

UNITED STATES BANKRUPTCY COURT
DISTRICT OF NEW JERSEY

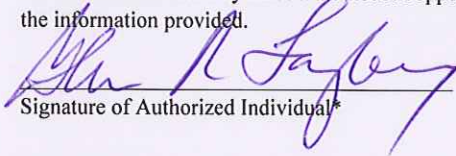
In Re: Kid Brands, Inc. et al.¹

Case No. 14-22582

MONTHLY OPERATING REPORT
For the Period July 1, 2014 through July 31, 2014

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Debtors' Statement
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				
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. Information included on this Monthly Operating Report has been accumulated by PriceWaterhouseCoppers (PwC), the debtors financial advisor. I am executing this document based on the information provided.


Signature of Authorized Individual*

9/11/2014
Date

Glenn Langberg
Printed Name of Authorized Individual

CRO
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.

¹The 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

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS
For the Period July 1, 2014 through July 31, 2014

	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	M&J Holdco, Inc.	LaJobi, Inc.	CoCalo, Inc.	RB Trademark Holdco, LLC
RECEIPTS							
CASH RECEIPTS	\$ 100,000.00	\$ 4,267,047.17	\$ 1,876,736.66	\$ -	\$ 4,349,878.57	\$ 875,682.38	\$ -
TOTAL RECEIPTS	\$ 100,000.00	\$ 4,267,047.17	\$ 1,876,736.66	\$ -	\$ 4,349,878.57	\$ 875,682.38	\$ -
DISBURSEMENTS							
OPERATING DISBURSEMENTS							
PAYROLL & EMPLOYEE EXPENSE REIMBURSEMENTS	302,683.97	420,092.16	294,625.61		108,430.00	3,431.02	
EMPLOYEE MEDICAL	133,756.33						
DISTRIBUTION & FREIGHT	449,577.05	156,444.42	116,103.21		111.04	6,331.15	
INVENTORY PURCHASES		650,000.00	691,333.18				
RENT	5,461.31	57,627.23	72,256.37		36,450.00		
INSURANCE	152,768.15	13,528.00	17,115.36				
ADMINISTRATIVE & OTHER OPERATING	54,452.87	14,009.49	69,009.38	9,724.45	36,782.08	25,087.01	
TOTAL OPERATING DISBURSEMENTS	1,698,719.73	1,311,701.30	1,260,643.11	9,724.45	181,773.12	34,849.18	-
NON-OPERATING DISBURSEMENTS							
LOAN PAYDOWN, INTEREST AND FEES	179,709.74						
PROFESSIONAL FEES	904,975.32						
DEPOSITS	27,000.00						
U.S. TRUSTEE FEES			325.00		325.00		
TOTAL NON-OPERATING DISBURSEMENTS	1,111,685.06	-	325.00	-	325.00	-	-
TOTAL DISBURSEMENTS	2,210,404.79	1,311,701.30	1,260,968.11	9,724.45	182,098.12	34,849.18	-
NET CASH FLOW	\$ (2,110,404.79)	\$ 2,955,345.87	\$ 615,768.55	\$ (9,724.45)	\$ 4,167,760.45	\$ 840,833.20	\$ -

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)							
	2014.07.01-2014.07.31	2014.07.01-2014.07.31	2014.07.01-2014.07.31	2014.07.01-2014.07.31	2014.07.01-2014.07.31	2014.07.01-2014.07.31	2014.07.01-2014.07.31
TOTAL DISBURSEMENTS	2,210,404.79	1,311,701.30	1,260,968.11	9,724.45	182,098.12	34,849.18	-
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS							
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES							
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	2,210,404.79	1,311,701.30	1,260,968.11	9,724.45	182,098.12	34,849.18	-

FORM MOR-1
(9/99)

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

Case No. 14-22582

BANK RECONCILIATIONS
Continuation Sheet for MOR-1
For the Period July 1, 2014 through July 31, 2014

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 July 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
Sassy, Inc.	Cole Taylor Bank	0690-16941	456
Sassy, Inc.	Cole Taylor Bank	0092614	-
Sassy, Inc.	JP Morgan Chase	555788889	112,584
Sassy, Inc.	JP Morgan Chase	555787808	66,230
Kids Line, LLC	Union Bank of California	0020021802	8,061
Kids Line, LLC	Union Bank of California	0020021810	59,836
Kids Line, LLC	Union Bank of California	0020030216	84,239
Kids Line, LLC	JP Morgan Chase	555786081	1,520
Kids Line, LLC	JP Morgan Chase	555782189	-
LaJobi, Inc.	JP Morgan Chase	255135961	-
LaJobi, Inc.	JP Morgan Chase	255135950	53,447
CoCaLo, Inc.	Union Bank of California	3520004253	-
CoCaLo, Inc.	Union Bank of California	0023994965	41,681
CoCaLo, Inc.	JP Morgan Chase	555792790	384
CoCaLo, Inc.	JP Morgan Chase	555791271	-
Kid Brands, Inc.	JP Morgan Chase	610-0451245	55,386
Kid Brands, Inc.	JP Morgan Chase	212-111683	84,995
Kid Brands, Inc.	JP Morgan Chase	610-0449666	27,019
Kid Brands, Inc.	JP Morgan Chase	790-346233	13,267
Kid Brands, Inc.	UBS	WD08575	394,357
I&J Holdco, Inc.	JP Morgan Chase	838-188373	500
I&J Holdco, Inc.	JP Morgan Chase	551132819	-
I&J Holdco, Inc.	JP Morgan Chase	551139632	-

In Re: Kid Brands, Inc. et al.
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SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID¹
For the Period July 1, 2014 through July 31, 2014

Payee	Period Covered	Amount Approved	Payor	Wire Details		Amount Paid		Cumulative (Since Petition Date)	
				Number	Date	Fees	Expenses	Fees	Expenses
N/A									

¹An amount of \$800,000 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 July 1, 2014 through July 31, 2014

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.

REVENUES	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	Lajobi, Inc.	CoCaLo, Inc. ¹	Kid Brands Australia	RB Trademark Holdco, LLC
Net Revenue		\$ 900,047	\$ 1,141,896		\$ 359,196	\$ 23,352	\$ 88,318	
Cost of Goods Sold		748,996	1,030,785		403,410	63,460	48,783	
Gross Profit		151,051	111,111		(44,214)	(40,108)	39,535	
OPERATING EXPENSES								
Direct Selling			76,383		15,591			
Sales Support			8,589		12,994			
Shipping	345,029	72,407	174,489		256,874		23,809	
Administrative	476,359	313,039	235,158	6,846	10,291		81,532	
MIS	36,650	2,154	21,791	68,385	13,958			
Legal	63,654	1,708	5,140	22,500				
Design and Product Development			57,608		9,514			
Other		262,159	1,974		59,780		18,492	
Intercompany								
Total Operating Expenses	921,692	651,467	581,132	97,731	379,002		123,833	
Net Profit (Loss) Before Other Income & Expenses	(921,692)	(500,416)	(470,021)	(97,731)	(423,216)	(40,108)	(84,298)	
OTHER INCOME AND EXPENSES								
Interest Expense ²				471,618				
Net Profit (Loss) Before Reorganization Items	(921,692)	(500,416)	(470,021)	(569,349)	(423,216)	(40,108)	(84,298)	
Income Taxes								
Net Profit (Loss)	(921,692)	(500,416)	(470,021)	(569,349)	(423,216)	(40,108)	(84,298)	

¹CoCaLo, Inc. operations are supported entirely by Kids Line, LLC staff

²Includes write off of deferred financing cost related to prior credit facility and early termination fee.

(9/99)

FORM MOR-2

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

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BALANCE SHEET
For the Period Ended July 31, 2014

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	Stacy, Inc.	I&J Hidden, Inc.	LaJolla, Inc.	CoCoLA, Inc.	EB Trademark Hidden, LLC	I&J Quality Co (Thailand)	I&J International (Hong Kong)	I&J Quality (China)	Kid Brands (Australia)	Kim Berrie (Berber) B.V.	Kid Brands (UK)
CURRENT ASSETS														
Unrestricted Cash and Equivalents	449,719	-	-	-	-	-	-	-	816	937	91,781	349,283	-	6,875
Restricted Cash	898,327	455,817	144,634	176,510	500	47,662	39,824	-	-	-	-	-	-	-
Accounts Receivable (Net)	13,921,370	-	3,846,070	2,514,665	-	4,912,768	1,351,263	-	-	-	-	256,604	-	-
Notes Receivable	150,000	-	-	-	-	-	-	150,000	-	-	-	-	-	-
Inventories (Net)	19,644,470	-	4,468,534	6,555,055	-	6,703,791	1,108,008	-	-	-	-	810,438	-	-
Income Taxes Receivable	4,913	-	-	4,913	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and Other Current Assets	5,079,490	4,376,710	963,178	399,459	33,936	83,522	79,199	-	-	-	1,891	38,105	-	3,490
TOTAL CURRENT ASSETS	40,048,289	4,882,527	8,422,469	8,652,643	34,436	11,747,543	2,578,234	150,000	816	937	93,679	1,494,430	-	10,365
PROPERTY AND EQUIPMENT														
Fixed Assets	7,854,356	861,161	-	4,071,938	2,917,442	-	-	-	-	-	3,815	-	-	-
Less Accumulated Depreciation	(4,631,508)	(371,869)	-	(3,264,372)	(1,339,490)	-	-	-	-	-	(877)	-	-	-
TOTAL PROPERTY & EQUIPMENT	3,222,848	489,292	-	807,566	1,607,952	-	-	-	-	-	2,938	-	-	-
OTHER ASSETS														
Intangibles	8,863,529	-	-	5,400,000	-	-	3,463,529	-	-	-	-	-	-	-
Notes Receivable, Long-term	209,850	-	-	-	-	-	209,850	-	-	-	-	-	-	-
Other Assets	288,149	53,234	13,822	56,614	-	106,140	-	-	-	-	1,524	62,815	-	-
TOTAL OTHER ASSETS	9,360,528	53,234	13,822	5,456,614	-	106,140	3,463,529	209,850	-	-	1,524	62,815	-	-
TOTAL ASSETS	62,631,265	5,715,543	9,436,291	15,910,821	1,640,309	11,855,803	6,040,823	359,850	816	937	98,141	1,557,245	-	10,385
LIABILITIES AND OWNER EQUITY														
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)														
DIP Financing	35,879,256	-	-	-	35,879,256	-	-	-	-	-	-	-	-	-
Accounts Payable	1,020,395	329,204	35,493	40,082	18,271	41,343	717	-	-	-	31,044	523,339	-	-
Taxes Payable	211,004	-	-	-	-	-	-	-	-	-	-	211,004	-	-
Accrued expenses	667,650	-	-	-	473,378	-	-	-	-	-	35,456	126,731	16,519	16,566
TOTAL POSTPETITION LIABILITIES	37,778,305	329,204	35,493	40,082	36,392,627	41,343	717	-	-	-	67,400	861,074	16,519	16,566
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)														
Accounts Payable	24,796,674	3,697,702	4,653,711	6,795,728	139,362	8,070,273	1,434,808	-	-	-	-	-	-	-
Taxes Payable	453,859	443,619	10,230	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	26,054,073	1,849,071	2,620,543	3,387,768	-	20,128,475	26,216	-	-	-	-	-	-	-
Deferred Rent-leases	1,867,680	1,436,110	431,570	-	-	-	-	-	-	-	-	-	-	-
TOTAL PRE-PETITION LIABILITIES	53,166,286	7,466,502	7,717,064	8,183,496	139,362	28,198,748	1,461,114	-	-	-	-	-	-	-
TOTAL LIABILITIES	90,944,591	7,795,706	7,752,557	8,223,579	36,930,247	28,240,043	1,461,831	-	-	-	67,400	861,074	16,519	16,566
SHAREHOLDER EQUITY														
NET SHAREHOLDER EQUITY	(28,313,326)	(2,079,953)	(1,636,666)	(7,682,244)	(14,866,876)	(16,384,240)	(4,578,692)	319,850	816	937	30,741	696,171	(16,519)	(6,181)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	62,631,265	5,715,543	9,436,291	15,910,821	1,640,309	11,855,803	6,040,823	359,850	816	937	98,141	1,557,245	-	10,385

In Re: Kid Brands, Inc. et al.
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DEBTORS' STATEMENT WITH RESPECT TO STATUS OF POSTPETITION TAXES
For the Period July 1, 2014 through July 31, 2014

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 July 1, 2014 through July 31, 2014**

Post Petition Account Payable: Aging as of 7/31/2014

Debtors	Less than 30 Days	30 - 60 Days	60 - 90 Days	Greater than 90 Days
Kids Line LLC	30,502	4,990		
CoCaLo, Inc.	717	-		
LaJobi, Inc.	41,108	236		
Sassy, Inc.	17,723	22,359		
I&J Holdeo, Inc.	11,835	6,436		
Kid Brands, Inc.	309,848	19,355		
Total	411,734	53,378	-	-

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.
Debtors

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**Accounts Receivable Rollforward
For the Period July 1, 2014 through July 31, 2014**

	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC
Balance, beginning		\$ 7,150,012	\$ 3,379,541		\$ 8,839,333	\$ 2,199,350	
Net Sales		900,047	1,141,896		359,196	23,352	
(Collections)		(4,203,989)	(2,006,772)		(4,285,761)	(871,439)	
Balance, ending		\$ 3,846,070	\$ 2,514,665		\$ 4,912,768	\$ 1,351,263	

(9/99)