

IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: Haggen Holdings, LLC, et al.

Case No.: <sup>1</sup>

15-11874

Reporting Period:

9/11/15 - 10/8/15

Monthly Operating Report

Required Documents	Form No.	Document Attached	Explanation Attached
<b>Schedule of Cash Receipts and Disbursements</b>	MOR-1	x	
Bank Account Reconciliation/Information	MOR-1a/MOR-1b	x	
Detailed Operating Receipts and Disbursements	MOR-1b	x	
Schedule of Professional Fees Paid	MOR-1c	x	
Copies of Bank Statements		N/A	
Cash Disbursements Journals		N/A	
<b>Statement of Operations</b>	MOR-2	x	
<b>Balance Sheet</b>	MOR-3	x	
<b>Status of Post-Petition Taxes</b>	MOR-4	x	
Copies of IRS Form 6123		N/A	
Copies of Tax Returns Filed During Reporting Period		N/A	
<b>Summary of Unpaid Post-Petition Debts</b>		N/A	
Listing of Aged Accounts Payable	MOR-5a	x	
<b>Accounts Receivable Reconciliation and Aging</b>	MOR-6	x	
<b>Debtor Questionnaire</b>	MOR-7	x	

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

/s/ Blake Barnett

12/1/2015

Signature of Authorized Individual<sup>(2)</sup>

Date

Blake Barnett

Chief Financial Officer

Printed Name of Authorized Individual

Title of Authorized Individual

(1) The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal taxpayer- identification number, as applicable are: Haggen Holdings, LLC (7558), Haggen Opco South, LLC (7257), Haggen Opco North, LLC (5028), Haggen Acquisition, LLC (7687), Haggen Inc. (4583), Haggen Operations Holdings, LLC (6341)

(2) 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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In re: Haggen Holdings, LLC, et al.

Case No.: 15-11874  
 Reporting Period: 9/11/15 - 10/8/15

**Listing of Debtor Entities and Notes to the Monthly Operating Report**

**General:**

The report includes activity from the following Debtors and related case numbers:

Debtor	Case Number
Haggen Holdings, LLC	15-11874
Haggen Operations Holdings, LLC	15-11875
Haggen Opco South, LLC	15-11876
Haggen Opco North, LLC	15-11877
Haggen Acquisition, LLC	15-11878
Haggen, Inc.	15-11879

**Notes to the MOR:**

This Monthly Operating Report ("MOR") has been prepared solely for the purpose of complying with the monthly reporting requirements applicable in the bankruptcy cases. The financial information contained herein is unaudited, limited in scope and as discussed below, not prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP").

The results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the consolidated results of operations, financial position and schedule of receipts and disbursements in the future. The Debtors caution readers not to place undue reliance upon the MOR. There can be no assurance that such information is complete and the MOR may be subject to revision.

In re: Haggen Holdings, LLC, et al.  
\$ Figures in Thousands

Form No.: MOR-1  
Case No.: 15-11874  
Reporting Period: 9/11/15 - 10/8/15

### Schedule of Cash Receipts and Disbursements

<b>Bank Cash Balance 9/11</b>	<b>\$</b>	<b>31,302</b>
Operating Receipts		158,055
Liquidation Sale Proceeds		10,286
ABL Drawdown		161,346
Total Receipts		329,686
<b><u>Disbursements by Entity:</u></b>	<b><u>Case Number:</u></b>	
Haggen Holdings, LLC	15-11874	-
Haggen Operations Holdings, LLC	15-11875	(172,743)
Haggen Opco South, LLC	15-11876	(73,325)
Haggen Opco North, LLC	15-11877	(46,390)
Haggen Acquisition, LLC	15-11878	-
Haggen, Inc.	15-11879	(53,248)
Total Disbursements		(345,708)
Net Cash Flow		(16,021)

<b>Bank Cash Balance 10/8</b>	<b>\$</b>	<b>15,281</b>
+ Cash in Stores		3,026
+ Deposits in Transit		5,532
- Outstanding Checks		(1,014)
- Other		(303)
<b>Book Cash Balance 10/8</b>	<b>\$</b>	<b>22,521</b>

**Notes to MOR-1:**

(a) Cash receipts and disbursement amounts are derived based on information from the Debtor's bank statements. Intercompany cash transfers between Debtors are not included in this schedule.

(b) Disbursement information has been delineated by entity where possible.

(c) Book to bank reconciliation is presented above; bank balances exclude \$3.0M of cash on hand in stores, \$5.5M of deposits in transit, offset by \$1.3M of outstanding checks and other.

(d) Cash disbursements on 9/9 and 9/10 totaled \$1.8M and these amounts are considered in the UST fee calculation for the period - refer to 9/9 - 9/10 breakout below:

<b><u>Disbursements by Entity (9/9-9/10)</u></b>	<b><u>Case Number:</u></b>		
Haggen Operations Holdings, LLC	15-11875	\$	(1,113)
Haggen, Inc.	15-11879		(708)
Total Disbursements			(1,821)

In re: Haggen Holdings, LLC, et al.

Form No.: MOR-1a  
Case No.: 15-11874  
Reporting Period: 9/11/15 - 10/8/15

**Bank Reconciliations**

The above-captioned debtors (the "Debtors") hereby submit this attestation regarding bank account reconciliations in lieu of providing copies of bank statements.

The Debtors' standard practice is to ensure that each bank account is reconciled to bank statements at least once per reporting period within 15 days after the reporting period end. I attest that each of the Debtors' bank accounts is reconciled to bank statements in accordance with their practices.

/s/ Blake Barnett

Signature of Authorized Individual

12/1/2015

Date

Blake Barnett

Printed Name of Authorized Individual

Chief Financial Officer

Title of Authorized Individual

In re: Haggen Holdings, LLC, et al.  
 \$ Figures in Thousands

Form No.:  
 Case No.:  
 Reporting Period:

MOR-1b  
 15-11874  
 9/11/15 - 10/8/15

Bank Account Information				
Legal Entity	Case Number	Bank Name / Address	Account Number (last 4 digits)	Bank Balance
HAGGEN HOLDINGS, LLC	15-11874	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*8804	\$ -
HAGGEN OPCO NORTH, LLC	15-11877	BANK OF AMERICA GLOBAL COMMERCIAL BANKING 800 FIFTH AVENUE, FLOOR 36 SEATTLE, WA 98104	*9224	\$ 5
HAGGEN OPCO NORTH, LLC	15-11877	CITIZENS ALLIANCE 900 6TH STREET HOWARD LAKE, MN 55349	*5617	\$ -
HAGGEN OPCO NORTH, LLC	15-11877	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*2725	\$ -
HAGGEN OPCO NORTH, LLC	15-11877	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1562	\$ 948
HAGGEN OPCO NORTH, LLC	15-11877	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1677	\$ -
HAGGEN OPCO NORTH, LLC	15-11877	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*4253	\$ -
HAGGEN OPCO NORTH, LLC	15-11877	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*9056	\$ 138
HAGGEN OPCO NORTH, LLC	15-11877	WELLS FARGO PO BOX 563957 CHARLOTTE, NC 28256-3957	*7563	\$ 23
HAGGEN OPCO SOUTH, LLC	15-11876	BANK OF AMERICA GLOBAL COMMERCIAL BANKING 800 FIFTH AVENUE, FLOOR 36 SEATTLE, WA 98104	*9465	\$ -
HAGGEN OPCO SOUTH, LLC	15-11876	CITIZENS ALLIANCE 900 6TH STREET HOWARD LAKE, MN 55349	*5633	\$ -
HAGGEN OPCO SOUTH, LLC	15-11876	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1642	\$ 1,177
HAGGEN OPCO SOUTH, LLC	15-11876	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*2717	\$ -
HAGGEN OPCO SOUTH, LLC	15-11876	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1685	\$ -
HAGGEN OPCO SOUTH, LLC	15-11876	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*4245	\$ -
HAGGEN OPCO SOUTH, LLC	15-11876	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*9064	\$ 36
HAGGEN OPCO SOUTH, LLC	15-11876	WELLS FARGO PO BOX 563957 CHARLOTTE, NC 28256-3957	*7571	\$ 20
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	BANK OF AMERICA GLOBAL COMMERCIAL BANKING 800 FIFTH AVENUE, FLOOR 36 SEATTLE, WA 98104	*9200	\$ 1,000
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	BANK OF AMERICA GLOBAL COMMERCIAL BANKING 800 FIFTH AVENUE, FLOOR 36 SEATTLE, WA 98104	*9205	\$ 750
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	BANK OF AMERICA GLOBAL COMMERCIAL BANKING 800 FIFTH AVENUE, FLOOR 36 SEATTLE, WA 98104	*7860	\$ 10
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1634	\$ 5,696
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1618	\$ -

Bank Account Information				
Legal Entity	Case Number	Bank Name / Address	Account Number (last 4 digits)	Bank Balance
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1589	\$ -
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1597	\$ -
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*1626	\$ 279
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*5087	\$ 33
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*5079	\$ -
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	WELLS FARGO PO BOX 563957 CHARLOTTE, NC 28256-3957	*5570	\$ 152
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*0401	\$ -
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*9720	\$ 1,015
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*5099	\$ -
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*5178	\$ 5
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*5228	\$ -
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*9712	\$ 592
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*4985	\$ -
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*4936	\$ -
HAGGEN, INC.	15-11879	BMO HARRIS BANK 111 W. MONROE STREET CHICAGO, IL 60603	*5123	\$ -
HAGGEN, INC.	15-11879	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*5117	\$ 756
HAGGEN, INC.	15-11879	SOLUTRAN/LAKE REGION BANK 59 MAIN STREET NEW LONDON, MN 56273	*526F	\$ 4
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*6123	\$ 160
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3045	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*6131	\$ 209
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3052	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3060	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3078	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3644	\$ -

Bank Account Information				
Legal Entity	Case Number	Bank Name / Address	Account Number (last 4 digits)	Bank Balance
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3750	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*1117	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3169	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3094	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3768	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3102	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3677	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3792	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3128	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3136	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3818	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3669	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3651	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3144	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3727	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3776	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3151	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*2980	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*3701	\$ -
HAGGEN, INC.	15-11879	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*8248	\$ -

Bank Account Information				
Legal Entity	Case Number	Bank Name / Address	Account Number (last 4 digits)	Bank Balance
HAGGEN OPCO NORTH, LLC	15-11877	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*7433	\$ 22
HAGGEN OPCO SOUTH, LLC	15-11876	US BANK 111 SW FIFTH AVENUE SUITE 400 PORTLAND, OR 97204	*7441	\$ 38
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*6991	\$ 2,212
HAGGEN OPERATIONS HOLDINGS, LLC	15-11875	PNC 500 FIRST AVENUE PITTSBURGH, PA 15219	*6983	\$ -
<b>Subtotal</b>				<b>\$ 15,281</b>

**Notes to MOR-1a:**

All amounts listed above are the bank balances as of the end of the reporting period. Copies of bank statements and cash disbursement journals are not included in this MOR. These items will be made available upon request. This schedule does not include non-debtor accounts



In re: Haggen Holdings, LLC, et al.  
 \$ Figures in Thousands

Form No.: MOR-1b  
 Case No.: 14-10867  
 Reporting Period: 9/11/15 - 10/8/15

Detailed Operating Receipts and Disbursements							
	Haggen Holdings, LLC	Haggen Operations Holdings, LLC	Haggen Opco South, LLC	Haggen Opco North, LLC	Haggen Acquisition, LLC	Haggen, Inc.	Total
	15-11874	15-11875	15-11876	15-11877	15-11878	15-11879	
<b>Receipts</b>							
Operating Receipts	-	16,102	64,795	44,424	-	32,735	158,055
Liquidation Sale Proceeds	-	-	8,439	1,521	-	326	10,286
ABL Drawdown	-	140,621	92	445	-	20,187	161,346
<b>Total Receipts</b>	<b>\$ -</b>	<b>\$ 156,722</b>	<b>\$ 73,325</b>	<b>\$ 46,390</b>	<b>\$ -</b>	<b>\$ 53,248</b>	<b>\$ 329,687</b>
<b>Disbursements</b>							
Grocery Payments	-	(37,931)	-	-	-	(2,935)	(40,866)
DSD Payments	-	(24,422)	-	-	-	(4,037)	(28,459)
Rx Payables	-	(15,177)	-	-	-	-	(15,177)
Liquor	-	(1,674)	(5)	(7)	-	(1,426)	(3,112)
Payroll	-	(25,687)	-	-	-	(4,973)	(30,660)
H&W	-	(7,008)	-	-	-	(1,653)	(8,661)
Rent	-	(6,416)	-	-	-	(1,988)	(8,403)
Blackhawk and MoneyGram	-	(10,400)	-	-	-	-	(10,400)
Freight	-	(146)	-	-	-	(15)	(161)
GCs	-	(2,706)	-	-	-	(413)	(3,118)
Corporate & Other	-	(3,929)	(87)	(439)	-	(1,396)	(5,850)
Tax	-	(3,032)	-	-	-	(1,353)	(4,384)
Restructuring	-	(235)	-	-	-	-	(235)
Interest	-	(1,859)	-	-	-	-	(1,859)
ABL Paydown	-	(32,123)	(73,233)	(45,945)	-	(33,061)	(184,362)
<b>Total Disbursements</b>	<b>\$ -</b>	<b>\$ (172,743)</b>	<b>\$ (73,325)</b>	<b>\$ (46,390)</b>	<b>\$ -</b>	<b>\$ (53,248)</b>	<b>\$ (345,708)</b>
<b>Net Cash Flow</b>	<b>\$ -</b>	<b>\$ (16,021)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (16,021)</b>

**Notes to MOR-1b detailed:**

- (a) Cash receipts and disbursement amounts are derived based on information from the Debtor's bank statements.
- (b) Disbursement information has been delineated by entity where possible.
- (c) For purposes of illustrating the allocation of cash disbursements with expenses incurred, for reference, a summary of the relevant expense accounts from the Income Statement are included by entity in the Memo section below:

**Memo: Expenses Incurred by Entity**

COGS	\$ -	\$ -	\$ (52,343)	\$ (29,966)	\$ -	\$ (18,961)	\$ (101,270)
Employee Costs	-	-	(17,679)	(9,285)	-	(5,188)	(32,152)
Rent	-	-	(7,439)	(2,401)	-	(1,244)	(11,084)
Other Costs	0	(757)	(4,557)	(2,397)	-	(2,447)	(10,158)
Interest Expense	(1)	155	(2,073)	(1,173)	(13)	(31)	(3,136)
ABL Paydown (1)	-	(32,123)	(73,233)	(45,945)	-	(33,061)	(184,362)
<b>Total Expenses</b>	<b>\$ (1)</b>	<b>\$ (32,724)</b>	<b>\$ (157,324)</b>	<b>\$ (91,167)</b>	<b>\$ (13)</b>	<b>\$ (60,932)</b>	<b>\$ (342,161)</b>

**Notes**

- (1) For the sole purpose of ensuring a complete comparison, the gross payment on the DIP Facility is included as an expense of Haggen Operations Holdings, LLC.

In re: Haggen Holdings, LLC, et al.  
 \$ Figures in Thousands

Form No.: MOR-1c  
 Case No.: 15-11874  
 Reporting Period: 9/11/15 - 10/8/15

Schedule of Professional Fees Paid											
Payee	Period Covered	Payor	Check		Amount Paid			Amount Paid To-Date			
			Number	Date	Fees	Expenses	Total	Fees	Expenses	Total	
None					-	-	-	-	-	-	-
<b>Total</b>					\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

In re: Haggen Holdings, LLC, et al.  
\$ Figures in Thousands

Form No.: MOR-2  
Case No.: 15-11874  
Reporting Period: 9/11/15 - 10/8/15

## Debtor's Combined Statement of Operations (Unaudited)

	Haggen Holdings, LLC	Haggen Operations Holdings, LLC	Haggen Opco South, LLC	Haggen Opco North, LLC	Haggen Acquisition, LLC	Haggen, Inc.	Total
	15-11874	15-11875	15-11876	15-11877	15-11878	15-11879	
Net sales	\$ -	\$ -	\$ 63,199	\$ 39,358	\$ -	\$ 29,030	\$ 131,587
Cost of sales	-	-	(52,343)	(29,966)	-	(18,961)	(101,270)
<b>Gross profit</b>	-	-	<b>10,856</b>	<b>9,392</b>	-	<b>10,070</b>	<b>30,318</b>
Other operating income	-	-	669	161	-	(566)	264
Selling, general and administrative expense	0	(439)	(29,675)	(14,083)	-	(8,879)	(53,075)
Depreciation and amortization expense	-	-	(3,587)	(1,943)	-	(466)	(5,996)
<b>Income (Loss) from operations</b>	<b>0</b>	<b>(439)</b>	<b>(21,737)</b>	<b>(6,472)</b>	-	<b>158</b>	<b>(28,490)</b>
Other non operating income, net	\$ -	\$ -	\$ -	\$ 19	\$ -	\$ -	\$ 19
Interest expense, net	(1)	155	(2,073)	(1,173)	(13)	(31)	(3,136)
Bargain purchase gain, net <sup>(1)</sup>	-	-	(17,353)	548	-	-	(16,805)
Gain/(Loss) on liquidation sales	-	-	5,037	1,285	-	76	6,398
Restructuring fees	-	(318)	-	-	-	-	(318)
<b>Income (Loss) before income taxes</b>	<b>(1)</b>	<b>(601)</b>	<b>(36,127)</b>	<b>(5,794)</b>	<b>(13)</b>	<b>203</b>	<b>(42,332)</b>
Income tax provision	-	-	-	-	-	-	-
<b>Net Income (Loss)</b>	<b>\$ (1)</b>	<b>\$ (601)</b>	<b>\$ (36,127)</b>	<b>\$ (5,794)</b>	<b>\$ (13)</b>	<b>\$ 203</b>	<b>\$ (42,332)</b>

**Notes to the MOR:**

The unaudited consolidated financial statements presented in MOR-2 and MOR-3 include recording activity to reflect the creditors balance as a result of filing for bankruptcy, which results in significant other losses and interest expense.

The unaudited consolidated financial statements have been derived from the books and records of the Debtors. The information furnished in this report includes primarily normal recurring adjustments, but not all of the adjustments that would typically be made for the quarterly and annual financial statements to be in accordance with U.S. GAAP. Furthermore, the monthly financial information contained herein has not been subjected to the same level of accounting review and testing that the Debtors apply in the preparation of their quarterly and annual financial information in accordance with U.S. GAAP. Accordingly, upon the application of such procedures, the financial information may be subject to change, and that these changes could be material.

The unaudited consolidated financial statements presented in MOR-2 and MOR-3 include elimination entries for intercompany balances related to debtor and non-debtor affiliates. The amounts currently classified as liabilities subject to compromise may be subject to future change as the Debtors complete their analysis of pre and post-petition liabilities.

The results of operations contained herein are not necessarily indicative of results which may be expected from any other period or for the full year and may not necessarily reflect the consolidated results of operations, financial position and schedule of receipts and disbursements in the future. The Debtors caution readers not to place undue reliance upon the MOR. There can be no assurance that such information is complete and the MOR may be subject to revision.

**Notes to the MOR-2:**

(1) Bargain purchase gain is the unrealized gain related to the purchase transaction and does not represent a cash gain.

In re: Haggen Holdings, LLC, et al.  
\$ Figures in Thousands

Form No.: MOR-3  
Case No.: 15-11874  
Reporting Period: 9/11/15 - 10/8/15

## Debtor's Combined Balance Sheet (Unaudited)

	Haggen Holdings, LLC	Haggen Operations Holdings, LLC	Haggen Opco South, LLC	Haggen Opco North, LLC	Haggen Acquisition, LLC	Haggen, Inc.	Total
	15-11874	15-11875	15-11876	15-11877	15-11878	15-11879	
<b>ASSETS</b>							
<b>Current Assets:</b>							
Cash and cash equivalents	\$ -	\$ 9,107	\$ 6,393	\$ 4,587	\$ -	\$ 2,433	\$ 22,521
Accounts receivable, net	-	66	18,624	10,612	-	7,659	36,961
Inventories	-	-	67,998	38,615	-	19,395	126,008
Prepaid and other current assets	-	1,465	5,249	1,763	-	2,349	10,827
<b>Total current assets</b>	-	<b>10,639</b>	<b>98,264</b>	<b>55,578</b>	-	<b>31,836</b>	<b>196,317</b>
Property and equipment, net	-	1,791	340,918	195,813	-	17,489	556,011
Other assets	82,991	8,820	46,234	24,835	(5,674)	19,878	177,083
<b>Total assets</b>	<b>\$ 82,991</b>	<b>\$ 21,250</b>	<b>\$ 485,416</b>	<b>\$ 276,226</b>	<b>\$ (5,674)</b>	<b>\$ 69,203</b>	<b>\$ 929,411</b>
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>							
<b>Current Liabilities:</b>							
Accounts payable	\$ (4)	\$ 16,180	\$ 30,965	\$ 10,056	\$ -	\$ 32,538	\$ 89,734
Inventory Payable to LLC / Safeway	-	-	35,478	7,845	-	-	43,323
Accrued liabilities <sup>(1)</sup>	(186)	(1,840)	34,832	12,389	-	15,777	60,972
Current debt and capital lease obligations	-	-	3,742	2,225	-	229	6,195
<b>Total current liabilities</b>	<b>(190)</b>	<b>14,339</b>	<b>105,016</b>	<b>32,514</b>	-	<b>48,544</b>	<b>200,225</b>
Capital lease obligations	-	-	44,951	5,219	-	45	50,216
Deferred financing obligation	-	-	209,813	141,619	-	-	351,433
PNC ABL Facility	-	142,640	-	-	-	-	142,640
Other liabilities	-	-	38,350	2,852	-	15,838	57,039
Intercompany Notes Payable	31,682	(183,369)	147,935	91,013	1,907	-	89,168
<b>Total liabilities</b>	<b>31,492</b>	<b>(26,390)</b>	<b>546,065</b>	<b>273,218</b>	<b>1,907</b>	<b>64,427</b>	<b>890,720</b>
<b>Stockholders' equity:</b>							
Preferred stock	-	-	-	-	-	-	-
Common stock	-	-	-	-	-	250	250
Additional Paid In Capital	51,513	52,343	38,043	29,425	(7,522)	56,553	220,356
Retained Earnings	(0)	-	(944)	585	-	(56,638)	(56,997)
Net Income	(15)	(4,704)	(97,748)	(27,003)	(59)	4,611	(124,918)
<b>Total stockholders' equity</b>	<b>51,498</b>	<b>47,640</b>	<b>(60,649)</b>	<b>3,007</b>	<b>(7,581)</b>	<b>4,776</b>	<b>38,691</b>
<b>Total liabilities and stockholders' equity</b>	<b>\$ 82,991</b>	<b>\$ 21,250</b>	<b>\$ 485,416</b>	<b>\$ 276,226</b>	<b>\$ (5,674)</b>	<b>\$ 69,203</b>	<b>\$ 929,411</b>

Liabilities subject to compromise includes the following:

Accounts payable <sup>(2)</sup>	\$ 58,690
Other liabilities	-
<b>Total liabilities subject to compromise</b>	<b>\$ 58,690</b>

**Notes to the MOR-3:**

(1) Accrued Liabilities includes payroll and benefits, deferred rent, customer returns, sales and use tax, and other accruals

(2) The Company is in the process of actively reviewing Accounts Payable and reconciling the pre and post-petition liabilities; therefore, these figures may be subject to change

In re: Haggen Holdings, LLC, et al.

Form No.: MOR-4  
Case No.: 15-11874  
Reporting Period: 9/11/15 - 10/8/15

Status of Post-Petition Taxes of the Debtors

I am the Chief Financial Officer for the Debtor in the above captioned Chapter 11 cases. I am familiar with the Debtor's day to day operations, business affairs and books and records.

To the best of my knowledge, the Debtors have filed all necessary federal, state and local tax returns and made all required post-petition tax payments in connection therewith in a timely manner or have promptly remediated any late filings or payments that may have occurred due to unintentional oversights.

/s/ Blake Barnett

Signature of Authorized Individual

12/1/2015

Date

Blake Barnett

Printed Name of Authorized Individual

Chief Financial Officer

Title of Authorized Individual

In re: Haggen Holdings, LLC, et al.  
 \$ Figures in Thousands

Form No.: MOR-5a  
 Case No.: 15-11874  
 Reporting Period: 9/11/15 - 10/8/15

**Accounts Payable (Post-Petition) Balance as of 10/8/15 (Unaudited)**

<b>A/P Aging <sup>(1)</sup></b>	<b>Current</b>	<b>0 - 30 Days</b>	<b>31 - 60 Days</b>	<b>Over 60 Days</b>	<b>Total A/P</b>
Haggen, Inc. <sup>(2)</sup>	--	--	--	--	11,097
Haggen Opco Entities <sup>(3)</sup>	9,479	5,013	5,433	22	19,947
<b>Total Accounts Payable (Post-Petition)</b>				<b>\$</b>	<b>31,044</b>

**Notes to MOR-5a:**

- (1) The Company is in the process of actively reviewing Accounts Payable and reconciling the pre and post-petition liabilities; therefore, these figures may be subject to change
- (2) Due to system limitations, the Company is unable to breakout the post-petition in an A/P aging schedule; the Company is working to compile this information for future MORs
- (3) Haggen Opco Entities include the aging accounts payable (post-petition) for the two operating companies (Haggen Opco North, LLC and Haggen Opco South, LLC); due to the company's reporting limitations, they are unable to breakout the debtor entities pre/post accounts payable split; however, they are working to reconcile the pre and post-petition split by entity

In re: Haggen Holdings, LLC, et al.  
 \$ Figures in Thousands

Form No.: MOR-6  
 Case No.: 15-11874  
 Reporting Period: 9/11/15 - 10/8/15

Accounts Receivable Balance as of 10/8/15 (Unaudited)

A/R Aging	Current	0 - 30 Days	31 - 60 Days	61 - 90 Days	Over 90 Days	Total A/R
<b>Trade A/R</b>						
Haggen, Inc.	58	52	4	1	-	115
Haggen Opco South, LLC	32	-	-	-	-	32
Haggen Opco North, LLC	37	-	-	-	-	37
<b>Pharmacy A/R</b>						
Haggen, Inc.	1,710	139	(0)	8	9	1,865
Haggen Opco South, LLC	5,761	859	472	304	-	7,395
Haggen Opco North, LLC	3,744	458	485	590	352	5,629
<b>Credit Card Receivables</b>						
Haggen, Inc.	2,841	151	-	-	-	2,992
Haggen Opco South & North, LLC	4,694	-	-	-	-	4,694
<b>AR Allowance</b>						
Haggen Opco South, LLC	(33)	-	-	-	-	(33)
Haggen Opco North, LLC	(30)	-	-	-	-	(30)
<b>Other Receivables</b>						
Haggen Holdings, LLC	66	-	-	-	-	66
Haggen, Inc.	3,256	-	-	-	-	3,256
Haggen Opco South, LLC	2,642	-	-	-	-	2,642
Haggen Opco North, LLC	4,854	-	-	-	-	4,854
<b>Total Accounts Receivable, Net <sup>(1)</sup></b>	<b>\$ 29,632</b>	<b>\$ 1,658</b>	<b>\$ 960</b>	<b>\$ 903</b>	<b>\$ 361</b>	<b>\$ 33,515</b>

**Notes to MOR-6:**

(1) Total Accounts Receivable, Net excludes approximately \$4.0 million of receivables related to the Pharmacy sale proceeds, offset by intercompany receivables of approximately \$0.6 million

In re: Haggen Holdings, LLC, et al.

Form No.: MOR-7  
 Case No.: 15-11874  
 Reporting Period: 9/11/15 - 10/8/15

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). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.	X	

Explanations			
1. Assets sold outside of the normal course of business: Pursuant to the terms of the Hilco Inventory Disposition Agreement dated 8/24/15 and approved by the Bankruptcy Court, the Debtors sold merchandise and certain store FF&E as part of store closing sale for 27 of the 164 Haggen stores (refer to docket #0012)			
5. New accounts opened during the reporting period:			
<b>Entity</b>	<b>Case Number</b>	<b>Account Number</b>	<b>Notes</b>
Haggen Operations Holdings, LLC	15-11875	*6991	Utility Account
Haggen Operations Holdings, LLC	15-11875	*6983	Professional Fee Account