		
Other Income (Expense)	(5,356)	89,301,377
Interest Expense	-	(676)
Income Taxes (Expense)	-	300,000
Net Profit (Loss)	\$ (6,220)	\$ 93,471,266

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MOR-3: BALANCE SHEET

OPERATING COMPANY		
ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Cash and Cash Equivalents (1)	\$ 116,443,734	\$ 71,818,680
Stock	-	84,141,577
Trade Receivables	-	24,167,929
Prepayments and Accrued Income	-	21,919,124
Other Receivables	518,560	11,112,955
TOTAL CURRENT ASSETS	116,962,293	213,160,265
PROPERTY AND EQUIPMENT		
Property, Plant and Equipment & Intangible Assets	-	67,457,772
TOTAL ASSETS	\$ 116,962,293	\$ 280,618,036
LIABILITIES AND OWNER EQUITY		
	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Post-Petition)		
Trade Payables	\$ -	\$ -
Accruals and Deferred Income	(12,858,145)	(18,799,794)
Deferred Rent	(6,038,712)	(96,214,660)
Current Tax Liability	-	-
Other Payables	(1,050,091)	-
Deferred Tax Liability Non-Current	-	(10,289,432)
Payables Intercompany	(110,399,531)	-
TOTAL POST-PETITION LIABILITIES	(130,346,479)	(125,303,886)
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Trade Payables	-	(30,299,616)
Payables Intercompany	(647,443,461)	(647,742,787)
Other Payables	(962,577)	(38,314,354)
Accruals and Deferred Income	(17,800,000)	(164,388,742)
Finance Lease Liability Non-Current	-	(5,517,845)
Onerous Lease Provision	(21,809,935)	(36,840,207)
TOTAL PRE-PETITION LIABILITIES	(688,015,973)	(923,103,551)
TOTAL LIABILITIES	(818,362,452)	(1,048,407,437)
OWNER EQUITY		
Profit (YTD)	29,777,636	127,007,512
Retained Earnings	3,229,162,351	3,197,750,943
Share Based Payments Reserve	(11,276,275)	(10,705,501)
Share Capital	(2)	(2)
Share Premium Account	(2,546,263,552)	(2,546,263,552)
NET OWNER EQUITY	701,400,159	767,789,401
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ (116,962,293)	\$ (280,618,036)

Notes:

(1) Ending cash balances reflect book balances and will not directly agree to the bank balances reflected on MOR1

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MOR-3: BALANCE SHEET

PROPERTY COMPANY		
ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Cash and Cash Equivalents (1)	\$ 4,816,105	\$ 1,949,873
Stock	-	-
Trade Receivables	-	(162,285)
Prepayments and Accrued Income	-	344,223
Other Receivables	110,258,629	0
TOTAL CURRENT ASSETS	115,074,734	2,131,811
PROPERTY AND EQUIPMENT		
Property, Plant and Equipment & Intangible Assets	-	12,378,186
TOTAL ASSETS	\$ 115,074,734	\$ 14,509,997
LIABILITIES AND OWNER EQUITY		
	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Post-Petition)		
Trade Payables	\$ -	\$ -
Accruals and Deferred Income	-	7,688,355
Deferred Rent	-	-
Current Tax Liability	-	(300,000)
Other Payables	-	-
Deferred Tax Liability Non-Current	-	-
Finance Lease Liability Non-Current	-	-
Onerous Lease Provision	-	-
TOTAL POST-PETITION LIABILITIES	-	7,388,355
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Trade Payables	-	(188)
Accruals and Deferred Income	-	(37,855)
Payables Intercompany	(87,000,000)	(87,064,109)
Other Payables	-	(192,536)
TOTAL PRE-PETITION LIABILITIES	(87,000,000)	(87,294,688)
TOTAL LIABILITIES	(87,000,000)	(79,906,333)
OWNER EQUITY		
Profit (YTD)	(38,148,728)	69,520,551
Retained Earnings	66,074,920	51,876,710
Share Based Payments Reverse	-	-
Share Capital	-	-
Share Premium Account	(56,000,925)	(56,000,925)
NET OWNER EQUITY	(28,074,733)	65,396,336
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ (115,074,734)	\$ (14,509,997)

Notes:

(1) Ending cash balances reflect book balances and will not directly agree to the bank balances reflected on MOR1

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MOR 4A: VERIFICATION OF TAX PAYMENTS

Operating Company	Vendor Number	Vendor Name	Amount Paid	Payment Date	EFT / Check Number
FEDERAL, STATE AND LOCAL TAXES					
Federal and State Payroll Taxes		ADP	55	6/13/2014	
Federal and State Payroll Taxes		ADP	34,373	6/13/2014	
Federal and State Payroll Taxes		ADP	30,595	6/26/2014	
Total Federal, State and Local			\$ 65,023		

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MOR 4B: SUMMARY OF TAX RETURNS FILED DURING REPORTING PERIOD

Operating Company			
TAXING AUTHORITY	State	Type of Tax	Due Date
None			
Property Company			
TAXING AUTHORITY	State	Type of Tax	Due Date
None			

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MOR-5: ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period	\$	-
+ Amounts billed during the period		-
- Amounts transferred during the Period		-
- Amounts collected during the period		-
Total Accounts Receivable at the end of the reporting period	\$	-
Accounts Receivable Aging		Amount
Current	\$	-
0 - 30 days past due		-
31 - 60 days past due		-
61 - 90 days past due		-
91+ days past due		-
Total Accounts Receivable		-
Amount considered uncollectible (Bad Debt)		-
Accounts Receivable (Net)	\$	-

MOR-5: DEBTOR QUESTIONNAIRE

	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 post-petition 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	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). (1) If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X

Notes:

1. The company is in the process of selling any remaining assets, including liquor licenses, some of which have been sold during the period.