

UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE

Case No. 14-10318 (KJC)
Chapter 11

QUANTUM FOODS, LLC, *et al.*

Monthly Operating Report for the Reporting Period from
June 14, 2014 through July 11, 2014

Debtors' Address:
c/o Quantum Foods, LLC
750 South Schmidt Road
Bolingbrook, Illinois 60440

WINSTON & STRAWN LLP
35 West Wacker Drive
Chicago, Illinois 60601

- and -

YOUNG CONAWAY STARGATT & TAYLOR, LLP
Rodney Square
1000 North King Street
Wilmington, Delaware 19801

(Counsel for Debtors and Debtors in Possession)

Reporting Period Operating Income / (Loss):
\$(450,039)

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re Quantum Foods, LLC, et al.
Debtor

Case No. 14-10318 (KJC)
Reporting Period: June 14, 2014 through July 11, 2014

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	Yes		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	Yes		
Schedule of Professional Fees Paid	MOR-1b	Yes		
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	Yes		
Balance Sheet	MOR-3	Yes		
Status of Postpetition Taxes	MOR-4	Yes		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	Yes		
Listing of aged accounts payable	MOR-4a			
Accounts Receivable Reconciliation and Aging	MOR-5	Yes		
Debtor Questionnaire	MOR-5a	Yes		


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


Printed Name of Authorized Individual
MICHAEL BUENZOW


Title of Authorized Individual / Date

*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.

Quantum Foods, LLC, *et al.*

Debtors-in-Possession

MOR - 1

Consolidating Schedule of Receipts and Disbursements for Month [1]

for June 14, 2014 to July 11, 2014

<i>In U.S. Dollars</i>	Quantum Foods, LLC	Quantum Foods 213- D, LLC	Quantum Culinary, LLC	GDC Logistics, LLC	Choice One Foods, LLC	Consolidated Quantum Foods, LLC, <i>et al.</i>
Beginning Cash Balance	\$ 1,825,104	\$ -	\$ -	\$ -	\$ -	\$ 1,825,104
Cash Receipts						
Trade Receipts	4,870,773	-	-	-	-	4,870,773
Other Receipts [2]	12,841	-	-	-	-	12,841
Net Asset Sale Proceeds [3]	8,237,414	-	-	-	-	8,237,414
Total Cash Receipts	13,121,028	-	-	-	-	13,121,028
Operating Disbursements						
Raw Materials (Meat)	-	-	-	-	-	-
Packaging & Spice	-	-	-	-	-	-
R&M / Supplies / Plant Services	(13,490)	-	-	-	-	(13,490)
Freight	(6,314)	-	-	-	-	(6,314)
Sales-Related, Commissions & Allowances	(11,275)	-	-	-	-	(11,275)
Payroll, Benefits & 401(k)	(547,182)	-	-	-	-	(547,182)
Insurance (Post-Petition)	(251,121)	-	-	-	-	(251,121)
Rent	-	-	-	-	-	-
Utilities	(336,560)	-	-	-	-	(336,560)
Crossroads Treatment LLC	(19,835)	-	-	-	-	(19,835)
Other SG&A	(16,553)	-	-	-	-	(16,553)
Capex	-	-	-	-	-	-
Capital Leases	-	-	-	-	-	-
Total Operating Disbursements	(1,202,330)	-	-	-	-	(1,202,330)
Non-Operating Disbursements						
Professional Services & Fees	(482,680)	-	-	-	-	(482,680)
US Trustee Fees	-	-	-	-	-	-
Customer Settlement	-	-	-	-	-	-
Facility Consolidation Costs	-	-	-	-	-	-
Total Non-Operating Disbursements	(482,680)	-	-	-	-	(482,680)
First Day Motion Disbursements						
Severance	-	-	-	-	-	-
Critical Vendors - Meat	-	-	-	-	-	-
Critical Vendors - Packaging, Spice & Other	-	-	-	-	-	-
Shippers / Warehousemen	-	-	-	-	-	-
Customer Programs	-	-	-	-	-	-
Wages & Benefits	-	-	-	-	-	-
Independent Contractors & Brokers	-	-	-	-	-	-
Utility Deposits - Adequate Assurance	-	-	-	-	-	-
Insurance (Prepetition)	-	-	-	-	-	-
Total First Day Motion Disbursements	-	-	-	-	-	-
Other Disbursements						
Letter of Credit (Cash Collateralization)	-	-	-	-	-	-
Bank Charges & Fees	(8,395)	-	-	-	-	(8,395)
Total Other Disbursements	(8,395)	-	-	-	-	(8,395)
Total Disbursement	\$ (1,693,404)	\$ -	\$ -	\$ -	\$ -	\$ (1,693,404)
					Cash Loan Activity	
					Draws / Funding	1,665,000
					Repayments	(14,509,102)
					Net Cash Loan Increase / (Reduction)	(12,844,102)
					Subtotal	408,626
					<i>Outstanding Payments [4]</i>	<i>(70,257)</i>
					Ending Cash Balance	\$ 478,884

[1] The disbursement accounts which are part of the Debtors' cash management system are entirely in the name of Quantum Foods, LLC. As all production activities had ceased as of the reporting period beginning June 14, 2014, all operational disbursements have been allocated to Quantum Foods, LLC.

[2] Primarily relates to receipts from the sale of excess or obsolete inventory.

[3] Represents the net proceeds realized from the sale of substantially all owned and leased machinery and equipment, in addition to specific inventory. The net asset sale proceeds were credited directly as a repayment to the DIP loan balance.

[4] Primarily disbursements made to vendors during the period that were recorded to Cash in the Debtors' books and records within the period, however, had not cleared the Debtors' bank accounts as of July 11, 2014.

Quantum Foods, LLC, et al.**Debtors-in-Possession****MOR - 1****Consolidating Schedule of Receipts and Disbursements to Date [1]****for February 18, 2014 to July 11, 2014**

<i>In U.S. Dollars</i>	Quantum Foods, LLC	Quantum Foods 213- D, LLC	Quantum Culinary, LLC	GDC Logistics, LLC	Choice One Foods, LLC	Consolidated Quantum Foods, LLC, et al.
Beginning Cash Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cash Receipts						
Trade Receipts	100,250,579	-	-	-	-	100,250,579
Other Receipts [2]	346,891	-	-	-	-	346,891
Net Asset Sale Proceeds [3]	8,237,414	-	-	-	-	8,237,414
Total Cash Receipts	108,834,883	-	-	-	-	108,834,883
Operating Disbursements						
Raw Materials (Meat)	-	(29,419,058)	(7,430,857)	-	-	(36,849,915)
Packaging & Spice	-	(4,052,527)	(1,043,362)	-	-	(5,095,889)
R&M / Supplies / Plant Services	(13,490)	(1,007,138)	(255,216)	-	-	(1,275,844)
Freight	(6,314)	(574,478)	(165,714)	-	-	(746,506)
Sales-Related, Commissions & Allowances	(560,402)	-	-	-	-	(560,402)
Payroll, Benefits & 401(k)	(1,659,672)	(7,815,394)	(1,800,951)	(1,277,488)	-	(12,553,504)
Insurance (Post-Petition)	(1,358,645)	-	-	-	-	(1,358,645)
Rent	-	(1,786,746)	(327,131)	-	-	(2,113,877)
Utilities	(336,560)	(721,823)	(150,074)	-	-	(1,208,457)
Crossroads Treatment LLC	(19,835)	(477,906)	(123,177)	-	-	(620,918)
Other SG&A	(16,553)	(294,706)	(71,477)	-	-	(382,735)
Capex	-	-	-	-	-	-
Capital Leases	-	(36,609)	(10,396)	-	-	(47,006)
Total Operating Disbursements	(3,971,470)	(46,186,386)	(11,378,355)	(1,277,488)	-	(62,813,700)
Non-Operating Disbursements						
Professional Services & Fees	(2,360,014)	-	-	-	-	(2,360,014)
US Trustee Fees	(48,600)	-	-	-	-	(48,600)
Customer Settlement	(1,645,023)	-	-	-	-	(1,645,023)
Facility Consolidation Costs	-	-	-	-	-	-
Total Non-Operating Disbursements	(4,053,637)	-	-	-	-	(4,053,637)
First Day Motion Disbursements						
Severance	(2,735)	(29,893)	(6,649)	(2,987)	-	(42,265)
Critical Vendors - Meat	(1,232,040)	-	-	-	-	(1,232,040)
Critical Vendors - Packaging, Spice & Other	(85,007)	-	-	-	-	(85,007)
Shippers / Warehousemen	(539,712)	-	-	-	-	(539,712)
Customer Programs	(1,214,129)	-	-	-	-	(1,214,129)
Wages & Benefits	(86,069)	(941,987)	(209,318)	(94,018)	-	(1,331,393)
Independent Contractors & Brokers	(141,863)	-	-	-	-	(141,863)
Utility Deposits - Adequate Assurance	(475,000)	-	-	-	-	(475,000)
Insurance (Prepetition)	(497,380)	-	-	-	-	(497,380)
Total First Day Motion Disbursements	(4,273,936)	(971,880)	(215,968)	(97,005)	-	(5,558,789)
Other Disbursements						
Letter of Credit (Cash Collateralization) [4]	(1,750,000)	-	-	-	-	(1,750,000)
Bank Charges & Fees	(40,482)	-	-	-	-	(40,482)
Total Other Disbursements	(1,790,482)	-	-	-	-	(1,790,482)
Total Disbursements	\$ (14,089,525)	\$ (47,158,266)	\$ (11,594,323)	\$ (1,374,493)	\$ -	\$ (74,216,607)
					Cash Loan Activity	
					Draws / Funding	74,307,542
					Repayments	(108,080,308)
					Net Cash Loan Increase / (Reduction)	(33,772,766)
					Subtotal	845,511
					<i>Outstanding Payments [5]</i>	<i>366,627</i>
					Ending Cash Balance	\$ 478,884

[1] The disbursement accounts which are part of the Debtors' cash management system are entirely in the name of Quantum Foods, LLC. For purposes of the disbursements illustrated above, certain operational disbursements have been allocated to the related legal entities based on production volume, while payroll and related disbursements have been allocated based on headcount. As all production activities had ceased as of the reporting period beginning June 14, 2014, all operational disbursements during that timeframe have been allocated to Quantum Foods, LLC.

[2] Primarily relates to refunds issued by raw material suppliers for prepetition credit balances, in addition to insurance-related refunds and receipts from the sale of excess or obsolete inventory and pallets.

[3] Represents the net proceeds realized from the sale of substantially all owned and leased machinery and equipment, in addition to specific inventory. The net asset sale proceeds were credited directly as a repayment to the DIP loan balance.

[4] The balance relates to the establishment of a letter of credit ("L/C") with the Debtors' primary raw material supplier, which was formally issued on April 10, 2014. The Debtors' were required to post cash collateral, through the issuance of the L/C, in exchange for an additional credit line of \$2,500,000 with the supplier. Note that the supplier's prepetition claim had previously been satisfied by the Debtors, therefore, the cash collateral posted for the L/C did not relate to any prepetition balances owed.

[5] Primarily various adjustments to vendor prepayments and other disbursements that remained unreconciled as of July 11, 2014.

Quantum Foods, LLC, et al.**Debtors-in-Possession****MOR - 1a****Schedule of Bank Account Balances****as of July 11, 2014**

Case #	Debtor Entity	Bank Name	Account Type / Purpose	Bank Account Ending in:	Book Balance	
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	Concentration Account	3810	\$ 281,618	
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	Depository Account	3802	197,266	
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	Flexible Spending Account	3829	-	
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	A/P Disbursement Account	0399	-	
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	Payroll Account	0461	-	
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	Utilities Adequate Assurance Account	2233	-	[1] [2]
14-10318 (KJC)	Quantum Foods, LLC	Union Bank	APA Deposit Escrow Account	2241	-	[2] [3]
					\$ 478,884	

[1] Represents the Debtors' adequate assurance deposit account for utility providers, which was opened on March 5, 2014. The account was subsequently funded on March 7, 2014 with a total adequate assurance deposit amount of \$423,000. Per the Bankruptcy Court Order, the Debtors were required to deposit a total of \$475,000 into a "Utility Deposit Account" to be held in escrow, for the purpose of providing each utility provider adequate assurance of payment of its post-petition utility services to the Debtors. Note that a specific utility provider requested a deposit of \$52,000 be sent directly to them, which was issued via check on March 7, 2014.

[2] Due to the nature and purpose of both the Utilities Adequate Assurance Account and APA Deposit Escrow Account, as well as the previously described check sent directly to a specific utility provider, the Debtors record the balances of those deposits as an asset on the balance sheet within the "Prepaid Expenses & Deposits" account. As such, no Book Balance has been listed within the schedule above, which is meant to detail the total "Cash" account balance per the balance sheet.

[3] Represents an escrow account established by the Debtors for the purpose of holding the Stalking Horse Bidder's purchase deposit. Per the Bankruptcy Court Order, and in accordance with both the Asset Purchase Agreement and the Bid Procedures, the Stalking Horse Bidder was authorized to provide a deposit equal to at least 10% of the proposed cash purchase price to be held in escrow. As such, the Debtors' established an account to hold the Stalking Horse Bidder's deposit on March 21, 2014, and the Stalking Horse Bidder's deposit of \$5,400,000 was subsequently received on March 25, 2014.

Quantum Foods, LLC, *et al.*

Debtors-in-Possession

MOR - 1b

Schedule of Professional Fees and Expenses Paid

for June 14, 2014 to July 11, 2014

Payee	Period Covered	Amount Approved	Payor	Check / Wire		Amount Paid for Period		Filing to Date	
				Number	Date	Fees	Expenses	Fees	Expenses
FTI Consulting, Inc.	N/A	\$ -	N/A	N/A	N/A	\$ -	\$ -	\$ 1,032,383	\$ 14,108
Winston & Strawn LLP	2/18/14 - 4/30/14	368,917	Quantum Foods, LLC	Multiple	Multiple	358,965	9,952	358,965	9,952
Young Conaway Stargatt & Taylor, LLP	5/1/14 - 5/31/14	73,487	Quantum Foods, LLC	140703022904	7/3/14	70,646	2,842	235,406	17,310
City Capital Advisors, LLC	N/A	-	N/A	N/A	N/A	-	-	102,000	2,244
BMC Group, Inc.	4/1/14 - 5/31/14	32,495	Quantum Foods, LLC	Multiple	Multiple	19,943	12,553	41,036	21,155
Triton Capital Partners, Ltd.	5/1/14 - 5/31/14	7,780	Quantum Foods, LLC	140703022905	7/3/14	7,780	-	168,424	6,009
Richards, Layton & Finger, P.A.	N/A	-	N/A	N/A	N/A	-	-	342,881	8,140
Total		\$ 482,680				\$ 457,334	\$ 25,346	\$ 2,281,096	\$ 78,918

Quantum Foods, LLC, et al.**Debtors-in-Possession****MOR - 2****Consolidating Statement of Operations [1]****for June 14, 2014 to July 11, 2014**

<i>In U.S. Dollars</i>	Quantum Foods, LLC	Quantum Foods 213- D, LLC	Quantum Culinary, LLC	GDC Logistics, LLC	Choice One Foods, LLC	Consolidated Quantum Foods, LLC, et al.
Sales - Produced	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales - Non-Produced	12,841	-	-	-	-	12,841
Discounts & Allowances	-	-	-	-	-	-
Outbound Freight	(774)	-	-	-	-	(774)
Promo Allowances	-	-	-	-	-	-
Net Sales	12,067	-	-	-	-	12,067
Materials	-	-	-	-	-	-
Direct Labor	1,244	-	-	-	-	1,244
Manufacturing Overhead	178,902	-	-	-	-	178,902
Depreciation Expense	-	-	-	-	-	-
Total Cost of Sales	180,146	-	-	-	-	180,146
Gross Margin	(168,079)	-	-	-	-	(168,079)
Variable Contribution Margin	10,823	-	-	-	-	10,823
Selling Expenses	-	-	-	-	-	-
General & Administrative	281,960	-	-	-	-	281,960
Total SG&A Costs	281,960	-	-	-	-	281,960
Income from Operations	(450,039)	-	-	-	-	(450,039)
Asset Sales Gain / (Loss) [2]	(3,154,813)	-	-	-	-	(3,154,813)
Reorganization Income / (Expense) [3]	(5,361,374)	-	-	-	-	(5,361,374)
Extraordinary Gain / (Loss)	-	-	-	-	-	-
Capital Lease Interest	-	-	-	-	-	-
Interest Expense	(368,729)	-	-	-	-	(368,729)
Total Other Expenses	(8,884,916)	-	-	-	-	(8,884,916)
Net Income / (Loss)	(9,334,955)	-	-	-	-	(9,334,955)
<u>EBITDA:</u>						
<i>Net Income / (Loss)</i>	<i>(9,334,955)</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>(9,334,955)</i>
<i>Add: Interest Expense</i>	<i>368,729</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>368,729</i>
<i>Add: Depreciation Expense</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
<i>Add: Reorganization Income / (Expense)</i>	<i>5,361,374</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>5,361,374</i>
<i>Add: Asset Sales Gain / (Loss)</i>	<i>3,154,813</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>3,154,813</i>
<i>Add: G&A Depreciation & Amortization</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
EBITDA	\$ (450,039)	\$ -	\$ -	\$ -	\$ -	\$ (450,039)

[1] For book-keeping purposes, the Debtors' record operational activity through the use of "cost centers," which have been "mapped" to the related Debtor entity within the schedule set forth above. The Debtors maintain that the statement of operations is most accurately presented on a consolidated basis, and therefore, reserve all rights with respect to the activity and amounts shown at any specific Debtor-level.

[2] Represents the net loss associated with the Debtors' sale of substantially all owned and leased machinery and equipment, in addition to specific inventory, during the reporting period.

[3] Primarily represents losses incurred by the Debtors related to the net write-down of various leasehold improvements and deferred rent costs associated with two rejected facility leases, in addition to commissions and fees due to third parties involved in executing the asset sales.

Quantum Foods, LLC, *et al.*
Debtors-in-Possession
MOR - 3
Consolidated Balance Sheet [1]
as of July 11, 2014

<i>In U.S. Dollars</i>	Quantum Foods, LLC	Quantum Foods 213- D, LLC	Quantum Culinary, LLC	GDC Logistics, LLC	Choice One Foods, LLC	Consolidated Quantum Foods, LLC, <i>et al.</i>
Cash	\$ 478,884	\$ -	\$ -	\$ -	\$ -	\$ 478,884
Accounts Receivable	1,177,215	-	-	-	-	1,177,215
Inventory (On-Hand)	335,000	-	-	-	-	335,000
Inventory In-Transit	-	-	-	-	-	-
Prepaid Expenses & Deposits	7,240,500	-	-	-	-	7,240,500
Total Current Assets	9,231,599	-	-	-	-	9,231,599
Property & Equipment (Net of Accumulated Depreciation)	86,397	-	-	-	-	86,397
Net Property and Equipment	86,397	-	-	-	-	86,397
Deferred Lease Costs (Net of Accumulated Amortization)	-	-	-	-	-	-
Due from Crossroads Treatment LLC	4,231,869	-	-	-	-	4,231,869
Due from Member	7,547,812	-	-	-	-	7,547,812
Loan Costs (Net of Accumulated Amortization)	4,167,483	-	-	-	-	4,167,483
Total Other Assets	15,947,164	-	-	-	-	15,947,164
TOTAL ASSETS	25,265,160	-	-	-	-	25,265,160
<u>Liabilities Not Subject to Compromise</u>						
Accounts Payable	5,672,520	-	-	-	-	5,672,520
Accrued Liabilities	8,621,919	-	-	-	-	8,621,919
DIP Loan	19,562,876	-	-	-	-	19,562,876
Deferred Rent	-	-	-	-	-	-
Total Liabilities Not Subject to Compromise	33,857,315	-	-	-	-	33,857,315
<u>Liabilities Subject to Compromise</u>						
Accounts Payable	19,479,841	-	-	-	-	19,479,841
Accrued Liabilities	2,235,948	-	-	-	-	2,235,948
Current Maturities of Long Term Debt	-	-	-	-	-	-
Current Maturities of Capital Lease Obligations	48,017	-	-	-	-	48,017
Deferred Rent	2,719,148	-	-	-	-	2,719,148
Long Term Capital Lease Obligations	-	-	-	-	-	-
Total Liabilities Subject to Compromise	24,482,954	-	-	-	-	24,482,954
TOTAL LIABILITIES	58,340,268	-	-	-	-	58,340,268
Common Stock & Additional Paid in Capital	9,174,655	-	-	-	-	9,174,655
Treasury Stock	(3,415,000)	-	-	-	-	(3,415,000)
Distributions	(44,159,906)	-	-	-	-	(44,159,906)
Retained Earnings	5,325,143	-	-	-	-	5,325,143
Total Equity	(33,075,108)	-	-	-	-	(33,075,108)
TOTAL LIABILITIES AND EQUITY	\$ 25,265,160	\$ -	\$ -	\$ -	\$ -	\$ 25,265,160

[1] As set forth above and explained with the Debtors' Schedules and Statements, balance sheet amounts are consolidated at the Quantum Foods, LLC level given the central role Quantum Foods, LLC plays with respect to all Debtor operations and related book-keeping vis-à-vis the other Debtors. Consequently, all balance sheet information shown for Quantum Foods, LLC respectively captures assets, liabilities and other information pertaining to the other four Debtors that are carried on, or reflected in, Quantum Foods, LLC's books and records in the ordinary course of business.

Quantum Foods, LLC, *et al.*

Debtors-in-Possession

MOR - 4

Consolidated Status of Postpetition Taxes
for June 14, 2014 to July 11, 2014

<i>In U.S. Dollars</i>	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability [1]
<u>Federal</u>						
Withholding	\$ 15,842	\$ 64,050	\$ (79,892)	Various	Various	\$ -
FICA - Employee	6,960	29,602	(36,562)	Various	Various	-
FICA - Employer	6,960	29,602	(36,562)	Various	Various	-
Unemployment	-	-	-	N/A	N/A	-
Income	-	-	-	N/A	N/A	-
Total Federal Taxes	29,762	123,253	(153,015)			-
<u>State and Local</u>						
Withholding	4,571	19,252	(23,823)	Various	Various	-
IL Sales & Use Tax [2]	-	-	-	N/A	N/A	-
Unemployment	41	159	(201)	Various	Various	-
IL Property Tax	20,726	34,592	-	N/A	N/A	55,319
Total State and Local	25,339	54,004	(24,024)			55,319
Total Taxes	\$ 55,100	\$ 177,257	\$ (177,039)			\$ 55,319

[1] These amounts represent withholdings to be paid to the applicable taxing authorities in the ordinary course of business.

[2] The Debtors pay these taxes as they come due and do not accrue any amounts with respect to them.

Quantum Foods, LLC, et al.**Debtors-in-Possession****MOR - 4a****Consolidated Summary of Unpaid Postpetition Debts
as of July 11, 2014**

<i>In U.S. Dollars</i>	Number of Days Outstanding					
	0-30	31-45	46-60	61-75	Over 75	Total
Accounts Payable, Trade	\$ -	\$ (605,606)	\$ (586,981)	\$ (3,626,680)	\$ (1,123,822)	\$ (5,943,089)
Inventory Received Not Vouchered [1] [2]						(189,235)
Accounts Payable, Manual [1] [3]						459,804
						\$ (5,672,520)

[1] Inventory Received Not Vouchered and Accounts Payable, Manual are not aged.

[2] Represents the value of inventory received from various suppliers, for which a related invoice had not been received by the Debtors, as of period-end.

[3] Represents payables manually entered into the Debtors' financial reporting system. The net debit balance as of period-end reflects adjustments recorded to account for various vendor prepayments and payable accruals, for which the Debtors' had not received the related goods or services as of June 13, 2014.

Quantum Foods, LLC, et al.**Debtors-in-Possession****MOR - 5****Consolidated Summary of Accounts Receivable
as of July 11, 2014**

<i>In U.S. Dollars</i>	Number of Days Outstanding						
	Current	1-9	10-30	31-60	61-75	Over 75	Total
Trade Receivables	\$ -	\$ -	\$ -	\$ 941,698	\$ 870,391	\$ 295,982	\$ 2,108,071
Allowance for Bad Debts [1]							(1,228,442)
Accounts Receivable, Other [1] [2]							297,585
							\$ 1,177,215

[1] Allowance for Bad Debts and Accounts Receivable, Other are not aged.

[2] Primarily represents non-trade receivables due from an affiliated, non-Debtor entity.

Quantum Foods, LLC, et al.
Debtors-in-Possession
MOR - 5a
Debtors' Questionnaire
for June 14, 2014 to July 11, 2014

	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. <ul style="list-style-type: none"> <i>In accordance with the Debtors' wind-down budget and ongoing liquidation efforts, the Debtors sold substantially all owned and leased machinery and equipment, in addition to certain excess inventory at a discount to book value during the reporting period, in an effort to maximize recoveries for the estates and the Debtors' creditors.</i> 	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 accounts(s). If an investment account has been opened, provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X