

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE**

In re:

SGR WINDDOWN, INC., et al.,¹

Debtors.

Chapter 11

Case No. 19-11973 (MFW)

(Jointly Administered)

**AMENDED SCHEDULES OF ASSETS AND LIABILITIES FOR
SUGARFINA INTERNATIONAL, LLC, (CASE NO. 19-11974)**

¹ The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number or Canadian Revenue Agency, as applicable are (1) SGR Winddown, Inc., a Delaware corporation (4356), (2) SGR Winddown International, LLC, a Delaware limited liability company (1254), and (3) SGR Canada Winddown Legacy, Ltd. (4480). The location of the Debtors' corporate headquarters is 1700 E. Walnut Ave, 5th Floor, El Segundo, California 90245

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**GLOBAL NOTES, STATEMENT OF LIMITATIONS, METHODOLOGY
AND DISCLAIMERS AND SPECIFIC DISCLOSURES REGARDING
DEBTORS' AMENDED SCHEDULES OF ASSETS AND
LIABILITIES AND AMENDED STATEMENTS OF FINANCIAL AFFAIRS**

Introduction

SGR Winddown, Inc., SGR Winddown International, LLC, SGR Canada Winddown Legacy, Ltd. (collectively, the “Debtors”) submit their Amended *Schedules of Assets and Liabilities* (the “Amended Schedules”) and *Statement of Financial Affairs* (the “Amended Statements” and, together with the Schedules, the “Amended Schedules and Statements”) pursuant to section 521 of title 11 of the United States Code (the “Bankruptcy Code”) and Rule 1007 of the Federal Rules of Bankruptcy Procedure.

These Global Notes and Statement of Limitations, Methodology and Disclaimers Regarding Debtors’ Amended Schedules of Assets and Liabilities and Statements of Financial Affairs (the “Global Notes”) pertain to, are incorporated by reference in, and constitute an integral part of, each of the Debtors’ Amended Schedules and Statements. Any party reviewing the Amended Schedules and Statements should refer to, consider and consult the Global Notes in connection with such review.

These Global Notes consist of: (I) general comments regarding the Amended Schedules and Statements; (II) specific disclosures applicable to the Debtors’ Amended Schedules; and (III) specific disclosures applicable to the Debtors’ Amended Statements.

On September 6, 2019 (the “Petition Date”), the Debtors each filed a voluntary petition for relief under chapter 11 of the Bankruptcy Code with the United States Bankruptcy Court for the District of Delaware (the “Delaware Bankruptcy Court”).

The Amended Schedules and Statements were prepared by the Debtors’ financial advisor and the

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Debtors' counsel, and they are unaudited. The Debtors' professionals who are responsible for the preparation of the Amended Schedules and Statements have made a reasonable effort based upon information known to them at the time to ensure that the Amended Schedules and Statements are accurate and complete after reasonable inquiry. The Debtors reserve their right to amend and/or supplement their Amended Schedules and Statements from time to time as may be necessary or appropriate and they will do so as information becomes available.

General Comments Regarding the Amended Schedules and Statements

1. **Global Notes Control.** In the event that the Amended Schedules and Statements differ from the Global Notes, the Global Notes shall control.

2. **Reservation of Rights.** The Debtors and their advisors have made reasonable efforts to prepare and file complete and accurate Amended Schedules and Statements; however, inadvertent errors or omissions in the Amended Schedules and Statements may exist. The Debtors reserve all rights to amend, supplement or otherwise modify the Amended Schedules and Statements from time to time, in all respects, as may be necessary or appropriate, including, without limitation, the right to amend the Amended Schedules and Statements with respect to the description or designation of any claim against any Debtor (including, without limitation, reserving the right to: (a) alter the description or designation of any claim; (b) dispute or otherwise assert a right of setoff or other defenses to any claim, including, without limitation, any defenses relating to amount, liability, priority, status or classification; (c) subsequently designate any claim as "disputed," "contingent," or "unliquidated"; and/or (d) object to the extent, validity, enforceability, priority or avoidability of any claim). The absence of a "disputed," "contingent," or "unliquidated" designation with respect to any claim or amount in the Amended Schedules and Statements does not constitute an admission by the Debtors that such claim or amount is not "disputed," "contingent," or "unliquidated."

3. **Basis of Presentation.** Except as otherwise noted herein or in the Amended Schedules and Statements, the Amended Schedules and Statements are intended to reflect the separate assets and liabilities for each of the Debtors.

4. **Valuation of Assets.** Many of these assets of the Debtors' as set forth in the Amended Schedules and Statements are premised upon valuations that were provided to the Debtors. Except as otherwise noted, the Debtors have not formally evaluated the valuation of the assets or updated the assets contained therein or updated such valuation as of the Petition Date, and are presented as they appear on the Debtors' ledgers.

5. **Statute of Limitations for Personal Injury Claims.** The Debtors have made their best efforts to set forth known causes of action by third parties. The Debtors are unaware of any actions against them for personal injury claims; however the statute of limitations under applicable non-bankruptcy law may not have yet passed.

6. **Totals.** All totals that are included in the Amended Schedules and Statements represent totals of all known amounts. To the extent there are unknown or undetermined amounts, the actual total may be different than the listed total. In addition, even where not marked as

contingent, unliquidated or disputed, totals may represent the sum of all unpaid invoices issued by any creditor, as reflected in the applicable Debtors' books and records, without reference to any credits, allowances, defenses or counterclaims that may exist with respect to such invoices. The Debtors reserve all of their rights with respect to any such defenses or counterclaims, including, without limitation, the right to amend the Amended Schedules and Statements as necessary or appropriate.

7. **Canadian dollars.** All dollar amounts listed in the Amended Schedules and Statements for Sugarfina International and Sugarfina (Canada) Ltd. and Sugarfina International, LLC are in Canadian Dollars.

Specific Disclosures Regarding the Debtors' Amended Schedules

Schedule D – Creditors Holding Secured Claims

The descriptions provided in Schedule D are intended to be only a summary. Reference to the applicable loan agreements and related documents is necessary for a complete description of the collateral and the nature, extent and priority of any liens. Nothing in these Global Notes or the Amended Schedules and Statements shall be deemed to be a modification or interpretation of the terms of such agreements. Further, the Debtors have identified the secured claims of which they are aware, however there may be other claimants, including taxing entities, utility companies or other service providers who may assert a claim for which they may be entitled a security interest, as a matter of law.

Schedule E/F – Creditors Holding Priority Unsecured Claims

The claims identified in Schedule E/F Part 2 arose or were incurred on various dates. In certain instances, the date on which a claim arose is an open issue of fact. Although reasonable efforts have been made to identify the date each claim was incurred or arose, determining each such date would be unduly burdensome and cost prohibitive. In addition, claims identified in Schedule E/F Part 2 have been aggregated by the creditor and may include several dates of incurrence for the aggregate balance listed. As such, Schedule E/F Part 2 does not include the date of incurrence for every claim identified thereon.

Schedule E/F may reflect the prepetition amounts owing to parties holding priority claims, including on account of outstanding wages. Such prepetition amounts may be paid in connection with the order authorizing the Debtors to pay employees' wages entered by this Court.

Schedule E/F may also reflect the prepetition amounts owing to counterparties to executory contracts and unexpired leases. Such prepetition amounts may be paid in connection with the assumption, or assumption and assignment, of an executory contract or unexpired lease. Additionally, Schedule E/F Part 2 does not attempt to anticipate any potential rejection damage claims of the counterparties to executory contracts and unexpired leases that may be rejected.

Question 3:

Schedule E for each of the Debtors contains a list of the tax claims known by the Debtors on the Petition Date. If the Debtors learn of any additional claims of taxing entities who are entitled to assert priority claims, the Debtors will amend their Amended Schedules.

Schedule E/F Part 2 - Creditors Holding Nonpriority Unsecured Claims

Attached as Exhibit E-4 to Schedule E is a list of all claimants known to the Debtors after conducting a reasonable investigation of their books and records. There may be additional claimants who the Debtors have no basis for knowing,

Schedule G – Executory Contracts and Unexpired Leases

The businesses of the Debtors are complex and, the Debtors' professionals endeavored to determine the contracts to which the Debtors are parties to equipment leases, supply agreements and other contacts. The Debtors will supplement Schedule G in the event that they are able to determine the names and other information regarding executory contracts and unexpired leases to which either of the Debtors were a party on the Petition Date.

Schedule H - Co-Debtors.

The Debtors listed parties that are either principal obligors or guarantors with respect to the Debtors' secured claims. The Debtors are unaware of any other obligations for which third parties may be liable, although there may be other claims in which individuals or insurers may be jointly or severally liable.

Specific Disclosures Regarding the Debtors' Amended Statements

Question 2 – Non-business Revenue – The Debtors are not aware of any revenue not listed on Amended Statements Exhibit 1, although there may be incidental income received by the Debtors such as interest received on account of money held in the one or more of the bank accounts.

Question 3 – Certain Payments or Transfers to Creditors Within 90 days Before Filing this Case. Attached as Statement Exhibit 3 to the Debtors' Amended Statements are payments made to creditors during the preference period. The Debtors' responses to Question 3 include any disbursement or other transfer made by the Debtors except for those made to potential insiders or other Debtors (which payments appear in response to Question 4). Further Statement Exhibit 3 does not include income or benefits paid for the benefit of specific Debtors' Employees, but to other parties on account of the Employees' 401k plan, and on account of payroll, fees, garnishments, and other compensation-related items. This also does not include payments to bankruptcy professionals (which payments appear in response to Question 11).

Question 4 – Payments or Other Transfers of Property Made Within 1 Year Before Filing this Case That Benefited Any Insider. Amended Statements Exhibit 4 to the Debtors' Amended Statements lists all known transfers of property that benefited an insider.

Question 6 – Set-offs. The Debtors are unaware of any setoffs made during the ninety (90) days immediately prior to the Petition Date.

Question 8 – Assignments and receivership. The Debtors were not the subject of an assignment or receivership prior to the Petition Date.

Question 10 – Casualty Losses. The Debtors are not aware of any casualty losses.

Questions 28-30 – Questions Relating to the Debtors’ Officers, Directors, Managing Members, General Partners, Members in Control, Controlling Shareholders, or Other People in Control. Attached as Statement Exhibit 28 to each of the Debtors’ Statements is a list of all of the Debtors’ Officers, Directors, Members, Shareholders, or Other People in Control.

Fill in this information to identify the case and this filing:

Debtor Name Sugarfina International, LLC

United States Bankruptcy Court for the: _____ District of Delaware
(State)

Case number (if known): 19-11974

Official Form 202**Declaration Under Penalty of Perjury for Non-Individual Debtors**

12/15

An individual who is authorized to act on behalf of a non-individual debtor, such as a corporation or partnership, must sign and submit this form for the schedules of assets and liabilities, any other document that requires a declaration that is not included in the document, and any amendments of those documents. This form must state the individual's position or relationship to the debtor, the identity of the document, and the date. Bankruptcy Rules 1008 and 9011.

WARNING -- Bankruptcy fraud is a serious crime. Making a false statement, concealing property, or obtaining money or property by fraud in connection with a bankruptcy case can result in fines up to \$500,000 or imprisonment for up to 20 years, or both. 18 U.S.C. §§ 152, 1341, 1519, and 3571.

Declaration and signature

I am the president, another officer, or an authorized agent of the corporation; a member or an authorized agent of the partnership; or another individual serving as a representative of the debtor in this case.

I have examined the information in the documents checked below and I have a reasonable belief that the information is true and correct:

- ☐ *Schedule A/B: Assets—Real and Personal Property* (Official Form 206A/B)
- ☐ *Schedule D: Creditors Who Have Claims Secured by Property* (Official Form 206D)
- ☐ *Schedule E/F: Creditors Who Have Unsecured Claims* (Official Form 206E/F)
- ☐ *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G)
- ☐ *Schedule H: Codebtors* (Official Form 206H)
- ☐ *Summary of Assets and Liabilities for Non-Individuals* (Official Form 206Sum)
- ☒ Amended Schedule Summary of Assets and Liabilities for Non-Individuals
- ☐ *Chapter 11 or Chapter 9 Cases: List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders* (Official Form 204)
- ☐ Other document that requires a declaration _____

I declare under penalty of perjury that the foregoing is true and correct.

Executed on 12 / 20 / 2019
MM / DD / YYYY

X/s/ Lance Miller

Signature of individual signing on behalf of debtor

Lance Miller

Printed name

Chief Restructuring Officer

Position or relationship to debtor

Fill in this information to identify the case:

Debtor name Sugarfina International, LLC

United States Bankruptcy Court for the: _____ District of Delaware
(State)

Case number (if known): 19-11974

☐ Check if this is an amended filing

Official Form 206Sum**Summary of Assets and Liabilities for Non-Individuals**

12/15

Part 1: Summary of Assets**1. Schedule A/B: Assets—Real and Personal Property** (Official Form 206A/B)

| | |
|---|------------------------------|
| 1a. Real property: Copy line 88 from <i>Schedule A/B</i> | \$ 0.00 |
| 1b. Total personal property: Copy line 91A from <i>Schedule A/B</i> | \$ 80,196.73 Plus Unknown |
| 1c. Total of all property: Copy line 92 from <i>Schedule A/B</i> | \$ 80,196.73 Plus Unknown |

Part 2: Summary of Liabilities**2. Schedule D: Creditors Who Have Claims Secured by Property** (Official Form 206D)

Copy the total dollar amount listed in Column A, *Amount of claim*, from line 3 of *Schedule D*.....

\$ 0.00

3. Schedule E/F: Creditors Who Have Unsecured Claims (Official Form 206E/F)

| | |
|--|-----------|
| 3a. Total claim amounts of priority unsecured claims: Copy the total claims from Part 1 from line 5a of <i>Schedule E/F</i> | \$ 0.00 |
| 3b. Total amount of claims of nonpriority amount of unsecured claims: Copy the total of the amount of claims from Part 2 from line 5b of <i>Schedule E/F</i> | + \$ 0.00 |

4. Total liabilities.....

Lines 2 + 3a + 3b

\$ 0.00