

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

Case No. 12-13774 through 12-13802*
Chapter 11

PULP FINISH 1 COMPANY (formerly Journal Register Company), et al.
(Name of Debtors)

Monthly Consolidated Operating Report for
the period from July 1, 2013 through August 4, 2013 **

Debtors' Address:
448 Lincoln Highway
Fairless Hills, Pennsylvania 19030

Morgan, Lewis & Bockius LLP
Young, Conaway, Stargatt & Taylors LLP
(Debtors' Attorneys)

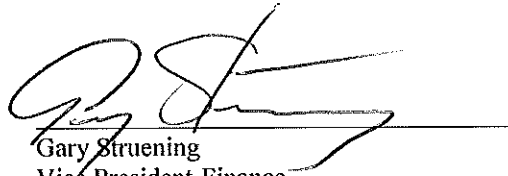
Monthly Operating Income (Loss):
July 1, 2013 to August 4, 2013 \$(38)
(\$ in thousands)

Total Disbursements:
July 1, 2013 to August 4, 2013 \$187
(\$ in thousands)

Report Preparer:

The undersigned, having reviewed the attached report and being familiar with the Debtors' financial affairs, verifies under the penalty of perjury, that the information contained therein is complete, accurate and truthful to the best of my knowledge.***

Date: September 4, 2013


Gary Struening
Vice President-Finance,

AMENDED STATEMENT _____

* Refer to Schedule I for a listing of Debtors by case number.

** The accompanying unaudited consolidated financial statements are reported on a 5-4-4 accounting calendar. Therefore, the last day of the reporting period for this monthly operating report is August 4, 2013.

*** All amounts herein are preliminary and subject to revision. The Debtors reserve all rights to revise this monthly operating report

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Case No. 12-13774 through 12-13802
DEBTORS IN POSSESSION
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PULP FINISH 1 COMPANY (formerly Journal Register Company), et al.
(DEBTORS IN POSSESSION)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. Background

Businesses

Pulp Finish 1 Company (formerly Journal Register Company) and its affiliates (“JRC” and collectively, the “Debtors” or the “Company”) comprised a national media company that primarily served the greater Philadelphia region, Michigan, Connecticut, the greater Cleveland region, and the Capital Saratoga and Mid-Hudson regions of New York State. The Debtors owned and operate 18 daily newspapers and 84 non-daily publications, news and employment websites and commercial printing facilities.

As a consequence of the closing of the Sale (defined and described below), the Debtors are no longer an operating entity.

Basis of Presentation

This Monthly Operating Report (“MOR”) is in a format prescribed by the applicable guidelines. Except as noted below, the MOR has been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”), unless otherwise noted. The unaudited consolidated financial statements contained herein have been prepared on a going concern basis and do not reflect or provide all of the possible consequences of the ongoing Chapter 11 Cases. Specifically, the unaudited consolidated financial statements do not present the amount which will ultimately be paid to settle liabilities and contingencies which may be required in these cases.

GAAP requires (i) that prepetition liabilities that are subject to compromise be segregated in the Company’s consolidated balance sheet as liabilities subject to compromise and (ii) that revenues, expenses, realized gains and losses, and provisions for losses resulting directly from the reorganization, due to the Company’s bankruptcy, be reported separately as reorganization items, except as those required to be reported as discontinued operations, in the consolidated statement of operations. As a result of the reorganization proceedings under chapter 11, the Company may take, or may be required to take, actions which may cause assets to be realized, or liabilities to be liquidated, for amounts other than those reflected in the unaudited consolidated financial statements.

The information contained herein has been derived from the books and records of the Debtors. The Debtors are reviewing the books and records and other information on an on-going basis to determine whether the financial statements should be supplemented or otherwise amended. The Debtors reserve the right to file, at any time, such supplements or amendments to these financial statements. These financial statements should not be considered an admission regarding any of the Debtors’ income, expenditures or general financial condition, but rather, a current compilation of the Debtors’ books and records. The Debtors do not make, and specifically disclaim, any representation or warranty as to the completeness or accuracy of the information set forth herein.

Certain footnote disclosures normally included in unaudited consolidated financial statements prepared in accordance with GAAP have been condensed or omitted. Preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of expenses during the reporting period. The operating results for the periods presented herein may not be indicative of the operating results for the full year or any future interim period.

2. Bankruptcy Proceedings and Reorganization Update for the Reporting Period

On September 5, 2012 (the “Petition Date”), each of the Debtors filed a voluntary petition to reorganize under chapter 11 of title 11 of the United States Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The Debtors are operating their businesses as debtors in possession. By order of the Bankruptcy Court dated September 10, 2012, the Debtors’ chapter 11 cases (the “Chapter 11 Cases”) were consolidated for procedural purposes only and are being jointly administered under the caption “In re Pulp Finish 1 Company (formerly Journal Register Company), et al.” Case No. 12-13774 (SMB).

Notices to Creditors; Effect of Automatic Stay. The Debtors have notified all known current or potential creditors that the Chapter 11 Cases had been filed. Subject to certain exceptions under the Bankruptcy Code, the

PULP FINISH 1 COMPANY (formerly Journal Register Company), et al.
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NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

filing of the Chapter 11 Cases automatically enjoined, or stayed, the continuation of most judicial or administrative proceedings or filing of other actions against the Debtors or their property to recover on, collect or secure a claim arising prior to the Petition Date. Thus, for example, most creditor actions to obtain possession of property from the Debtors, or to create, perfect or enforce any lien against the property of the Debtors, or to collect on monies owed or otherwise exercise rights or remedies with respect to a prepetition claim, are enjoined unless and until the Bankruptcy Court lifts the automatic stay as to any such claim. Vendors are being paid for goods furnished and services provided after the Petition Date in the ordinary course of business.

Appointment of the Creditors Committee. On September 13, 2012, the United States Trustee for the Southern District of New York (the "U.S. Trustee") appointed an official committee of unsecured creditors (the "Creditors' Committee") for the Chapter 11 Cases. The Bankruptcy Code provides for the U.S. Trustee to appoint a statutory committee of creditors holding unsecured claims as soon as practicable after the commencement of a Chapter 11 case. Generally, a statutory creditors' committee represents the interests of all unsecured creditors in a bankruptcy case.

Executory Contracts and Unexpired Leases. Under Section 365 and other relevant sections of the Bankruptcy Code, the Debtors may assume, assume and assign, or reject certain executory contracts and unexpired leases, and leases of real property, subject to the approval of the Bankruptcy Court and certain other conditions. Under the Bankruptcy Code, the Debtors' rights to assume, or assume and assign, non-residential real estate leases expired on April 3, 2013. In general, rejection of an executory contract or unexpired lease is treated as a prepetition breach of the executory contract or unexpired lease in question and, subject to certain exceptions, relieves the Debtors from performing their future obligations under such executory contract or unexpired lease but entitles the contract counterparty or lessor to a prepetition general unsecured claim for damages caused by such deemed breach. Counterparties to such rejected contracts or leases have the right to file claims against the Debtors' estates for such damages. Generally, the assumption of an executory contract or unexpired lease requires the Debtors to cure existing defaults under such executory contract or unexpired lease.

Magnitude of Potential Claims. The Debtors have filed with the Bankruptcy Court schedules and statements of financial affairs setting forth, among other things, the assets and liabilities of the Debtors, subject to the assumptions filed in connection therewith. All of the schedules are subject to further amendment or modification. Bankruptcy Rule 3003(c)(3) requires the Bankruptcy Court to fix the time within which proofs of claim must be filed in a Chapter 11 case pursuant to section 501 of the Bankruptcy Code. This Bankruptcy Rule also provides that any creditor who asserts a claim against the Debtors that arose prior to the Petition Date and whose claim (i) is not listed on the Debtors' schedules or (ii) is listed on the schedules as disputed, contingent, or unliquidated, must file a proof of claim. On December 19, 2012, the Bankruptcy Court entered its Order establishing February 13, 2013 as the date and time by which such proofs of claim must be filed. Differences between amounts scheduled by the Debtors and claims by creditors are being investigated and resolved in connection with the claims resolution process. The Debtors have begun the claims resolution process and have filed several omnibus objections to claims. However, in light of the number of creditors, the claims resolution process may take considerable time to complete. Accordingly, the ultimate number and amount of allowed claims is not presently known, nor can the ultimate recovery with respect to allowed claims be presently ascertained.

Asset Sale. On December 21, 2012, the Bankruptcy Court entered an order establishing bidding procedures in connection with the proposed sale ("Sale") of substantially all of the Debtors' assets to 21st CMH Acquisition Co. as stalking horse bidder (the "Purchaser"), subject to any higher or better offers that the Debtors may receive. The deadline for submission of any competing bids to the Debtors was February 11, 2013 at 4:00 p.m. (Eastern Time). The Debtors did not receive any competing bids, however, by the established bid deadline, and, accordingly, the auction for the assets was subsequently cancelled. See Notice of Cancellation of Auction [Docket No. 405]. Hearings to approve the Sale were conducted on March 19 and March 26, 2013, and on March 27, 2013, the Court entered its Order approving the Sale. The Sale closed on April 5, 2013.

3. Liabilities Subject to Compromise

The entities that comprise the Company have been operating as debtors in possession since September 5, 2012. The Company is authorized to operate its business in the ordinary course.

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PULP FINISH I COMPANY (formerly Journal Register Company), et al.
(DEBTORS IN POSSESSION)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

As of August 4, 2013, the Company estimates it has liabilities subject to compromise of approximately \$66.5 million. Such amounts may be subject to future adjustments depending on Bankruptcy Court actions, further developments with respect to disputed claims, determination of secured status of certain claims, the values of any collateral securing such claims, or other events. The Debtors have discontinued recording interest on liabilities subject to compromise during the Chapter 11 Cases.

Liabilities subject to compromise represent the liabilities of the Company incurred prior to September 5, 2012. In connection with consummation of the sale, the purchaser waived all claims in excess of the credit bid amount (primarily Term Debt and related interest) and assumed all Cure Amounts related to accounts payable prior to the Petition Date. As of August 4, 2013, estimated liabilities subject to compromise consisted of the following:

<i>(In thousands)</i>	
Term Loan A	\$ -
Term Loan B	-
Accrued interest on term loans	-
Accounts payable	256
Other liabilities	66,266
Liabilities subject to compromise	\$66,522

4. Financing

On October 4, 2012, the Bankruptcy Court entered a final order authorizing the Debtors to obtain interim post-petition financing. The Debtors obtained debtor-in-possession financing from Wells Fargo Bank, NA which provides for a maximum available credit line of \$25.0 million, including a letter of credit sublimit of up to \$13 million, inclusive of amounts outstanding under the Revolving Loan Agreement, subject to a borrowing base (described below) and a minimum excess availability requirement of (a) \$2.5 million at all times prior to October 1, 2012; (b) \$3 million at all times from and after October 1, 2012 through and including October 31, 2012 and (c) \$4 million at all other times ("**DIP Credit Facility**").¹ Borrowings may be used for general operating and working capital purposes during the Chapter 11 Cases in accordance with the Budget, including without limitation, payment to employees, essential vendors and other entities as approved by the Bankruptcy Court.

The borrowing base collateral consists of an amount equal to the sum of: (i) 85% of the book value of the Eligible Accounts Receivable, plus (ii) the lesser of (a) the Inventory Loan Limit or (b) 50% multiplied by the Value of the Eligible Inventory, plus (iii) the Fixed Asset Amount, minus (iv) Reserves.

By its terms, the DIP Credit Facility will terminate on the earlier of (i) the six month anniversary of the date of the Ratification Agreement, (ii) the confirmation of a plan of reorganization for any of the Debtors, or (iii) the last termination date set forth in the Final DIP Order. The DIP Credit Facility can be terminated upon the occurrence of an Event of Default, with seven days' notice to the Borrower, the United States Trustee and any committee appointed in the Chapter 11 Cases.

The DIP Credit Facility was paid in its entirety and terminated upon consummation of the sale on April 5, 2013.

¹ All terms not otherwise defined herein shall be given the meanings ascribed to them in the *Debtors' Motion for Entry of Interim and Final Orders Pursuant to 11 U.S.C. §§ 105, 361, 362, 363, 364 and 507 and Rules 2002, 4001 and 9014 of the Federal Rules of Bankruptcy Procedure (I) Authorizing the Debtors to Incur Postpetition Secured Indebtedness with Priority Over Existing Secured Indebtedness and with Administrative Superpriority, (II) Granting Liens, (III) Authorizing the Debtors to Use Cash Collateral Pursuant to 11 U.S.C. § 363 and Providing for Adequate Protection, (IV) Modifying Automatic Stay and (V) Scheduling a Final Hearing* [Docket No. 13] or the DIP Credit Facility documents, as applicable.

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PULP FINISH 1 COMPANY (formerly Journal Register Company), et al.
(DEBTORS IN POSSESSION)
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

5. Accounts Payable and Accrued Expenses

To the best of the Company's knowledge, all undisputed postpetition trade payables are current and all premiums for insurance policies, including all workers' compensation and disability insurance policies that are required to be paid are fully paid as of August 4, 2013.

6. Bankruptcy Court Reporting Schedules

Certain attached schedules have been prepared for the purpose of filing with the Bankruptcy Court and are not required by GAAP. The information reflected in the accompanying schedules, as with all other information contained herein, has been obtained from the books and records of the Company and are unaudited.

7. Payroll and Related Tax and Employee Benefit Obligations

As a consequence of the Sale, as of April 5, 2013, the Company no longer has any employee-related obligations.

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 PULP FINISH 1 COMPANY (formerly Journal Register Company), et al.
 (DEBTORS IN POSSESSION)
 NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

8. Disbursements by Debtor

The total disbursements of each Debtor, including, inter alia, payroll, payroll taxes, payments to vendors and bank fees, are as follows:

(In thousands)

Pulp Finish 1 Company (f/k/a Journal Register Company)	\$187
Register Company, Inc.	—
Chanry Communications, Ltd.	—
Pennysaver Home Distribution Corp.	—
All Home Distribution Inc.	—
JR East Holdings, LLC	—
Journal Register East, Inc.	—
Journal Company, Inc.	—
JRC Media, Inc.	—
Orange Coast Publishing Co.	—
St. Louis Sun Publishing Co.	—
Middletown Acquisition Corp.	—
JiUS, Inc.	—
Journal Register Supply, Inc.	—
Northeast Publishing Company, Inc.	—
Hometown Newspapers, Inc.	—
The Goodson Holding Company	—
Acme Newspapers, Inc.	—
Pulp Finish 3 (f/k/a 21st Century Newspapers, Inc.)	—
Morning Star Publishing Company	—
Heritage Network Incorporated	—
Independent Newspapers, Inc.	—
Voice Communications Corp.	—
Pulp Finish 2 (f/k/a Digital First Media, Inc.)	—
Great Lakes Media, Inc.	—
Up North Publications, Inc.	—
Greater Detroit Newspaper Network, Inc.	—
Great Northern Publishing, Inc.	—
Saginaw Area Newspapers, Inc.	—

PULP FINISH 1 (formerly Journal Register Company), et al.
(DEBTORS IN POSSESSION)
BANKRUPTCY COURT REPORTING SCHEDULES

Schedule I - Debtors

LEGAL ENTITY	Case Number
Pulp Finish 1 Company (f/k/a Journal Register Company)	12-13774
Register Company, Inc.	12-13775
Chanry Communications, Ltd.	12-13776
Pennysaver Home Distribution Corp.	12-13777
All Home Distribution Inc.	12-13778
JR East Holdings, LLC	12-13779
Journal Register East, Inc.	12-13780
Journal Company, Inc.	12-13781
JRC Media, Inc.	12-13782
Orange Coast Publishing Co.	12-13783
St. Louis Sun Publishing Co.	12-13784
Middletown Acquisition Corp.	12-13785
JiUS, Inc.	12-13786
Journal Register Supply, Inc.	12-13787
Northeast Publishing Company, Inc.	12-13788
Hometown Newspapers, Inc.	12-13789
The Goodson Holding Company	12-13790
Acme Newspapers, Inc.	12-13791
Pulp Finish 3 (f/k/a/21st Century Newspapers, Inc.)	12-13792
Morning Star Publishing Company	12-13793
Heritage Network Incorporated	12-13794
Independent Newspapers, Inc.	12-13795
Voice Communications Corp.	12-13796
Pulp Finish 2 (f/k/a Digital First Media, Inc.)	12-13797
Great Lakes Media, Inc.	12-13798
Up North Publications, Inc.	12-13799
Greater Detroit Newspaper Network, Inc.	12-13800
Great Northern Publishing, Inc.	12-13801
Saginaw Area Newspapers, Inc.	12-13802

PULP FINISH I COMPANY (FORMERLY JOURNAL REGISTER COMPANY), et. al.
(DEBTORS IN POSSESSION)
UNAUDITED CONSOLIDATED BALANCE SHEETS

<i>(In thousands, except share data)</i>	August 4, 2013	June 30, 2013
Assets		
<i>Current assets:</i>		
Cash and cash equivalents	\$ 6,842	\$ 6,408
Accounts receivable, net	-	-
Inventories	-	-
Deferred income taxes	-	-
Other current assets	-	635
Total current assets	6,842	7,043
Property, plant and equipment, net of accumulated depreciation	-	-
<i>Intangible and other assets:</i>		
Goodwill	-	-
Other intangible assets, net	-	-
Other noncurrent assets	-	-
Total assets	\$ 6,842	\$ 7,043
Liabilities and Stockholders' Deficit		
Liabilities not subject to compromise		
<i>Current liabilities:</i>		
Debtor-in-possession financing	\$ -	\$ -
Accounts payable	38	18
Accrued interest	-	-
Deferred subscription revenues	-	-
Accrued expenses	337	506
Total current liabilities not subject to compromise	375	524
Deferred income taxes	-	-
Total liabilities not subject to compromise	375	524
Liabilities subject to compromise	66,522	66,522
Total liabilities	66,897	67,046
Commitments and contingencies		
<i>Stockholders' deficit:</i>		
Preferred stock, \$.01 par value, 10,000,000 shares authorized, none issued and outstanding	-	-
Common stock, \$.01 par value per share, 20,000,000 shares authorized, 5,453,400 issued	-	-
Additional paid-in capital	67,108	67,108
Accumulated deficit	(127,163)	(127,111)
Accumulated other comprehensive loss, net of income taxes	-	-
Stockholders' deficit	(60,055)	(60,003)
Total liabilities and stockholders' deficit	\$ 6,842	\$ 7,043

See accompanying notes to unaudited consolidated financial statements.

PULP FINISH 1 COMPANY (FORMERLY JOURNAL REGISTER COMPANY), et. al.
(DEBTORS IN POSSESSION)
UNAUDITED CONSOLIDATED STATEMENTS OF OPERATIONS

<i>(In thousands)</i>	August 4,
Four weeks ended	2013
<i>Revenues:</i>	
Advertising	\$ -
Circulation	-
Commercial printing and other	-
Total revenues	-
<i>Costs and expenses:</i>	
Salaries and employee benefits	-
Newsprint, ink and printing charges	-
Selling, general and administrative	38
Restructuring costs	-
Depreciation and amortization	-
Other	-
Total operating expenses	38
Operating income	(38)
Interest income (expense)	-
Other expenses, net	-
Earnings before plan effects, reorganization items and income taxes	(38)
Plan effects	-
Reorganization items	(14)
Earnings before income taxes	(52)
Benefit from income taxes	-
Net income	\$ (52)

See accompanying notes to unaudited consolidated financial statements.

PULP FINISH 1 COMPANY (FORMERLY JOURNAL REGISTER COMPANY), et. al.
(DEBTORS IN POSSESSION)
UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS
Increase (Decrease) in Cash and Cash Equivalents

<i>(In thousands)</i>	August 4, 2013
Four weeks ended	
<i>Cash flows from operating activities:</i>	
Net income	\$ (52)
Adjustments to reconcile net loss to net cash provided by operating activities:	
Provision for losses on accounts receivable	-
Depreciation and amortization expense	-
Noncash sale of assets, net of assumed liabilities	-
Noncash cancellation of term debt and related interest	-
Other adjustments	-
Changes in operating assets and liabilities:	
Accounts receivable	-
Accounts payable	20
Income tax refund received	621
Accrued interest	-
Accrued expenses	(169)
Other operating assets and liabilities, net	14
Net cash provided by operating activities	434
<i>Cash flows from investing activities:</i>	
Capital expenditures	-
Net proceeds from sale of property, plant and equipment	-
Net cash used in investing activities	-
<i>Cash flows from financing activities:</i>	
Repayments of DIP credit facility, net	-
Net cash used in financing activities	-
Increase in cash and cash equivalents	434
Cash and cash equivalents, beginning of period	6,408
Cash and cash equivalents, end of period	\$ 6,842
<i>Supplemental disclosures of cash flow information:</i>	
Cash paid during the period for reorganization professional and other fees	\$187

See accompanying notes to unaudited consolidated financial statements.

PULP FINISH 1 COMPANY (FORMERLY JOURNAL REGISTER COMPANY), et. al.
(DEBTORS IN POSSESSION)
TAXES INCURRED/PAID
JULY 1, 2013 to AUGUST 4, 2013

PROPERTY TAXES INCURRED/PAID

FOR THE PERIOD OF: JULY 1, 2013 to JULY 1AUGUST 4, 2013

Taxing Authority	Amount Incurred	Amount Paid	Date paid	Period paid for
NONE				
Total				

CORPORATE INCOME TAXES INCURRED/PAID

FOR THE PERIOD OF: JULY 1, 2013 to AUGUST 4, 2013

Taxing Authority	Amount Incurred	Amount Paid	Date paid	Period paid for
NONE				
Total				

FRANCHISE TAXES INCURRED/PAID

FOR THE PERIOD OF: JULY 1, 2013 to AUGUST 4, 2013

Taxing Authority	Amount Incurred	Amount Paid	Date paid	Period paid for
NONE				
Total				

SALES TAXES INCURRED/PAID

FOR THE PERIOD OF: JULY 1, 2013 to AUGUST 4, 2013

Taxing Authority	Gross Taxable Sales	Amount Incurred	Amount Paid	Date paid	Period paid for
NONE					
Total					

USE TAXES INCURRED/PAID

FOR THE PERIOD OF: JULY 1, 2013 to AUGUST 4, 2013

Taxing Authority	Amount Incurred	Amount Paid	Date paid	Period paid for
NONE				
Total				