

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

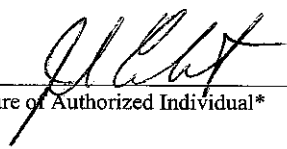
In Re: Kid Brands, Inc. et al.¹

Case No. 14-22582

**MONTHLY OPERATING REPORT
For the Period September 1, 2014 through September 30, 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.



Signature of Authorized Individual*

11/17/2014
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.

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

Case No. 14-22582

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

For the Period September 1, 2014 through September 30, 2014

RECEIPTS	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	J&J Holdings, Inc.	Ladob, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC
CASH RECEIPTS	\$ 800,500.00	\$ 1,236,553.27	\$ -	\$ -	\$ 367,609.58	\$ 213,576.07	\$ -
TOTAL RECEIPTS	\$ 800,500.00	\$ 1,236,553.27	\$ -	\$ -	\$ 367,609.58	\$ 213,576.07	\$ -
DISBURSEMENTS							
OPERATING DISBURSEMENTS							
PAYROLL & EMPLOYEE EXPENSE REIMBURSEMENTS	282,402.16	3,129.30	10,804.82		58,681.86	675.00	
EMPLOYEE MEDICAL	93,667.86						
DISTRIBUTION & FREIGHT	422,531.74	22,836.94	15,752.80		5,308.05	120.00	
INVENTORY PURCHASES		40,512.90					
RENT					36,450.00		
INSURANCE	234,315.03						
ADMINISTRATIVE & OTHER OPERATING	26,548.98	70,729.31	20,462.38	22,523.00	11,508.83	6,449.60	
TOTAL OPERATING DISBURSEMENTS	1,039,465.77	137,208.45	47,020.00	22,523.00	111,948.74	7,244.60	
NON-OPERATING DISBURSEMENTS							
LOAN PAYDOWN, INTEREST AND FEES							
PROFESSIONAL FEES	85,626.25						
DEPOSITS							
U.S. TRUSTEE FEES	85,626.25						
TOTAL NON-OPERATING DISBURSEMENTS	171,252.50						
TOTAL DISBURSEMENTS	1,210,718.27	137,208.45	47,020.00	22,523.00	111,948.74	7,244.60	
NET CASH FLOW	\$ (410,218.27)	\$ 1,099,344.82	\$ (47,020.00)	\$ (22,523.00)	\$ 255,660.84	\$ 206,331.47	\$ -

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES:	(FROM CURRENT MONTH ACTUAL COLUMN)
TOTAL DISBURSEMENTS	1,125,092.02
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	47,020.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES	
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	1,125,092.02

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 September 1, 2014 through September 30, 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 August 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	-
Sassy, Inc.	Cole Taylor Bank	0092614	-
Sassy, Inc.	JP Morgan Chase	555788889	-
Sassy, Inc.	JP Morgan Chase	555787808	10,217
Kids Line, LLC	Union Bank of California	0020021802	-
Kids Line, LLC	Union Bank of California	0020021810	67,518
Kids Line, LLC	Union Bank of California	0020030216	15,587
Kids Line, LLC	JP Morgan Chase	555786081	241,173
Kids Line, LLC	JP Morgan Chase	555782189	14,380
LaJobi, Inc.	JP Morgan Chase	255135961	4,079
LaJobi, Inc.	JP Morgan Chase	255135950	6,160
CoCaLo, Inc.	Union Bank of California	3520004253	-
CoCaLo, Inc.	Union Bank of California	0023994965	39,637
CoCaLo, Inc.	JP Morgan Chase	555792790	4,657
CoCaLo, Inc.	JP Morgan Chase	555791271	5,595
Kid Brands, Inc.	JP Morgan Chase	610-0451245	72,743
Kid Brands, Inc.	JP Morgan Chase	212-111683	12,442
Kid Brands, Inc.	JP Morgan Chase	610-0449666	27,025
Kid Brands, Inc.	JP Morgan Chase	790-346233	10,601
Kid Brands, Inc.	UBS	WD08575	-
I&J Holdco, Inc.	JP Morgan Chase	838-188373	855
I&J Holdco, Inc.	JP Morgan Chase	551132819	-
I&J Holdco, Inc.	JP Morgan Chase	551139632	-

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

Case No. 14-22582

SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID¹
For the Period September 1, 2014 through September 30, 2014

Payee	Period Covered	Amount Approved	Payor	Wire Details		Amount Paid		Cumulative (Since Petition Date)	
				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

¹An 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

Case No. 14-22582

STATEMENT OF OPERATIONS
For the Period September 1, 2014 through September 30, 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.

	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	L&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	Kid Brands Australia	RB Trademark Holdco, LLC
REVENUES:								
Net Revenue	\$ 1,289,312	\$ 4,402	\$ 110,065	\$ 121,983	\$ 147,125	\$ 1,357		(4,669)
Cost of Goods Sold	1,610,214	(39,414)	234,948					
Inventory reserve								
Gross Profit	(320,902)	43,816	(124,883)	(23,142)	(6,026)			
OPERATING EXPENSES:								
Direct Selling	2,785	462						
Sales Support			2,531					
Shipping	1,257,996	26,480	6,286					
Administrative	853,171	129,301	7,357					19,610
MIS	30,472	1,953	115	103,513	40,035			100,891
Legal	44,167		201	85,512	1,576			
Design and Product Development		296						4,600
Other	115,734		808		9,580			
Intercountry			(5,002)					
Total Operating Expenses	2,301,540	160,815	8,943	189,025	132,937			125,101
Net Profit (Loss) Before Other Income & Expenses	(2,301,540)	(481,717)	34,873	(189,025)	(237,820)	(23,142)		(131,127)
OTHER INCOME AND EXPENSES:								
Gain/Loss on sale of subsidiary	1,851,941							
TRC settlement								
Interest Expense				260,512				
Net Profit (Loss) Before Reorganization Items	(4,153,481)	(481,717)	34,873	(449,537)	(237,820)	(23,142)		(131,127)
Income Taxes								
Net Profit (Loss)	(4,153,481)	(481,717)	34,873	(449,537)	(237,820)	(23,142)		(131,127)

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

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

FORM MDR-2

(9/99)

In Re: K&M Brands, Inc. et al.
Debtors

Case No. 14-22582

BALANCE SHEET
For the Period Ended September 30, 2014

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

ASSETS														
	Consolidated	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdings, Inc.	Laabhi, Inc.	CoCoLo, Inc.	RB Trademark Holder, LLC	I&J Quality Co. (Thailand)	I&J International (Hong Kong)	I&J Quality (China)	Kid Brands (Australia)	Buss Berrie (Denmark) B.V.	Kid Brands (UK)
CURRENT ASSETS														
Unrestricted Cash and Equivalents	660,319	84,793	-	8,843	-	9,372	-	-	939	1,007	52,838	598,260	-	6,893
Accounts Receivable	103,008	-	-	-	-	3,980,656	264,223	-	-	-	-	74,109	-	-
Accounts Receivable (Net)	6,017,235	-	1,698,248	-	-	-	-	150,000	-	-	-	9,944	-	-
Inventories (Net)	1,541,000	-	-	747,818	-	1,124,435	-	-	-	-	-	-	-	-
Income Taxes Receivable	1,862,247	-	-	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses and Other Current Assets	3,745,785	3,571,501	-	94,577	-	9,823	-	-	-	-	1,891	63,503	-	3,450
TOTAL CURRENT ASSETS	12,558,795	3,657,294	1,698,248	851,238	-	5,124,356	264,223	150,000	939	1,007	54,729	746,316	-	70,353
PROPERTY AND EQUIPMENT														
Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Less Accumulated Depreciation	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PROPERTY & EQUIPMENT														
OTHER ASSETS														
Intangibles	209,850	-	-	195,140	-	-	-	209,850	-	-	1,524	62,815	-	-
Notes Receivable, Long-term	170,479	-	-	106,149	-	-	-	209,850	-	-	1,334	62,815	-	-
Other Assets	360,329	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL OTHER ASSETS	740,658	195,140	-	301,289	-	-	-	419,700	-	-	2,858	125,630	-	-
TOTAL ASSETS	13,299,453	3,852,434	1,698,248	1,152,527	-	5,124,356	264,223	569,700	939	1,007	57,587	871,946	-	70,353
LIABILITIES AND OWNER EQUITY														
LIABILITIES NOT SUBJECT TO COMPROMISE (Post-petition)														
DIP Finance	8,022,742	126,494	19,593	35,430	8,072,742	10,432	2,707	-	-	-	27,159	431,838	-	-
Accounts Payable	561,951	-	-	-	12,386	-	-	-	-	-	-	208,641	-	-
Taxes Payable	208,641	-	-	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	375,264	-	-	-	263,799	-	-	-	-	-	19,464	58,916	16,319	15,566
TOTAL POST-PETITION LIABILITIES	9,168,608	126,494	19,593	35,430	8,298,827	10,432	2,707	-	-	-	46,623	707,415	16,319	16,566
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)														
Accounts Payable	22,228,510	3,195,304	3,240,762	5,690,176	139,362	8,008,021	1,434,885	-	-	-	-	-	-	-
Taxes Payable	453,838	443,619	10,239	-	-	-	-	-	-	-	-	-	-	-
Accrued expenses	24,350,566	2,017,212	2,100,763	-	-	20,242,566	26	-	-	-	-	-	-	-
Deferred Rent-leases	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL PRE-PETITION LIABILITIES	47,032,914	6,656,135	5,351,764	5,690,176	139,362	28,310,806	1,434,911	-	-	-	-	-	-	-
TOTAL LIABILITIES	94,201,522	10,508,569	7,049,012	11,840,606	8,438,189	28,321,012	1,434,911	-	-	-	46,623	707,415	16,319	16,566
SHAREHOLDER EQUITY														
NET SHAREHOLDER EQUITY	(81,902,069)	(7,656,135)	(5,351,764)	(10,688,079)	(8,298,827)	(22,000,142)	(1,733,395)	(359,850)	(939)	(1,007)	(9,660)	(107,415)	(16,319)	(6,181)
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	12,558,795	3,657,294	1,698,248	1,152,527	-	5,124,356	264,223	150,000	939	1,007	57,587	871,946	-	70,353

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

Case No. 14-22582

DEBTORS' STATEMENT WITH RESPECT TO STATUS OF POSTPETITION TAXES
For the Period September 1, 2014 through September 30, 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.
Debtors

Case No. 14-22582

**Consolidated Summary of Unpaid Post-Petition Accounts Payable
For the Period September 1, 2014 through September 30, 2014**

Post Petition Account Payable: Aging as of 9/30/2014

Debtors	Less than 30 Days	30 - 60 Days	60 - 90 Days	Greater than 90 Days
Kids Line LLC	3,393	11,833	3,587	782
CoCaLo, Inc.	2,000	219	482	6
LaJobi, Inc.	10,135	-	297	
Sassy, Inc.	5,405	10,385	734	18,906
I&J Holdco, Inc.	12,286	-	-	
Kid Brands, Inc.	99,990	5,785	2,995	11,724
Total	133,209	28,222	8,095	31,418

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

Case No. 14-22582

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING
For the Period Ended September 30, 2014

Accounts Receivable Aging	Amount
0 - 30 days old	1,717,710
31 - 60 days old	769,393
61 - 90 days old	690,386
91+ days old	4,799,015
Total Accounts Receivable	7,976,504
(Allowance Reserve)	(2,033,377)
Accounts Receivable (Net)	5,943,127

DEBTOR QUESTIONNAIRE

Must be completed each month	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 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	

The net assets of Kids Line LLC and CoCaLo, Inc. were sold on September 26, 2014 with the exception of specific accounts receivable.

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

Case No. 14-22582

**Accounts Receivable Rollforward
For the Period September 1, 2014 through September 30, 2014**

	Kid Brands, Inc.	Kids Line, LLC	Sassy, Inc.	I&J Holdco, Inc.	LaJobi, Inc.	CoCaLo, Inc.	RB Trademark Holdco, LLC
Balance, beginning		\$ 2,352,057	\$ -	\$ -	\$ 4,234,383	\$ 497,274	
Net Sales		1,289,312	4,402		110,065	121,983	
(Collections)		(934,965)	(4,402)		(363,792)	(206,644)	
Other [1]		(1,008,156)				(148,390)	
Balance, ending		\$ 1,698,248	\$ -	\$ -	\$ 3,980,656	\$ 264,223	

[1] The net assets of Kids Line and CoCaLo were sold on September 26, 2014 with the exception of specific accounts receivable.

(9/99)