

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

In re NAMCO, LLC

Case No. 13-10610-PJW

Reporting Period: 05/27/2013 - 6/30/2013

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
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		
Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

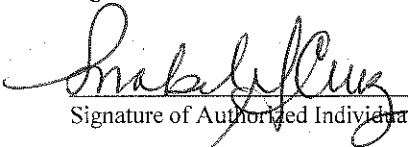
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual

7/25/13

Date

Anabela Cruz

Printed Name of Authorized Individual

VP of Finance/Controller

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.

In re NAMCO, LLC

Debtor

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SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

	BANK ACCOUNTS		CURRENT MONTH	CUMULATIVE FILING TO DATE
	All Accounts ⁽¹⁾		ACTUAL	ACTUAL
CASH BEGINNING OF MONTH **		1,746,550	1,746,550	(6,941)
RECEIPTS				
CASH SALES		3,062,460	3,062,460	5,814,364
ACCOUNTS RECEIVABLE		17,018,046	17,018,046	31,791,908
LOANS AND ADVANCES		0	0	0
SALE OF ASSETS		0	0	0
OTHER (ATTACH LIST)		0	0	0
TRANSFERS (FROM DIP ACCTS)		9,235,016	9,235,016	25,882,477
			0	0
TOTAL RECEIPTS		29,315,522	29,315,522	63,488,748
DISBURSEMENTS				
NET PAYROLL		1,154,388	1,154,388	2,667,966
PAYROLL TAXES		464,044	464,044	1,092,359
SALES, USE, & OTHER TAXES		807,283	807,283	1,446,044
INVENTORY PURCHASES		1,872,350	1,872,350	8,118,738
SECURED/ RENTAL/ LEASES		980,795	980,795	3,186,214
INSURANCE		423,714	423,714	751,861
SELLING		1,348,906	1,348,906	4,608,194
OTHER (ATTACH LIST)		2,272,117	2,272,117	3,786,864
				0
OWNER DRAW *		0	0	0
TRANSFERS (TO DIP ACCTS)		20,019,853	20,019,853	36,042,981
				0
PROFESSIONAL FEES		467,049	467,049	519,263
U.S. TRUSTEE QUARTERLY FEES		0	0	9,750
COURT COSTS		0	0	0
TOTAL DISBURSEMENTS		29,810,498	29,810,498	62,230,235
NET CASH FLOW		(494,976)	(494,976)	1,258,514
(RECEIPTS LESS DISBURSEMENTS)				
CASH - END OF MONTH		1,251,573	1,251,573	1,251,573

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

** BEGINNING AND ENDING CASH DOES NOT INCLUDE PETTY CASH.

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
TOTAL DISBURSEMENTS	29,810,498
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	(20,019,853)
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts) ***	0
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	9,790,645

Note 1: The Debtor consolidates all cash accounts into one general ledger account and, thus, is reporting its accounts bank on a consolidated basis. Bank reconciliations are shown individually on schedule MOR-1a.

*** ESCROW PAYMENTS AND INCLUDED IN THE DISBURSEMENTS ABOVE.

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	BANK ACCOUNTS	CURRENT MONTH	CUMULATIVE FILING TO DATE
	All Accounts ⁽¹⁾ AMOUNT	ACTUAL	ACTUAL
OTHER DISBURSEMENTS		0	
BANK ACCOUNT FEES	12,259	12,259	28,965
DIP ORIGINATION FEE	0	0	240,000
DIP TERMINATION FEE	240,000	240,000	240,000
LOAN INTEREST	156,897	156,897	333,757
LIQUIDATOR FEES *	1,633,469	1,633,469	2,280,255
APPRAISAL & MONITORING FEES	17,245	17,245	110,671
CONSULTANTS	15,935	15,935	23,435
LEGAL	178,314	178,314	301,783
COURT NOTICES/PUBLICATION FEE	17,998	17,998	17,998
EXIT LENDER DUE DILIGENCE	0	0	35,000
BACKSTOP COMMITMENT FEE	0	0	175,000
	2,272,117	2,272,117	3,786,864

* Includes agency fees, augment goods reimbursement, supervision and advertising.

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BANK RECONCILIATIONS
Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.

Table with columns for bank names (Sovereign Bank, Citizens Bank, Bank of America, Wells Fargo, Sovereign Bank) and various account numbers. Rows include 'BALANCE PER BOOKS', 'BANK BALANCE', 'DEPOSITS IN TRANSIT', 'CHECKS OUTSTANDING', and a list of individual check transactions with dates and amounts.

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STATEMENT OF OPERATIONS

(Income Statement)

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	Month	Cumulative Filing to Date
Gross Revenues	\$17,729,678	\$36,397,030
Less: Returns and Allowances	0	0
Net Revenue	\$17,729,678	\$36,397,030
COST OF GOODS SOLD		
Beginning Inventory	17,777,438	22,379,500
Add: Purchases	2,573,569	7,786,116
Add: Cost of Labor	519,977	519,977
Add: Other Costs (attach schedule)	52,766	52,766
Less: Ending Inventory	(10,859,080)	(10,859,080)
Cost of Goods Sold	10,064,669	19,879,279
Gross Profit	7,665,009	16,517,752
OPERATING EXPENSES		
Advertising	952,347	2,410,238
Auto and Truck Expense	131,774	325,206
Bad Debts	5,919	13,651
Contributions	0	0
Employee Benefits Programs	44,603	171,521
Insider Compensation*	0	0
Insurance	85,000	255,000
Management Fees/Bonuses	0	0
Office Expense	108,065	232,080
Pension & Profit-Sharing Plans	0	0
Repairs and Maintenance	21,009	101,271
Rent and Lease Expense	892,306	2,990,720
Salaries/Commissions/Fees	1,519,306	3,730,385
Supplies	22,296	75,769
Taxes - Payroll	146,838	365,676
Taxes - Real Estate	113,443	343,959
Taxes - Other	0	0
Travel and Entertainment	9,526	23,078
Utilities	199,977	568,669
Other (attach schedule)	478,652	1,181,172
Total Operating Expenses Before Depreciation	4,731,062	12,788,393
Depreciation/Depletion/Amortization	111,900	335,702
Net Profit (Loss) Before Other Income & Expenses	2,822,047	3,393,656
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)	0	0
Interest Expense	103,819	426,862
Other Expense (attach schedule)	0	0
Net Profit (Loss) Before Reorganization Items	2,718,228	2,966,794
REORGANIZATION ITEMS		
Professional Fees	441,947	1,531,161
U. S. Trustee Quarterly Fees	30,000	39,750
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	0	0
Gain (Loss) from Sale of Equipment	0	0
Other Reorganization Expenses (attach schedule)	827,297	3,471,630
Total Reorganization Expenses	1,299,243	5,042,540
Income Taxes	0	21,000
Net Profit (Loss)	\$1,418,985	(\$2,096,746)

*"Insider" is defined in 11 U.S.C. Section 101(31).

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STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date
Other Costs (COGS)		
Other Operational Expenses		
Credit Card Fees - Extended Payment	247,529	451,861
Credit Card Fees - V/MC/Amex/Disc	179,591	241,861
Appraisal & Monitoring Fees	0	55,268
Other Professional Fees	51,533	56,171
	478,652	805,160
Other Income		
Other Expenses		
Other Reorganization Expenses		
Origination Fees - DIP Loan	0	240,000
Termination Fee - DIP Loan	240,000	240,000
Appraiser Monitoring Fees	13,061	104,888
Legal Fees (secured lenders)	60,945	529,388
Liquidator Costs (excludes augment inventory & advertising)	368,917	754,335
Backstop Commitment Fee	0	175,000
Consultants	30,000	60,000
DIP Lender monitoring Fees	67,500	67,500
DIP Lender assumption Fee	40,000	40,000
Defective Write-off/Reserve	6,874	645,478
Deferred Financing Costs Write-off	0	615,040
	827,297	3,471,629

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

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BALANCE SHEET

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

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents	879,998	(6,941)
Restricted Cash and Cash Equivalents (see continuation sheet)	371,575	0
Petty Cash	50,000	51,200
Accounts Receivable (Net)	1,691,995	1,095,321
Inventories	10,859,080	22,379,500
Prepaid Expenses	403,800	400,575
Professional Retainers	168,000	0
Other Current Assets (attach schedule)	0	0
TOTAL CURRENT ASSETS	\$14,424,448	\$23,919,655
PROPERTY AND EQUIPMENT		
Real Property and Improvements	0	0
Machinery and Equipment	0	0
Furniture, Fixtures and Office Equipment	10,667,473	10,667,472
Leasehold Improvements	6,078,426	6,078,426
Vehicles	178,395	178,395
Less Accumulated Depreciation	(14,560,841)	(14,327,574)
TOTAL PROPERTY & EQUIPMENT	\$2,363,453	\$2,596,719
OTHER ASSETS		
Loans to Insiders*	0	0
Other Assets (attach schedule)	19,836,164	20,447,257
TOTAL OTHER ASSETS	\$19,836,164	\$20,447,257
TOTAL ASSETS	\$36,624,065	\$46,963,631

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable	381,059	0
Taxes Payable (refer to FORM MOR-4)	1,028,377	0
Wages Payable	622,852	0
Accrued Expenses (see attached schedule)	2,246,046	0
Notes Payable	0	0
Rent / Leases - Building/Equipment	0	0
Secured Debt - Salus	0	0
Professional Fees	0	0
Amounts Due to Insiders*	0	0
Other Postpetition Liabilities (attach schedule)	0	0
TOTAL POSTPETITION LIABILITIES	\$4,278,334	\$0
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt - (Senior Secured)	0	9,558,870
Notes Payable - (Junior Secured) - Full Value	9,256,985	9,256,985
Notes Payable Fair Value Accounting Adjustment	(1,132,372)	(1,252,004)
Priority Debt	220,467	832,002
Other Prepetition Liabilities (attach schedule)	3,466,767	5,681,707
Unsecured Debt	30,699,404	30,954,847
TOTAL PRE-PETITION LIABILITIES	\$42,511,252	\$55,032,407
TOTAL LIABILITIES	\$46,789,586	\$55,032,407
OWNER EQUITY		
Capital Stock	45,975	45,975
Additional Paid-In Capital	0	0
Partners' Capital Account	0	0
Owner's Equity Account	0	0
Retained Earnings - Pre-Petition	(8,114,751)	(8,114,751)
Retained Earnings - Postpetition	(2,096,745)	0
Adjustments to Owner Equity (attach schedule)	0	0
Postpetition Contributions (Distributions) (Draws) (attach schedule)	0	0
NET OWNER EQUITY	(\$10,165,521)	(\$8,068,776)
TOTAL LIABILITIES AND OWNERS' EQUITY	\$36,624,065	\$46,963,631

*"Insider" is defined in 11 U.S.C. Section 101(31).

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BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Current Assets			
Other Assets			
	Deposits	332,571	236,588
	Goodwill	13,314,703	13,314,703
	Intangible assets, net	6,153,890	6,256,324
	Debt issuance costs	35,000	639,642
		19,836,164	20,447,257
LIABILITIES AND OWNER EQUITY		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
Other Postpetition Liabilities			
Other Prepetition Liabilities			
	Deferred rent	1,515,911	1,515,911
	Deferred revenue on sale leaseback	994,258	1,063,625
	Capital lease obligation	360,908	393,928
	Warrant liability	400,308	400,308
	Accrued Expenses - Occupancy Adjs	97,176	97,176
	Accrued Expenses - Merchandise in Tr	0	1,402,785
	Accrued Expenses - Installations	0	401,000
	Accrued Expenses - Home Delivery	0	107,000
	Accrued Expenses - Wrrnty Costs & R	35,619	61,619
	Accrued Expenses - Chemical Contain	62,587	62,587
	Accrued Expenses - Store Selling Expe	0	119,593
	Accrued Expenses - Credit Card Fees	0	56,175
		3,466,767	5,681,707

Accrued Expenses - Detail

	Accrued Expenses - Operating	257,390	0
	Accrued Expenses - Occupancy Adjs	0	0
	Accrued Expenses - Installations	141,000	0
	Accrued Expenses - Home Delivery	51,000	0
	Accrued Expenses - Wrrnty Costs & R	32,833	0
	Accrued Expenses - Credit Card Fees	171,323	0
	Accrued Expenses - Interest	0	0
	Accrued Expenses - Professional Fees	1,235,000	0
	Accrued Expenses - Reorganization Fe	357,500	0
		2,246,046	0

Adjustments to Owner Equity			
Postpetition Contributions (Distributions) (Draws)			

Restricted Cash is cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re NAMCO, LLC

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Case No. 13-10610-PJWReporting Period: 05/27/2013 - 6/30/2013**STATUS OF POSTPETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero. Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes. Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Federal						
Withholding	0	162,045	144,904	5/26, 6/2, 6/9, 6/16, 6/23	EFT	17,140
FICA-Employee	0	119,728	106,170	5/26, 6/2, 6/9, 6/16, 6/23	EFT	13,558
FICA-Employer	0	118,728	105,170	5/26, 6/2, 6/9, 6/16, 6/23	EFT	13,558
Unemployment	0	3,480	3,094	5/26, 6/2, 6/9, 6/16, 6/23	EFT	386
Income	0					0
Other: _____	0					0
Total Federal Taxes	0	403,981	359,338			44,643
State and Local						
Withholding	0	53,666	47,720.78	5/26, 6/2, 6/9, 6/16, 6/23	EFT	5,945
Sales	0	847,792				847,792
Excise	0					0
Unemployment	0	62,531	55,985.27	5/26, 6/2, 6/9, 6/16, 6/23	EFT	6,546
Real Property	0	123,451				123,451
Personal Property	0					0
Other: _____	0					0
Total State and Local	0	1,087,440	103,706			983,734
Total Taxes	0	1,491,421	463,044			1,028,377

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	381,059					381,059
Wages Payable						0
Taxes Payable						0
Rent/Leases-Building						0
Rent/Leases-Equipment						0
Secured Debt/Adequate Protection Payments						0
Professional Fees						0
Amounts Due to Insiders*						0
Other: _____						0
Other: _____						0
Total Postpetition Debts	381,059	0	0	0	0	381,059

Explain how and when the Debtor intends to pay any past-due postpetition debts.

*"Insider" is defined in 11 U.S.C. Section 101(31).

In re NAMCO, LLC

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Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	3,124,252
+ Amounts billed during the period	15,585,788
- Amounts collected during the period	(17,018,046)
Total Accounts Receivable at the end of the reporting period	1,691,995
Accounts Receivable Aging	Amount
0 - 30 days old	1,562,561
31 - 60 days old	0
61 - 90 days old	0
91+ days old	129,434
Total Accounts Receivable	1,691,995
Amount considered uncollectible (Bad Debt)	0
Accounts Receivable (Net)	1,691,995

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	
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. opened.		X