

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re BH S&B Holdings LLC
Debtors

Case No. 08-14604
Reporting Period: December 2009

CONSOLIDATED CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.
(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation
Schedule of Cash Receipts and Disbursements	MOR-1	Y	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	N	1
Copies of bank statements		N	1
Cash disbursements journals		N	1
Statement of Operations	MOR-2	Y	
Balance Sheet	MOR-3	Y	
Status of Post-petition Taxes	MOR-4	N	
Copies of IRS Form 6123 or payment receipt		N	1
Copies of tax returns filed during reporting period		N	1
Summary of Unpaid Post-petition Debts	MOR-4	Y	
Listing of Aged Accounts Payable		N	
Accounts Receivable Reconciliation and Aging	MOR-5	N	2
Taxes Reconciliation and Aging	MOR-5	N	
Payments to Insiders and Professional	MOR-6	Y	
Post Petition Status of Secured Notes, Leases Payable	MOR-6	Y	
Debtor Questionnaire	MOR-7	Y	

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

[Redacted Signature]

Date 1/25/10

Date

Signature of Authorized Individual*

Timothy D. Boates

Printed Name 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.

¹ Due to their voluminous nature, these documents are not attached but are available from the Debtors upon request.

² Not applicable.



SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and 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. 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 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER	PAYROLL	TAX	OTHER	
CASH BEGINNING OF MONTH	4,151,071	-	-	-	4,151,071
RECEIPTS					
SALES					-
ACCOUNTS RECEIVABLE - PREPETITION					-
ACCOUNTS RECEIVABLE - POSTPETITION					-
LOANS AND ADVANCES					-
SALE OF ASSETS					-
OTHER (misc deposits)	73,397				73,397
TRANSFERS (FROM DIP ACCTS)					-
TOTAL RECEIPTS	73,397	-	-	-	73,397
DISBURSEMENTS					
NET PAYROLL					-
PAYROLL TAXES (included in GROSS above)					-
SALES, USE, & OTHER TAXES					-
INVENTORY PURCHASES					-
SECURED/ RENTAL/ LEASES					-
INSURANCE (Pinkerton Consulting)					-
SELLING, GENERAL, & ADMINISTRATIVE	(17,422)				(17,422)
OTHER (ESCROW AGENT and BANK FEES)					-
OWNER DRAW *					-
TRANSFERS (TO SECURED LENDER)	7,745				7,745
PROFESSIONAL FEES	321,422				321,422
U.S. TRUSTEE QUARTERLY FEES					-
COURT COSTS					-
TOTAL DISBURSEMENTS	311,745	-	-	-	311,745
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(238,347)	-	-	-	(238,347)
CASH - END OF MONTH	3,912,724	-	-	-	3,912,724

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	311,745
LESS: REIMBURSEMENTS FROM PURCHASER	-
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	311,745

RECEIPTS	OPER
OTHER (TOTAL)	73,397
JPMorganChase (outstanding checks)	73,336
Civil Recovery Services (restitution)	465
Interest on escrow account	(404)

DISBURSEMENTS	OPER
OTHER (TOTAL)	7,745
Loan paydown	7,745
Interest	

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
Net Revenue		72,104,196
COST OF GOODS SOLD		
Cost of Goods Sold		155,602,631
Gross Profit	-	(83,498,435)
OPERATING EXPENSES		
Advertising		563
Auto and Truck Expense		5,105
Bad Debts		-
Contributions		-
Employee Benefits Programs		984,416
Officer/Insider Compensation*		20,577
Insurance		517,137
Management Fees/Bonuses		-
Office Expense		416,583
Pension & Profit-Sharing Plans		-
Repairs and Maintenance		29,759
Rent and Lease Expense		5,185,908
Salaries/Commissions/Fees		7,358,633
Supplies		-
Taxes - Payroll		590,835
Taxes - Real Estate		115,097
Taxes - Other		503
Travel and Entertainment		4,910
Utilities		1,156,718
Other (see below)	(1,028,952)	16,073,131
Total Operating Expenses Before Depreciation	(1,028,952)	32,459,874
Depreciation/Depletion/Amortization		-
Net Profit (Loss) Before Other Income & Expenses	1,028,952	(115,958,309)
OTHER INCOME AND EXPENSES		
Other Income	465	144,698
Interest Expense		1,046,657
Other Expense (attach schedule)	-	-
Net Profit (Loss) Before Reorganization Items	1,029,417	(116,860,268)
REORGANIZATION ITEMS		
Professional Fees	152,277	8,948,652
U. S. Trustee Quarterly Fees	-	59,575
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	(404)	413
Gain (Loss) from Sale of Equipment		-
Other Reorganization Items (see below)	73,336	73,336
Total Reorganization Expenses	(78,940)	(8,875,316)
Income Taxes		-
Net Profit (Loss)	950,073	(125,794,746)

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

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

		-
		-
		-
		-
		-

OTHER OPERATIONAL EXPENSES

Permits & Fees		867
Bank Charges and Credit Card Fees		296,157
Miscellaneous Expenses	(17,422)	(39,770)
Stone Barn Escrow Disbursements	88,394	16,002,597
Outside Services		15,820

OTHER INCOME

Interest Earned	(404)	413
Float transfer / check voids	73,336	210,503
Employee restitution (Civil Recovery)	465	7,531

OTHER EXPENSES

Credit card receivable reconciliation (pre-petition)		-
		-
		-

OTHER REORGANIZATION ITEMS

		-
		-
		-
		-

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.

BALANCE SHEET

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

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH (12/31/09)	BOOK VALUE AT END OF CURRENT REPORTING MONTH (11/30/09)	BOOK VALUE ON FILING DATE (11/19/08)
CURRENT ASSETS			
Unrestricted Cash and Equivalents	3,912,724	4,151,071	8,632,581
Restricted Cash and Cash Equivalents	600,000	600,000	7,940,000
Accounts Receivable (Net)			
Notes Receivable			
Inventories	-	-	162,272,422
Prepaid Expenses	-	-	863,262
Professional Retainers			-
Other Current Assets (see below)	5,871,330	5,959,724	10,094,649
TOTAL CURRENT ASSETS	10,384,054	10,710,795	189,802,914
PROPERTY & EQUIPMENT			
Real Property and Improvements	-	-	-
Machinery and Equipment	-	-	-
Furniture, Fixtures and Office Equipment	-	-	1,023,781
Leasehold Improvements			
Vehicles			
Less: Accumulated Depreciation	-	-	(14,122)
TOTAL PROPERTY & EQUIPMENT	-	-	1,009,658
OTHER ASSETS			
Amounts due from Insiders*	-	-	-
Other Assets (see below)	-	-	7,882,873
TOTAL OTHER ASSETS	-	-	7,882,873
TOTAL ASSETS	10,384,054	10,710,795	198,695,446
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH (12/31/09)	BOOK VALUE AT END OF CURRENT REPORTING MONTH (11/30/09)	BOOK VALUE ON FILING DATE (11/19/08)
LIABILITIES NOT SUBJECT TO COMPROMISE (Post-petition)			
Accounts Payable		1,099,924	
Taxes Payable (refer to FORM MOR-4)			
Wages Payable			
Notes Payable			
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments			
Professional Fees	1,229,025	1,398,170	
Amounts Due to Insiders*			
Other Post-petition Liabilities (see below)	-	-	
TOTAL POST-PETITION LIABILITIES	1,229,025	2,498,094	
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)			
Secured Debt	56,319,460	56,327,205	85,970,036
Priority Debt			
Unsecured Debt	10,673,034	10,673,034	9,375,679
Other Pre-petition Liabilities (see below)	75,986,301	75,986,301	96,860,998
TOTAL PRE-PETITION LIABILITIES	142,978,795	142,986,540	190,303,387
TOTAL LIABILITIES	144,207,820	145,484,633	192,206,712
OWNERS' EQUITY			
Capital Stock	-	-	-
Additional Paid-In Capital			
Partners' Capital Account	-	-	
Owner's Equity Account	-	-	
Retained Earnings - Pre-Petition	(8,029,022)	(8,029,022)	6,488,734
Retained Earnings - Post-petition	(125,794,745)	(126,744,817)	
Adjustments to Owner Equity (attach schedule)	-	-	-
Post-petition Contributions (attach schedule)	-	-	-
NET OWNERS' EQUITY	(133,823,767)	(134,773,839)	6,488,734
TOTAL LIABILITIES AND OWNERS' EQUITY	10,384,053	10,710,795	198,695,446

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

0

BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH (12/31/09)	BOOK VALUE AT END OF CURRENT REPORTING MONTH (11/30/09)	BOOK VALUE AT END OF PRIOR REPORTING MONTH (11/29/08)
Other Current Assets			
Credit Card Receivable	-	-	10,094,649
Stone Barn Escrow Funds	5,871,330	5,959,724	
Other Assets			
Security Deposits			195,673
Loan Closing Costs, net			7,687,200
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH (12/31/09)	BOOK VALUE AT END OF CURRENT REPORTING MONTH (11/30/09)	BOOK VALUE AT END OF PRIOR REPORTING MONTH (11/29/08)
Other Post-petition Liabilities			
Other Pre-petition Liabilities			
Goodwill			17,621,355
Note Payable - related party	75,986,301	75,986,301	75,986,301
Due to Steve & Barry's Manhattan LLC			1,903,325
Deferred gift card income			1,350,017
Adjustments to Owner's Equity			
Post-Petition Contributions			

Restricted Cash: 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.

STATUS OF POST-PETITION 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.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Unemployment	-					-
Income	-					-
Other: Foreign office w/h	-					-
Total Federal Taxes	-	-	-			-
State and Local						
Withholding						-
Sales						-
Excise						-
Unemployment						-
Real Property	-					-
Personal Property	-					-
Other:	-					-
Total State and Local	-	-	-			-
Total Taxes	-	-	-			-

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable						\$ -
Wages Payable						\$ -
Taxes Payable						\$ -
Rent/Leases-Building						
Rent/Leases-Equipment						\$ -
Secured Debt/Adequate Protection Payments						\$ -
Professional Fees						\$ 1,229,025
Amounts Due to Insiders						\$ -
Other:						\$ -
Other:						\$ -
Total Post-petition Debts	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,229,025

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

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Andy Todd	Salary	-	10,577
Gary Sugarman	Salary		20,000
TOTAL PAYMENTS TO INSIDERS		-	30,577

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
Great American Group			-	2,370,029	
Cahill		233,790	233,790	1,170,179	198,233
RAS Management		12,277	12,277	878,462	
Arent Fox			-	876,630	876,484
CBIZ Mahoney Cohen			-	383,492	94,813
Klee Tuchin				639,978	
Kurtzman Carlson			-	242,737	37,915
OSHR		48,340	48,340	78,702	7,000
Real Estate Advisors			-	43,490	
Jackson Lewis		27,014	27,014	33,717	8,943
Tarter			-	22,717	5,637
TOTAL PAYMENTS TO PROFESSIONALS		321,422	321,422	6,740,133	1,229,025

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
Ableco	n/a	7,745	56,319,460
TOTAL PAYMENTS		7,745	56,319,460

DEBTORS QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		X
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		X
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		X
8	Are any post petition payroll taxes past due?		X
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?		X
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X