# 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-I	Yes		
Bank Reconciliation	MOR-1a	Yes		
Schedule of Professional Fees Paid	MOR-1b	Yes		
Copies of bank statements		No	Note I	
Cash disbursements journals		No	Note I	
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.

Signature of Authorized Individual\*

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TITLE of Authorized Individual

<sup>\*</sup>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-1: CONSOLIDATED SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

		CURRENT MON	TH (I)		<b>CUMULATIVE FILING</b>	G TO DATE
	_		ROJECTED (3)		ACTUAL	PROJECTED
BEGINNING CASH (2)	S	117,438,405 S	75,763,630	S	50,089,229 S	50,089,229
RECEIPTS						
CASH RECEIPTS					161,949,673	143,437,325
OTHER RECEIPTS		434,468	97,538		9,573,524	9,453,708
PROCEEDS FROM ASSET SALES					89,815,963	89,965,088
TOTAL RECEIPTS		434,468	97,538		261,339,161	242,856,121
DISBURSEMENTS						
STOCK PURCHASES		-			(84,322,198)	(84.301,223
CREDITOR PAYMENTS - GNFR		(18,442)	(70,866)		(22,137,514)	(28,307,284
RENT			-		(12,939,719)	(10.142.805)
PAYROLL		(65,326)	(32,457)		(34,101,273)	(30,977,840)
INSURANCE		(80)			(159,504)	(57,990)
TAXES		-	(203,719)		(9,724,019)	(18,139,323)
OTHER		(156)			(5.975,337)	(2.541.965)
PROFESSIONAL / TRANSACTION FEES		(1,393,697)	(2.158.762)		(9,884,156)	(19.379,886)
CASH WORKING CAPITAL TRANSFERRED TO YUCAIPA			-		(15,789,498)	(25,701,670)
TOTAL DISBURSEMENTS		(1,477,701)	(2,465,804)		(195,033,218)	(219,549,986)
NET CASH FLOW		(1,043,233)	(2,368,266)		66,305,943	23,306,135
ENDING CASH (2)(3)	S	116,395,172   S		0.00		
		110,375,172   3	73,395,364	S	116,395,172 S	73,395,364
PROPERTY COMPANY		CURRENT MONT	'H (1)		CUMULATIVE FILING	
		CURRENT MONT	TH (1)  OJECTED (4)		CUMULATIVE FILING	
PROPERTY COMPANY  BEGINNING CASH	S	CURRENT MONT	'H (1)		CUMULATIVE FILING	TO DATE
BEGINNING CASH RECEIPTS	s	CURRENT MONT	TH (1)  OJECTED (4)		CUMULATIVE FILING	TO DATE
BEGINNING CASH RECEIPTS CASH RECEIPTS	S	CURRENT MONT	TH (1)  OJECTED (4)		CUMULATIVE FILING ACTUAL F 1,947,890   S	TO DATE ROJECTED 1,947,890
BEGINNING CASH RECEIPTS	S	CURRENT MONT ACTUAL PR 4,822,464 S	TH (1) OJECTED (4) 4,822,464		CUMULATIVE FILING	TO DATE
BEGINNING CASH  RECEIPTS CASH RECEIPTS TOTAL RECEIPTS DISBURSEMENTS	] [s	CURRENT MONT ACTUAL PR 4,822,464 S	TH (1) OJECTED (4) 4,822,464		CUMULATIVE FILING ACTUAL F 1,947,890 S	TO DATE ROJECTED 1,947,890
BEGINNING CASH  RECEIPTS CASH RECEIPTS TOTAL RECEIPTS DISBURSEMENTS DISBURSEMENTS		CURRENT MONT ACTUAL PR 4,822,464 S	"H (1) OJECTED (4) 4,822,464		CUMULATIVE FILING ACTUAL F 1,947,890   S 3,593,009   3,593,009	TO DATE ROJECTED 1,947,890 3,593,009 3,593,009
BEGINNING CASH  RECEIPTS CASH RECEIPTS TOTAL RECEIPTS DISBURSEMENTS		CURRENT MONT ACTUAL PR 4,822,464 S	TH (1) OJECTED (4) 4,822,464		CUMULATIVE FILING ACTUAL F 1,947,890 S	TO DATE ROJECTED 1,947,890
BEGINNING CASH  RECEIPTS CASH RECEIPTS TOTAL RECEIPTS DISBURSEMENTS DISBURSEMENTS		CURRENT MONT ACTUAL PR 4,822,464 S	"H (1) OJECTED (4) 4,822,464		CUMULATIVE FILING ACTUAL F 1,947,890   S 3,593,009 3,593,009 (724,359)	3.593,009 3,593,009 (724,359)

- (1) Cash flow activity for fiscal weeks ending June 8, June 15, June 22 and June 29 is based on weekly cash reporting
  (2) Bank balance contains one account held in foreign currency (GBP). Ending bank balance does not match MOR-1a total due to historical translation adjustments that have been rolled forward each month.

  (3) Ending eash balances reflect book balances and will not directly agree to the bank balances reflected on MOR3

  (4) There is no projected eashflow forceast for the Property Company accordingly, actual numbers are populated in the projected column

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#### MOR-IA: 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 - Citi 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	0,274,00
Union Bank, N.A.	F&E WIC account	XXXX212832	
Union Bank, N.A.	F&E WIC Trust account	XXXX037190	

wpersting Company (GBP Accou	ntu)		
BRANK NAME	Account Description	Account Number	Balance (ft)
Citibank, N.A. (1)	F&E Neighborhood Market Pound Sterling Account	XXXX-1378	350,142,40

Property Company			
BANK NAME	Account Description	Account Number	Balance(\$)
Citibank, N.A.	F&E Property Company LLC - Group Treasury	XXXX-9263	4.818.539.70
Citibank, N.A.	F&E Property Company LLC - Receipts	XXXX-2843	+1
Citibank, N.A.	F&E Property Company LLC - Wire/ACH Payments	XXXX-9255	E-1
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

Mottle Llaslede
Authorized Representative

Printed Name of Authorized Representative

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#### MOR 1B: SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

PAYEE	Period Covered	Amount			hyment		ount Pold		-To-Date
Alvarez and Marsal Securities LLC	Covered	Approved	Payor	Wire	Date	Fees	Expenses	Fees	Expenses
Alvarez and Marsal Securities LLC	October	\$ 156.631	Fresh & Easy	Wire	11/18/2013	\$ 150,000	\$ 6,631	\$ 150,000	1 6631
Alvarez and Marsal Securities LLC	November	150,142		Wire	11/18/2013	150,000			
Alvarez and Marsal Securities LLC	September - December			Wire	3/13/2014	1,022,463		1.322,463	
						1		1,,,22,,40.	0,773
Prime Clerk LLC						-	-		
Prime Clerk LLC	October		Fresh & Ensy	Wire	12/12/2013	\$ 68,078	\$ 180,178	S 68,078	\$ 180,178
Prime Clerk L.I.C	November	144,548	Fresh & Easy	Wire	12/12/2013	55,436	89.112		
Prime Clerk LLC	December	111,956	Fresh & Easy	Wire	1/13/2014	35,143	76,814	158,657	346,104
Prime Clerk LLC	January		Fresh & Easy	Wire	2/27/2014	40,114		198,771	
Prime Clerk LLC Prime Clerk LLC	February	34,497	Fresh & Easy	Wire	3/21/2014	24.108			
Prime Clerk LLC	March	48,794	Fresh & Easy	Wire	5/9/2014	21,798	26,997		
THIRE CICIN ISEC	April	30,413	Fresh & Easy	Wire	5/16/2014	16,990	33,426	261,666	448,618
Richards Layton & Finger					1	ــــــــــــــــــــــــــــــــــــــ			
Richards Layton & Finger	October	Is 83.062	Fresh & Easy	Wire	12060013	6 70 364	16 480	10 2000	Ta
Richards Layton & Finger	November	62,014		Wire	12/26/2013 2/27/2014	\$ 78,354 56,505			
Richards Layton & Finger	December	30,232		Wire	3/21/2014	27,049	5,509 3,183		
Richards Lavton & Fineer 1	Interim Holdback		Fresh & Easy	_					
				Wire	4/3/2014	40.477	(596		
Richards Layton & Finger Richards Layton & Finger	January	28,218		Wire	6/13/2014	26,758	1,460		
Richards Layton & Finger	February March	27,008		Wire	6/13/2014	26,194	815		
Richards Layton & Finger	April	39,786 24,550		Wire	6/18/2014	38,294	1,492		
CALLED THE SHALL BE A SHIPPED	Apni	24,330	rresh & Easy	Wire	6/18/2014	23,036	1,514	316,668	18,084
Alayrez & Marsal North America LLC					<del></del>			1	1
Alayrez & Marsal North America LLC	October	\$ 623,182	Fresh & Easy	Wire	12/26/2013	\$ 609,166	16 14012	16 (00:11	Ta direct
Alavrez & Marsal North America LLC	November - December			Wire	4/3/2014	732,861			
Alayrez & Marsal North America LLC	Interim Holdback		Fresh & Easy	Wire	4/3/2014	335,594		1,677,622	
Alayrez & Marsal North America LLC	January		Fresh & Easy	Wire	5/20/2014	405,182			29,099
Alayrez & Marsal North America LLC	February - March		Fresh & Easy	Wire	6/13/2014	638,414			29,181 32,180
						0.50,414	2,777	2,721,210	32,180
Jones Day					1				
Jones Duy	October	\$ 427.912	Fresh & Easy	Wire	12/26/2013	S 423,856	S 4.056	S 423,856	\$ 4,056
Jones Day	November	384,470	Fresh & Easy	Wire	2/27/2014	381,419	3,051	805,275	7,108
Jones Duy	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	F I. A. F.	337					
Pillsbury Winthrop Shaw Pittman LLP	November	257,471	Fresh & Easy Fresh & Easy	Wire	12/26/2013	\$ 163,587			
Pillsbury Winthrop Shaw Pittman LLP	December	155,505	Fresh & Easy	Wire	2/27/2014 3/20/2014	256,507	964	420,094	1,571
Pillsbury Winthrop Shaw Pittman LLP 1						151,130	4,375	571,224	5,946
Pillsbury Winthrop Shaw Pittman LLP	Interim Holdback January	140,521 151,783	Fresh & Easy	Wire	4/3/2014	142,341	(1,820)	713,565	4,127
Pillsbury Winthrop Shaw Pittman LLP	February	192,910	Fresh & Easy	Wire	5/16/2014	151,634	149	865,198	4,276
Pillsbury Winthrop Shaw Pittman LLP	March	80,466	Fresh & Easy Fresh & Easy	Wire	5/16/2014	192,210	700	1,057,408	4,976
THE PARTY WILLIAM THINKS LLT	March	80,466	Fresh & East.	Wire	6/20/2014	78,684	1,782	1,136,092	6.759
Pachulski Stang Ziehl & Jones LLP									L
Pachulski Stang Ziehl & Jones LLP	October	\$ 168,150	Fresh & Easy	Wire	2/10/2014	\$ 164,065	\$ 4,085	\$ 164,065	C 400°
Pachulski Stang Ziehl & Jones LLP	November		Fresh & Easy	Wire	2/10/2014	148,327	5,354	\$ 164,065 312,392	
Pachulski Stang Ziehl & Jones LLP	December	57,620	Fresh & Easy	Wire	2/25/2014	54,402	3,219	366,794	9,439 12,658
Pachulski Stang Ziehl & Jones LLP	Interim Holdback		Fresh & Easy	Wire	4/3/2014	90.848			
Pachulski Stang Ziehl & Jones LLP	January:		Fresh & Easy	Wire	5/30/2014	59,823	(2.50 <b>5</b> ) 10,469	457,642	10,152
Pachulski Stang Ziehl & Jones LLP	February	31,133	Fresh & Easy	Wire	6/13/2014	29,944	1,190	517,465 547,409	20,621
		,		******	O 10/2014	47,744	1,190	247,409	21,811
TI Consulting Inc.			***						-
FTI Consulting Inc.	November	\$ 217,118	Fresh & Easy	Wire	3/3/2014	\$ 215,929	\$ 1,189	\$ 215,929	\$ 1,189
Tl Consulting Inc.	December	53,696	Fresh & Easy	Wire	3/21/2014	53,365	330	269,295	1,519
TI Consulting Inc.	Interim Holdback		Fresh & Easy	Wire	4/3/2014	83,804	5.50	353,098	1,519
Tl Consulting Inc. <sup>2</sup>	January.		Fresh & Easy	Wire	4/14/2014	76,910	241	430,008	1,760
Tl Consulting Inc.	February	62,853	Fresh & Easy	Wire	6/4/2014	62,838	33	492,846	1,793
Tl Consulting Inc.	March		Fresh & Easy	Wire	6/13/2014	28,568		521,414	1,793
							-	241,717	1,173
J.S. Trustee									
J.S. Trustee			Fresh & Easy	Check	12/12/2013	S 325	S -	S 325	s
J.S. Trustec	February		Fresh & Easy	Check	2/27/2014	30,000		30,325	-
J.S. Trustee	Q3'13		Fresh & Easy	Check	12/5/2013	325	-	30,650	
J.S. Trustee	Q4'13	4,875	Fresh & Easy	Check	2/11/2014	4,875	-	35,525	
								32,323	
J.S. Trustee J.S. Trustee	Q1'14 Q1'14	13,021	Fresh & Easy Fresh & Easy	Check Check	5/30/2014 5/30/2014	13,021		48,546	

<sup>&</sup>lt;sup>1</sup> Interim holdback amounts include adjustments made to prior period fee and/or expense payments pursuant to review by the Fee Auditor.

<sup>2</sup> The January fees paid to FTI incorrectly included the 20°s 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	All the said to be a second to the said to the	VICTOR OF THE PARTY OF THE PART
REVENUES	Current Month	Cumulative Filing to Date
Net Sales	S -   S	142,459,030
OPERATING EXPENSES		
Cost of Good Sold	-1	(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		(1,0004,600)
Other Income (Expense)	(103,186)	58,370,185
Interest Income (Expense)	6,079	87,676
Income Tax Benefit (Expense)	5,572	10,289,432
Net Profit (Loss)	S (8,617) S	66,915,028

PROPERTY COMPANY		
REVENUES	Current Month	Cumulative Filing to Date
Rent Revenue	S - S	3,914,078
OPERATING EXPENSES		3,711,070
General and Administrative Expenses	(864)	(43,513)
Total Operating Expenses	(864)	(43,513)
Operating Income	(864)	3,870,565
OTHER INCOME AND EXPENSES		2,070,000
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 CURRENT ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
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  LIABILITIES NOT SUBJECT TO COMPROMISE (Post-Petition)	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Trade Payables	s -	. 2
Accruals and Deferred Income	(12.858,145)	(18,799,794)
Deferred Rent	(6.038.712)	
Current Tax Liability	(6,038,712)	(96,214,660)
Other Pavables		<u> </u>
Deferred Tax Liability Non-Current	(1,050,091)	-
Payables Intercompany		(10,289,432)
	(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)
	(000,019,513)]	(723,103,331)
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	S (116,962,293) S	(280,618,036)

Nates:
(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	BOOK VALUE ON
CURRENT ASSETS	REPORTING MONTH	PETITION DATE
Cash and Cash Equivalents (1)	\$ 4,816,105	\$ 1,949,873
Stock		410 (2)(0)
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		4,101,011
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	s -	\$	
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 LIABILITY S		7,388,355	
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		7,000,000	
Trade Payables	-	(188)	
Accruals and Deferred Income	-	(37,855)	
Payables Intercompany	(87,000,000)	(87,064,109)	
Other Payables	-	(192,536)	
TOTAL PRE-PETITION 11 BILITI '	(87,000,000)	(87,294,688)	
TOTAL LIABILITIES	(87,000,000)	(79,906,333)	
OWNER EQUITY			
Profit (YTD) Retained Earnings	(38,148,728)	69,520,551	
Share Based Payments Reverse	66,074,920	51,876,710	
Share Capital		-	
Share Premium Account	· · · · · · · · · · · · · · · · · · ·	-	
NET OWNER EQUITY	(56,000,925)	(56,000,925)	
The same of the sa	(28,074,733)	65,396,336	
TOTAL LIABILITIES AND OWNERS' EQUITY	S (115,074,734)	S (14,509,997)	

#### Notes:

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

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#### MOR-4: STATUS OF POST-PETITION TAXES

OPERATING COMPANY		a all a line		100						
Operating Company		Beginning Tax billity (1) (2)	,	Amount Withheld or Accrued		Amount Paid	Date Paid	Check No. or EFT		Ending Tax Liability
Payroll Taxes	\$	(1,050,094)	\$	(65,023)	\$	65,023	Various	Various	2	(1,050,094)
Real and Personal Property Tax		-		-		-		7447045	Ť	(1,050,054)
Sales and Use Tax		-		-		-				
Corporate Income Tax		-		-					_	
Total Operating Company Taxes	S	(1,050,094)	S	(65,023)	S	65,023			s	(1,050,094)
Property Company									Ü	(1,000,000,0)
Corporate Income Tax	\$		S	-1	S	-1			S	
Sales and Use Tax		-		-		-			-	(m)
Real and Personal Property Tax		-		-		-				-
Total State and Local Taxes	S		S	-	S	-			S	-

#### Notes

- (1) The Debtors have received permission from the Court to pay their pre-petition tax obligations. Beginning balances include pre-petition tax liabilities.
- (2) All tax withholdings are reported on one line in both Federal and State.

I attest that all sales and use tax returns have been filed in accordance with state/county/city requirements for the above referenced period and according to the Company's tax payment schedule (See attached Schedule MOR4-B.) Any payments remitted have been reported on Fresh and Easy's Schedule of Cash Receipts and Disbursements at MOR-1.

All payroll taxes and tax returns are paid through ADP a third party payroll processor. Taxes withheld from employee wages are remitted by the Company to ADP. ADP is responsible for remitting both the employer and employee portion of payroll tax liabilities to the appropriate jurisdictions. The attached is confirmation that the Company has remitted payroll tax obligations to ADP for each of the payroll runs during the fiscal period covered by this report. Any payments remitted have been reported on Fresh and Easy's Schedule of Cash Receipts and Disbursements at MOR-1.

Matthew Weollake
Authorized Representative

Printed Name of Authorized Representative

#### MOR-4: SUMMARY OF UNPAID POST-PETITION DEBTS

OPERATING COMPANY		- 10		21 0 00 00 00		
				DAYS PAST DUE		
	Current	0-30	31-60	61-90	Over 90	Total
Trade Payables	\$					2
Accruals and Deferred Income	(12,858,145)					(12,858,145)
Deferred Rent	(6,038,712)					(6,038,712)
Current Tax Liability		•				(0,050,712)
Other Payables	(1,050,091)					(1,050,091)
Deferred Tax Liability Non-Current	-					(2,000,002)
Payables Intercompany	(110,399,531)					(110,399,531)
				1		
Total Post-Petition Debts	\$ (130,346,479)	S	- S	S -	S	S (130,346,479)

PROPERTY COMPANY	315 J-8		- 1 / F			1200		
	C	rrent	0-30		F DAYS PAST DUE		1000	
T 1 D 11	Ci	rrent	0-30	31-60	61-90	Over 90	Total	
Trade Payables					1	1	S	
Accruals and Deferred Income		-						-
Deferred Rent		<u>_</u>					<del>                                     </del>	_
Current Tax Liability		-						-
Other Payables								_
Deferred Tax Liability Non-Current								-
Finance Lease Liability Non-Current		0						_
Onerous Lease Provision		2						-
								_
Total Post-Petition Debts	l S	- S		. S	- S	S		_

Case No.: 13-12569

Reporting Period: June 1 - June 29, 2014

### MOR 4A: VERIFICATION OF TAX PAYMENTS

Operating Company FEDERAL, STATE AND LOCAL TAXES	Vendor Number	Vendor Name	Amount Paid	Payment Date	EFT / Check Number
Federal and State Payroll Taxes	AD	P	55	6/13/2014	
Federal and State Payroll Taxes	AD	P	34,373	6/13/2014	
Federal and State Payroll Taxes	AD	P	30,595	6/26/2014	
Total Federal, State and Local		<del></del>	5 65.023		

Case No.: 13-12569

Reporting Period: June 1 - June 29, 2014

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

Operating Company			
TAXING AUTHORITY	State	Type of Tax	Due Date
None			1
Property Company			
TAXING AUTHORITY	State	Type of Tax	Due Date
None		1	- ac bate

Case No.: 13-12569

Reporting Period: June 1 - June 29, 2014

#### MOR-5: ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	S
+ 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	2
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)	2

### MOR-5: DEBTOR QUESTIONNAIRE

	Yes	No
Have any assets been sold or transferred outside the normal course of business		
this reporting period? If yes, provide an explanation below.	×	
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.	×	
4. Are workers compensation, general hability and other necessary insurance		
coverages in effect? If no, provide an explanation below.	×	
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	F	l x
provide the required documentation pursuant to the Delaware Local Rule 4001-3.	i	l "

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.