

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

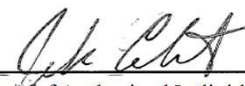
**In Re: Kid Brands, Inc. et al.**<sup>1</sup>

**Case No. 14-22582**

**MONTHLY OPERATING REPORT  
For the Period July1, 2015 through July31, 2015**

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

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

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

10/2/2015  
\_\_\_\_\_  
Date

Joseph Catalano  
Printed Name of Authorized Individual

Secretary  
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.

<sup>1</sup>The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's tax identification number, are: Kid Brands, Inc. (5337); Kids Line, LLC (0448); Sassy, Inc. (9722); I&J Holdco, Inc. (1543); LaJobi, Inc. (1450); CoCaLo, Inc. (3844); and RB Trademark Holdco, LLC (0611).

In Re: Kid Brands, Inc. et al.  
Debtors

Case No. 14-22582

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**  
For the Period July1, 2015 through July31, 2015

	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC
<b>RECEIPTS</b>							
CASH RECEIPTS	-			2	81,324		
CASH TRANSFERS	-			81,324	(81,324)		
<b>TOTAL RECEIPTS</b>	-	-	-	<b>81,325</b>	-	-	-
<b>DISBURSEMENTS</b>							
<b>OPERATING DISBURSEMENTS</b>							
PAYROLL & EMPLOYEE EXPENSE REIMBURSEMENTS							
EMPLOYEE MEDICAL							
DISTRIBUTION & FREIGHT							
INVENTORY PURCHASES							
RENT							
INSURANCE							
ADMINISTRATIVE & OTHER OPERATING				25,548			
<b>TOTAL OPERATING DISBURSEMENTS</b>	-	-	-	<b>25,548</b>	-	-	-
<b>NON-OPERATING DISBURSEMENTS</b>							
LOAN PAYDOWN, INTEREST AND FEES				193,366	-		
PROFESSIONAL FEES				25,423			
DEPOSITS							
U.S. TRUSTEE FEES							
<b>TOTAL NON-OPERATING DISBURSEMENTS</b>	-	-	-	<b>218,789</b>	-	-	-
<b>TOTAL DISBURSEMENTS</b>	-	-	-	<b>244,337</b>	-	-	-
<b>NET CASH FLOW</b>	-	-	-	<b>(163,012)</b>	-	-	-

**THE FOLLOWING SECTION MUST BE COMPLETED**

<b>DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)</b>							
<b>TOTAL DISBURSEMENTS</b>	-	-	-	244,337	-	-	-
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS							
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES							
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	-	-	-	<b>244,337</b>	-	-	-

In Re: Kid Brands, Inc. et al.  
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**BANK RECONCILIATIONS**  
**Continuation Sheet for MOR-1**  
**For the Period Ended July31, 2015**

Bank Account Reconciliations & Cash Disbursement Journals

The Debtors affirm that bank account reconciliations have been prepared for all open and active bank accounts to the Debtors' books as of December 31, 2014 without exception. The Debtors affirm that within the financial accounting systems, check registers and / or disbursement journals are maintained for each disbursement account.

Bank Statements

The Debtors affirm that bank statements for all open and active bank accounts are retained by the Debtors and will be available upon request. The list of bank accounts and balances are as follows:

Debtor	Bank	Account No.	Balance
LaJobi, Inc.	JP Morgan Chase	255135961	*
Kid Brands, Inc.	JP Morgan Chase	610-0451245	*
Kid Brands, Inc.	JP Morgan Chase	212-111683	*
Kid Brands, Inc.	JP Morgan Chase	610-0449666	2
Kid Brands, Inc.	Bank of America	4306-9536	** 50,146
Kid Brands, Inc.	Bank of America	4306-9565	** 27,045

\* Accounts closed this period. \*\* Accounts opened this period

In Re: Kid Brands, Inc. et al.  
Debtors

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**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID<sup>1</sup>**  
**For the Period Ended July31, 2015**

Payee	Period Covered	Amount Approved	Wire Details			Amount Paid		Cumulative (Since Petition Date)	
			Payor	Number	Date	Fees	Expenses	Fees	Expenses
Rust Omni Consulting			Kid Brands, Inc.		8/21/2014	\$ 61,784	\$ -	\$ 61,784	
Rust Omni Consulting			Kid Brands, Inc.		8/21/2014	\$ 2,106	\$ -	\$ 63,890	
GRL Capital Advisors			Kid Brands, Inc.		8/4/2014	\$ 38,236	\$ 238	\$ 38,236	\$ 238
GRL Capital Advisors			Kid Brands, Inc.		8/18/2014	\$ 38,831	\$ -	\$ 77,068	\$ 238
GRL Capital Advisors			Kid Brands, Inc.		9/10/2014	\$ 39,636	\$ -	\$ 116,704	\$ 238
GRL Capital Advisors			Kid Brands, Inc.		9/18/2014	\$ 40,000	\$ -	\$ 156,704	\$ 238
GRL Capital Advisors			Kid Brands, Inc.		10/6/2014	\$ 40,000	\$ 1,630	\$ 196,704	\$ 1,868
GRL Capital Advisors			Kid Brands, Inc.		10/20/2014	\$ 42,500	\$ 4,000	\$ 239,204	\$ 5,868
GRL Capital Advisors			Kid Brands, Inc.		11/6/2014	\$ 42,500	\$ -	\$ 281,704	\$ 5,868
GRL Capital Advisors			Kid Brands, Inc.		11/26/2014	\$ 41,500	\$ 4,834	\$ 323,204	\$ 10,702
GRL Capital Advisors			Kid Brands, Inc.		12/5/2014	\$ 41,500	\$ -	\$ 364,704	\$ 10,702
GRL Capital Advisors			Kid Brands, Inc.		12/18/2014	\$ 40,250	\$ 4,000	\$ 404,954	\$ 14,702
GRL Capital Advisors			Kid Brands, Inc.		1/9/2015	\$ 36,950	\$ 3,300	\$ 441,904	\$ 18,002
GRL Capital Advisors			Kid Brands, Inc.		1/26/2015	\$ 33,932	\$ 2,450	\$ 475,836	\$ 20,452
GRL Capital Advisors			Kid Brands, Inc.		2/2/2015	\$ 35,000	\$ 1,382	\$ 510,836	\$ 21,834
GRL Capital Advisors			Kid Brands, Inc.		2/18/2015	\$ 25,500	\$ 932	\$ 536,336	\$ 22,766
GRL Capital Advisors			Kid Brands, Inc.		3/11/2015	\$ 26,200	\$ 35	\$ 562,536	\$ 22,801
GRL Capital Advisors			Kid Brands, Inc.		3/25/2015	\$ 19,500	\$ 170	\$ 582,036	\$ 22,971
GRL Capital Advisors			Kid Brands, Inc.		4/14/2015	\$ 19,035	\$ -	\$ 601,071	\$ 22,971
GRL Capital Advisors			Kid Brands, Inc.		5/1/2015	\$ 17,500	\$ 73	\$ 618,571	\$ 23,044
GRL Capital Advisors			Kid Brands, Inc.		5/15/2015	\$ 18,285	\$ -	\$ 636,856	\$ 23,044
GRL Capital Advisors			Kid Brands, Inc.		5/21/2015	\$ 18,700	\$ 20	\$ 655,556	\$ 23,064
GRL Capital Advisors			Kid Brands, Inc.		6/5/2015	\$ 16,550	\$ 33	\$ 672,105	\$ 23,097
GRL Capital Advisors			Kid Brands, Inc.		6/19/2015	\$ 16,681	\$ -	\$ 688,786	\$ 23,097
GRL Capital Advisors			Kid Brands, Inc.		7/2/2015	\$ 16,918	\$ -	\$ 705,704	\$ 23,097
GRL Capital Advisors			Kid Brands, Inc.		7/24/2015	\$ 23,380	\$ -	\$ 729,084	\$ 23,097
GRL Capital Advisors			Kid Brands, Inc.		7/24/2015	\$ -	\$ 200	\$ 729,084	\$ 23,297

<sup>1</sup>An amount of \$2,200,000 was disbursed into an escrow account for professional fees - Lowenstein Sandler - Debtor Counsel, PwC - Debtor Advisor, Omni - Claims Agent, Creditors' Committee professionals



In Re: Kid Brands, Inc. et al.  
Debtors

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**STATEMENT OF OPERATIONS**  
**For the Period July1, 2015 through July31, 2015**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

<b>REVENUES</b>	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc. <sup>1</sup>	Kid Brands Australia	RB Trademark Holdco, LLC
Net Revenue	\$ -	-	-	\$ 2	\$ 72,148	-	-	-
Cost of Goods Sold	-	-	-	-	72,148	-	-	-
Inventory reserve	-	-	-	-	-	-	-	-
<i>Gross Profit</i>	-	-	-	2	-	-	-	-
<b>OPERATING EXPENSES</b>								
Direct Selling	-	-	-	-	-	-	-	-
Sales Support	-	-	-	-	-	-	-	-
Shipping	-	-	-	-	-	-	-	-
Administrative	-	-	-	-	-	-	-	-
MIS	-	-	-	-	-	-	-	-
Legal	-	-	-	-	-	-	-	-
Design and Product Development	-	-	-	-	-	-	-	-
Other	-	-	-	9,641	-	-	-	-
Intercompany	-	-	-	-	-	-	-	-
<i>Total Operating Expenses</i>	-	-	-	9,641	-	-	-	-
<i>Net Profit (Loss) Before Other Income &amp; Expenses</i>	-	-	-	(9,640)	-	-	-	-
<b>OTHER INCOME AND EXPENSES</b>								
Gain/Loss on sale of subsidiary	-	-	-	-	-	-	-	-
TRC settlement	-	-	-	-	-	-	-	-
Interest Expense	-	-	-	109,271	-	-	-	-
<i>Net Profit (Loss) Before Reorganization Items</i>	-	-	-	(118,911)	-	-	-	-
<b>REORGANIZATION ITEMS</b>								
Professional Fees	-	-	-	25,423	-	-	-	-
U. S. Trustee Quarterly Fees	-	-	-	-	-	-	-	-
Other Reorganization Expenses	-	-	-	20,607.83	-	-	-	-
<i>Total Reorganization Expenses</i>	-	-	-	46,031	-	-	-	-
Income Taxes	-	-	-	-	-	-	-	-
<i>Net Profit (Loss)</i>	-	-	-	(164,942)	-	-	-	-

<sup>1</sup>CoCaLo, Inc. operations are supported entirely by Kids Line, LLC staff

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Debtors

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**BALANCE SHEET**  
**For the Period Ended July31, 2015**

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

ASSETS														
	Consolidated	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC	I&J Quality Co (Thailand)	I&J International (Hong Kong)	I&J Quality (China)	Kid Brands (Australia)	Russ Berrie (Benelux) B.V.	Kid Brands (UK)
<b>CURRENT ASSETS</b>														
Unrestricted Cash and Equivalents	606,614	-	-	-	-	-	-	-	959	-	-	598,760	-	6,895
Restricted Cash	77,192	77,192	-	-	-	-	-	-	-	-	-	-	-	-
Accounts Receivable (Net)	4,285,998	-	1,548,014	-	-	2,430,362	233,512	-	-	-	-	74,109	-	-
Notes Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Inventories (Net)	697,174	-	-	447,818	-	239,412	-	-	-	-	-	9,944	-	-
Income Taxes Receivable	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and Other Current Assets	3,952,339	3,568,822	-	96,436	-	220,088	-	-	-	-	-	63,503	-	3,490
<b>TOTAL CURRENT ASSETS</b>	<b>9,619,317</b>	<b>3,646,014</b>	<b>1,548,014</b>	<b>544,254</b>	<b>-</b>	<b>2,889,862</b>	<b>233,512</b>	<b>-</b>	<b>959</b>	<b>-</b>	<b>-</b>	<b>746,316</b>	<b>-</b>	<b>10,385</b>
<b>PROPERTY AND EQUIPMENT</b>														
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>OTHER ASSETS</b>														
Intangibles	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes Receivable, Long-term	209,850	-	-	-	-	-	-	209,850	-	-	-	-	-	-
Intercompany Accounts	-	41,425	5	-	(1,002,333)	810,903	-	150,000	-	-	-	-	-	-
Other Assets	168,955	-	-	-	-	106,140	-	-	-	-	-	62,815	-	-
<b>TOTAL OTHER ASSETS</b>	<b>378,805</b>	<b>41,425</b>	<b>5</b>	<b>-</b>	<b>(1,002,333)</b>	<b>917,043</b>	<b>-</b>	<b>359,850</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,815</b>	<b>-</b>	<b>-</b>
<b>TOTAL ASSETS</b>	<b>9,998,122</b>	<b>3,687,440</b>	<b>1,548,019</b>	<b>544,254</b>	<b>(1,002,333)</b>	<b>3,806,905</b>	<b>233,512</b>	<b>359,850</b>	<b>959</b>	<b>-</b>	<b>-</b>	<b>809,131</b>	<b>-</b>	<b>10,385</b>

LIABILITIES AND OWNER EQUITY														
	Consolidated	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC	I&J Quality Co (Thailand)	I&J International (Hong Kong)	I&J Quality (China)	Kid Brands (Australia)	Russ Berrie (Benelux) B.V.	Kid Brands (UK)
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>														
DIP Financing	8,352,053	-	-	-	8,352,053	-	-	-	-	-	-	-	-	-
Accounts Payable	569,479	84,401	15,015	23,442	3,052	6,895	2,815	-	-	-	-	433,858	-	-
Taxes Payable	208,641	-	-	-	-	-	-	-	-	-	-	208,641	-	-
Accrued expenses	292,024	84,194	-	-	115,804	-	26	-	-	-	-	58,916	16,519	16,566
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>9,422,197</b>	<b>168,595</b>	<b>15,015</b>	<b>23,442</b>	<b>8,470,909</b>	<b>6,895</b>	<b>2,841</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>701,415</b>	<b>16,519</b>	<b>16,566</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>														
Accounts Payable	22,278,507	3,705,301	3,240,762	5,690,176	139,362	8,068,021	1,434,885	-	-	-	-	-	-	-
Taxes Payable	453,858	443,619	10,239	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	24,179,157	1,937,265	2,100,763	-	361	20,140,768	-	-	-	-	-	-	-	-
Deferred Rent-leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>46,911,522</b>	<b>6,086,185</b>	<b>5,351,764</b>	<b>5,690,176</b>	<b>139,723</b>	<b>28,208,789</b>	<b>1,434,885</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL LIABILITIES</b>	<b>56,333,719</b>	<b>6,254,780</b>	<b>5,366,779</b>	<b>5,713,618</b>	<b>8,610,632</b>	<b>28,215,684</b>	<b>1,437,726</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>701,415</b>	<b>16,519</b>	<b>16,566</b>
<b>SHAREHOLDER EQUITY</b>														
<b>NET SHAREHOLDER EQUITY</b>	<b>(46,335,597)</b>	<b>(2,567,340)</b>	<b>(3,818,760)</b>	<b>(5,169,364)</b>	<b>(9,612,964)</b>	<b>(24,408,779)</b>	<b>(1,204,214)</b>	<b>359,850</b>	<b>959</b>	<b>-</b>	<b>-</b>	<b>107,716</b>	<b>(16,519)</b>	<b>(6,181)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>9,998,122</b>	<b>3,687,440</b>	<b>1,548,019</b>	<b>544,254</b>	<b>(1,002,333)</b>	<b>3,806,905</b>	<b>233,512</b>	<b>359,850</b>	<b>959</b>	<b>-</b>	<b>-</b>	<b>809,131</b>	<b>-</b>	<b>10,385</b>

In Re: Kid Brands, Inc. et al.  
Debtors

Case No. 14-22582

**DEBTORS' STATEMENT WITH RESPECT TO STATUS OF POSTPETITION TAXES**  
**For the Period July1, 2015 through July31, 2015**

The Debtors have received approval to pay pre petition tax and fee obligations, including, without limitation, sales, use and excise taxes, franchise taxes, real and property taxes, and certain other taxes due in the normal course of business through certain First Day Motions. As such, the applicable taxes have been paid when due except for amounts that are in dispute, if any. All other post-petition tax obligations to the proper taxing authorities are current.



In Re: Kid Brands, Inc. et al.  
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**Consolidated Summary of Unpaid Post-Petition Accounts Payable  
For the Period Ended July31, 2015**

**Post Petition Account Payable: Aging as of January 31, 2015**

<b>Debtors</b>	<b>Less than 30 Days</b>	<b>30 - 60 Days</b>	<b>60 - 90 Days</b>	<b>Greater than 90 Days</b>
Kids Line LLC	-	-	-	15,015
CoCaLo, Inc.	-	-	-	2,815
LaJobi, Inc.	-	-	-	6,895
Sassy, Inc.	-	-	-	23,442
I&J Holdco, Inc.	-	-	-	3,052
Kid Brands, Inc.	3,689	-	-	80,712
<b>Total</b>	<b>3,689</b>	<b>-</b>	<b>-</b>	<b>131,931</b>

Note: the Debtors are currently in the process of reconciling post-petition accounts payable with vendors, that may or may not be in dispute

In Re: Kid Brands, Inc. et al.  
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**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**  
**For the Period Ended July31, 2015**

<b>Accounts Receivable Aging</b>	<b>Amount</b>
0 - 30 days old	-
31 - 60 days old	-
61 - 90 days old	-
91+ days old	6,245,266
Total Accounts Receivable	6,245,266
(Allowance Reserve)	(2,033,377)
Accounts Receivable (Net)	4,211,889

**DEBTOR QUESTIONNAIRE**

<b>Must be completed each month</b>	<b>Yes</b>	<b>No</b>
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.		X

Workers compensation, general liability, and other insurance policies have been discontinued, because the debtor has closed all facilities and terminated all employees as of September 30, 2014.

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In Re: Kid Brands, Inc. et al.  
Debtors

Case No. 14-22582

**Accounts Receivable Rollforward  
For the Period July1, 2015 through July31, 2015**

	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC
<b>Balance, beginning</b>	\$ -	\$ 1,548,014	\$ -	\$ -	\$ 2,439,538	\$ 233,512	\$ -
Net Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
(Collections)	\$ -	\$ -	\$ -	\$ -	\$ (9,176)	\$ -	\$ -
Other	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Balance, ending</b>		\$ 1,548,014	\$ -	\$ -	\$ 2,430,362	\$ 233,512	

MOR-5 Continued

(9/99)