

UNITED STATES BANKRUPTCY COURT
DISTRICT OF OREGON

In re

NORPAC Foods, Inc. [TIN 9330],
Hermiston Foods, LLC [TIN 3927], and
Quincy Foods, LLC [TIN 7444],

Debtors.

Case No. 19-62584-pcm11
LEAD CASE

(Jointly Administered with Case
Nos. 19-33102-pcm11 and
19-33103-pcm11)

STATEMENT OF FINANCIAL AFFAIRS FOR
HERMISTON FOODS, LLC (CASE NO. 19-33102)



193310219091700000000002

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

NORPAC Foods, Inc. *et al.*, the above-referenced debtors and debtors in possession (collectively, the “Debtors”), as debtors in possession in the above-captioned chapter 11 cases, with the assistance of their advisors and attorneys, are filing their Schedules of Assets and Liabilities (the “Schedules”) and Statements of Financial Affairs (the “Statements” or “SOFAs”) in the Bankruptcy Court for the District of Oregon, (the “Bankruptcy Court”) 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 (the “Bankruptcy Rules”).

These Global Notes and Statements of Limitations, Methodology, and Disclaimers regarding the Debtors’ Schedules and Statements (collectively, the “Global Notes”) pertain to, are incorporated by reference in, and comprise an integral part of all of the Debtors’ Schedules and Statements. The Global Notes should be referred to, considered, and reviewed in connection with any review of the Schedules and Statements.

The Statements and Schedules do not purport to represent financial statements prepared in accordance with Generally Accepted Accounting Principles in the United States (“GAAP”), nor are they intended to be fully reconciled with the financial statements of the Debtors. Additionally, the Statements and Schedules contain unaudited information that is subject to further review, potential adjustment, and reflect the Debtors’ commercially reasonable efforts to report the assets and liabilities of each of the Debtors.

The information continued in the Statements and Schedules was prepared based on the best information available and to our knowledge and belief. The Debtors and their agents, attorneys, and financial advisors do not guarantee or warrant the accuracy or completeness of the data that is provided herein and shall not be liable for any loss or injury arising out of or caused in whole or in part by the acts, errors, or omissions, whether negligent or otherwise, in procuring, compiling, collecting, interpreting, reporting, communicating, or delivering the information contained herein. While commercially reasonable efforts have been made to provide accurate and complete information herein, inadvertent errors or omissions may exist. The Debtors and their agents, attorneys, and financial advisors expressly does not undertake any obligation to update, modify, revise, or re-categorize the information provided herein, or to notify any third party should the information be updated, modified, revised, or re-categorized. In no event shall the Debtors or their agents, attorneys, and financial advisors be liable to any third party for any direct, indirect, incidental, consequential, or special damages (including, but not limited to, damages arising from the disallowance of a potential claim against any Debtor or damages to business reputation, lost business, or lost profits), whether foreseeable or not and however caused, even if the Debtors or their agents, attorneys, and financial advisors are advised of the possibility of such damages.

Chief Restructuring Officer Winston Mar has signed each of the Statements and Schedules. Mr. Mar is an authorized signatory for the Debtors. In reviewing and signing the Statements and Schedules, Mr. Mar has relied upon the efforts, statements, and

representations of various personnel employed by the Debtors and their advisors. Mr. Mar has not (and could not have) personally verified the accuracy of each statement and representation contained in the Statements and Schedules, including statements and representations concerning amounts owed to creditors, classification of such amounts, and creditor addresses.

Global Notes and Overview of Methodology

Reservation of Rights. Reasonable efforts have been made to prepare and file complete and accurate Statements and Schedules; however, inadvertent errors or omissions may exist. The Debtors reserve all rights to (i) amend or supplement the Statements and Schedules from time to time, in all respects, as may be necessary or appropriate, including, without limitation, the right to amend the Statements and Schedules with respect to claim (“Claim”) description or designation; (ii) dispute or otherwise assert offsets or defenses to any Claim reflected in the Statements and Schedules as to amount, liability, priority, status or classification; (iii) subsequently designate any Claim as “disputed,” “contingent,” or “unliquidated;” or object to the extent, validity, enforceability, priority, or avoidability of any Claim. Any failure to designate a Claim in the Statements and Schedules as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by Debtor that such Claim or amount is not “disputed,” “contingent,” or “unliquidated.” Listing a Claim does not constitute an admission of liability by the Debtor against which the Claim is listed. Furthermore, nothing contained in the Statements and Schedules shall constitute a waiver of rights with respect to each Debtor’s chapter 11 case, including, without limitation, issues involving Claims, substantive consolidation, defenses, equitable subordination, and/or causes of action arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers. Any specific reservation of rights contained elsewhere in the Global Notes does not limit in any respect the general reservation of rights contained in this paragraph. Notwithstanding the foregoing, the Debtors shall not be required to update the Statements and Schedules except as may be required by applicable law.

2. Description of the Case and “As Of” Information Date. On August 22, 2019 (the “Petition Date”), each Debtor filed its voluntary petition for relief under chapter 11 of the Bankruptcy Code. The Debtors are operating their business as debtors in possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. Unless otherwise indicated, the asset information provided herein represents the asset data as of the close of business on August 22, 2019. Unless otherwise indicated, the liability information represents the liability data of the Debtors as of the close of business on August 22, 2019, except as otherwise noted.

3. Estimated Value of Assets. Unless otherwise indicated, the asset data contained in the Statements and Schedules reflect estimates of value as of August 22, 2019. Book values of assets prepared in accordance with GAAP generally do not reflect the current market value of the assets and may differ materially from the actual value of the underlying assets.

4. Recharacterization. Notwithstanding the Debtors’ commercially reasonable efforts to properly characterize, classify, categorize, or designate certain Claims, assets, executory contracts, unexpired leases, and other items reported in the Statements and Schedules, the

Debtors may nevertheless have improperly characterized, classified, categorized, designated, or omitted certain items due to the complexity and the Debtors' financial statements and recent turnover in management. Accordingly, the Debtors reserve all their rights to re-characterize, reclassify, recategorize, re-designate, add, or delete items reported in the Statements and Schedules at a later time as is necessary or appropriate as additional information becomes available, including, without limitation, whether contracts or leases listed herein were deemed executory or unexpired as of the Petition Date and remain executory and unexpired post petition. Disclosure of information in one or more Schedules, one or more Statement question, or one or more exhibits or attachments to the Statements and Schedules, even if incorrectly placed, shall be deemed to be disclosed in the correct Schedules, Statements, exhibits, or attachments.

5. Liabilities. The Debtors have sought to allocate liabilities between the prepetition and post-petition periods and between Debtor entities based on the information and research conducted in connection with the preparation of the Statements and Schedules. As additional information becomes available and further research is conducted, the allocation of liabilities between the prepetition and post-petition periods may change. Accordingly, each Debtor reserves all its rights to amend, supplement, or otherwise modify its Statements and Schedules as is necessary or appropriate. The liabilities listed on the Schedules do not reflect any analysis of Claims under section 503(b)(9) of the Bankruptcy Code. Accordingly, the Debtors reserve all their rights to dispute or challenge the validity of any asserted Claims under section 503(b)(9) of the Bankruptcy Code or the characterization of the structure of any such transaction or any document or instrument related to any creditor's Claim.

6. Excluded Assets and Liabilities. The Debtors may have inadvertently excluded certain categories of assets, tax accruals, and liabilities from the Statements and Schedules, including, without limitation, goodwill, accrued salaries, employee benefit accruals, and accrued accounts payable. The Debtors have also excluded rejection damage Claims of counterparties to executory contracts and unexpired leases that may or may not be rejected, to the extent such damage Claims exist. In addition, certain immaterial assets and liabilities may have been excluded.

7. Insiders. For purposes of the Statements and Schedules, the Debtors defined "insiders" pursuant to section 101(31) of the Bankruptcy Code as: (a) directors; (b) officers; (c) persons in control of the Debtors; (d) relatives of the Debtors' directors, officers or persons in control of the Debtors; and (e) debtor/non-debtor affiliates of the foregoing. Persons listed as "insiders" have been included for informational purposes only and the inclusion of them in the Statements and Schedules, shall not constitute an admission that those persons are insiders for purposes of section 101(31) of the Bankruptcy Code. Moreover, the Debtors do not take any position with respect to: (a) any insider's influence over the control of the Debtors; (b) the management responsibilities or functions of any such insider; (c) the decision making or corporate authority of any such insider; or (d) whether the Debtors or any such insider could successfully argue that he or she is not an "insider" under applicable law or with respect to any theories of liability or for any other purpose.

8. Intellectual Property Rights. Exclusion of any intellectual property shall not be construed as an admission that such intellectual property rights have been abandoned, terminated, assigned,

expired by their terms, or otherwise transferred pursuant to a sale, acquisition, or other transaction.

9. Classifications. Listing (a) a Claim on Schedule D as “secured,” (b) a Claim on Schedule E/F as “priority,” (c) a Claim on Schedule E/F as “unsecured,” or (d) a contract on Schedule G as “executory” or “unexpired,” does not constitute an admission by any Debtor of the legal rights of the claimant or a waiver of any Debtor’s rights to recharacterize or reclassify such Claims or contracts or to setoff of such Claims.

10. Claims Description. Schedules D and E/F permit the Debtors to designate a Claim as “disputed,” “contingent,” and/or “unliquidated.” Any failure to designate a Claim on the Statements and Schedules as “disputed,” “contingent,” or “unliquidated” does not constitute an admission by any Debtor that such amount is not “disputed,” “contingent,” or “unliquidated,” or that such Claim is not subject to objection. The Debtors reserve all their rights to dispute, or assert offsets or defenses to, any Claim reflected on their Statement and Schedules on any grounds, including liability or classification. Additionally, the Debtors expressly reserve all their rights to subsequently designate such Claims as “disputed,” “contingent” or “unliquidated.” Moreover, listing a Claim does not constitute an admission of liability by the Debtor.

11. Causes of Action. Despite making commercially reasonable efforts to identify all known assets, the Debtors may not have listed all their causes of action or potential causes of action against third-parties as assets in the Statements and Schedules, including, without limitation, causes of actions arising under the provisions of chapter 5 of the Bankruptcy Code and any other relevant non-bankruptcy laws to recover assets or avoid transfers. The Debtors reserve all their rights with respect to any cause of action (including avoidance actions), controversy, right of setoff, cross-claim, counterclaim, or recoupment and any claim on contracts or for breaches of duties imposed by law or in equity, demand, right, action, lien, indemnity, guaranty, suit, obligation, liability, damage, judgment, account, defense, power, privilege, license, and franchise of any kind or character whatsoever, known, unknown, fixed or contingent, matured or unmatured, suspected or unsuspected, liquidated or unliquidated, disputed or undisputed, secured or unsecured, assertible directly or derivatively, whether arising before, on, or after the Petition Date, in contract or in tort, in law or in equity, or pursuant to any other theory of law (collectively, “Causes of Action”) it may have, and neither these Global Notes nor the Statements and Schedules shall be deemed a waiver of any claims or Causes of Action or in any way prejudice or impair the assertion of such claims or Causes of Action.

12. Summary of Significant Reporting Policies. The following is a summary of significant reporting policies

- Undetermined Amounts. The description of an amount as “unknown,” “unknown, investigating,” “cannot allocate,” “cannot value,” “N/A,” “TBD,” or “undetermined” is not intended to reflect upon the materiality of such amount.
- Totals. All totals that are included in the Statements and Schedules represent totals of all known amounts. To the extent there are unknown or undetermined amounts, the actual total maybe different than the listed total.

- Liens. Property and equipment listed in the Statements and Schedules are presented with our best knowledge of any liens that may attach (or have attached) to such property and equipment.

13. Currency. Unless otherwise indicated, all amounts are reflected in U.S. dollars. The amount listed in SOFA 18, the conversion from Canadian dollars to U.S. dollars is as of the date of the transfer, August 21, 2019.

14. Intercompany Payables and Receivables. Intercompany receivables/payables are set forth on Schedules A/B and E/F, respectively. The listing by each Debtor of any account between a Debtor and another affiliate is a statement of what appears in the Debtors' books and records and does not reflect any admission or conclusion of any Debtor regarding the allowance, classification, characterization, validity, or priority of such account. The Debtors take no position in these Statements and Schedules as to whether such accounts would be allowed as a Claim, an Interest, or not allowed at all. The Debtors and all parties in interest reserve all rights with respect to such accounts.

15. Employee Addresses. Current employee and director addresses have been reported as the Debtors' business address throughout the Statements and Schedules, where applicable.

16. Debtors' Addresses. For the purposes of the Statements and Schedules, for NORPAC Foods, Inc., the principal place of business address in Salem, Oregon was used; for Quincy Foods, LLC, the principal place of business address in Quincy, Washington was used; for Hermiston Foods, LLC, the principal place of business address in Hermiston, Oregon was used.

17. Global Notes Control. In the event that the Schedules or Statements differ from any of the foregoing Global Notes, the Global Notes shall control.

Specific Notes with Respect to the Debtors' Schedules of Assets and Liabilities. The Schedules neither purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors. Additionally, the Schedules contain unaudited information that is subject to further review and potential adjustment and reflect the Debtors' reasonable best efforts to report the assets and liabilities of each Debtor. Moreover, given, among other things, questions about the characterization of certain assets and the valuation and nature of certain liabilities, to the extent that any Debtor shows more assets than liabilities, this is not an admission that such Debtor was solvent as of the Petition Date or at any time before the Petition Date.

1. Schedule A/B, Part 3, Question 11 – Accounts Receivable

Doubtful or uncollected accounts amount is based on historical trends.

2. Schedule A/B, Part 4, Question 16 – Government bonds, corporate bonds, and other negotiable and non-negotiable instruments not included in Part 1.

Investments are the Debtor's interest in cooperatives and are listed at values based on capital credits. Market values may be materially different, and some investments may be illiquid.

3. Schedule A/B, Part 4, Question 22 – Other inventory or supplies.

Includes packaging and capitalized repairs and maintenance, carried at historical cost, and is based on management's best estimate as of the filing date.

4. Schedule A/B, Part 6, Question 28 – Crops – either planted or harvested.

Current value to be determined by the auction process and does not include a reserve of approximately \$2.2 million.

5. Schedule A/B, Part 6, Question 30 – Farm machinery and equipment.

Current value to be determined by the auction process.

6. Schedule A/B, Part 6, Question 31 – Farm and fishing supplies, chemicals, and feed.

Consists of only seed inventory and net book value is based on historical cost. Current value to be determined by the auction process.

7. Schedule A/B, Part 7, Questions 39 to 42 – Office furniture, office fixtures, office equipment, including all computer equipment and communications systems equipment and software and Collectibles.

Current value to be determined by the auction process.

8. Schedule A/B, Part 8, Question 47 – Automobiles, vans, trucks, motorcycles, trailers, and titled farm vehicles.

Current value to be determined by the auction process.

9. Schedule A/B, Part 8, Question 50 – Other machinery, fixtures, and equipment (including farm machinery and equipment).

Current value to be determined by the auction process.

10. Schedule A/B, Part 9, Question 55 – Any building, other improved real estate, or land which the debtor owns or in which the debtor has an interest.

Current value to be determined by the auction process.

11. Schedule A/B, Part 10 – Intangibles and intellectual property.

Current value to be determined by the auction process.

12. Schedule A/B, Part 11, Question 72 – Tax refunds and unused net operating losses (NOLs).

NOLs current value is based on an analysis conducted by PricewaterhouseCoopers in August 2019.

13. Schedule A/B, Part 11, Question 73 – Interests in insurance policies or annuities.

Consists of the executive life insurance policies on retired NORPAC executives and represents the current cash surrender value, net of any outstanding loans against such policies.

14. Schedule A/B, Part 11, Question 74 – Causes of action against third parties (whether or not a lawsuit has been filed).

Includes unauthorized deductions from customers and

15. Schedule D: Creditors Who Have Claims Secured by Property

Column A: Secured debt values are subject to change based on any agricultural liens. Column B: For CoBank ACG the value of collateral may be less depending on agricultural liens or other higher priority liens and claims.

16. Schedule E/F: Creditors Who Have Unsecured Claims, Part 2 – Creditors with NONPRIORITY Unsecured Claims

Nonpriority unsecured claims include accounts payable, grower payables, unpaid workers compensation claims, the money purchase pension plan, the defined benefit pension plan, the SERP plan, other potential withdrawal liabilities from multi-employer plans, other unpaid union dues and pension amounts, and trade spend and customer rebates. The nonpriority unsecured claims may not include checks canceled immediately prior to the bankruptcy filing, the Company is still in the process of reconciling these amounts.

17. Schedule G: Executory Contracts and Unexpired Leases

The Executory Contracts and Unexpired Leases disclosed are based on the best information available and to our knowledge and belief. We do not purport to claim this is a comprehensive listing.

Specific Notes with Respect to the Debtors' Statements of Financial Affairs. The Statements neither purport to represent financial statements prepared in accordance with GAAP, nor are they intended to be fully reconciled with the financial statements of the Debtors. Additionally, the Statements contain unaudited information that is subject to further review and potential adjustment and reflect the Debtors' reasonable best efforts to report the financial affairs of each Debtor.

Part 1: Number 1: Gross revenue from business.

Gross revenue for the beginning of this fiscal year to the filing date is based on management's best estimate as the filing date was not as of month end when financial information is reconciled.

Part 2: Number 6: Setoffs.

Includes unauthorized deductions that NORPAC is investigating.

Part 4: Number 9: All gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000.

Information is to the best of management's knowledge and may be incomplete. Values of noncash contributions are stated at cost.

Part 12: Numbers 22 – 24: Details About Environmental Information.

To the knowledge of current management, all environmental issue since 2014 have been disclosed.

Part 13: Question 31: Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

For tax purposes, Quincy Foods, LLC and Hermiston Foods, LLC are disregarded entities.

Fill in this information to identify the case:

Debtor Name: In re : Hermiston Foods, LLC
United States Bankruptcy Court for the: District Of Oregon
Case number (if known): 19-33102 (PM)

Check if this is an amended filing

Official Form 207

Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy 04/19

The debtor must answer every question. If more space is needed, attach a separate sheet to this form. On the top of any additional pages, write the debtor's name and case number (if known).

Part 1: Income

1. Gross revenue from business

None

| Identify the beginning and ending dates of the debtor's fiscal year, which may be a calendar year | Sources of revenue Check all that apply | Gross revenue (before deductions and exclusions) |
|--|---|---|
| From the beginning of the fiscal year to filing date: From _____ to Filing date MM / DD / YYYY | <input type="checkbox"/> Operating a business <input type="checkbox"/> Other _____ | \$ _____ |
| For prior year: From _____ to _____ MM / DD / YYYY MM / DD / YYYY | <input type="checkbox"/> Operating a business <input type="checkbox"/> Other _____ | \$ _____ |
| For the year before that: From _____ to _____ MM / DD / YYYY MM / DD / YYYY | <input type="checkbox"/> Operating a business <input type="checkbox"/> Other _____ | \$ _____ |

2. Non-business revenue

Include revenue regardless of whether that revenue is taxable. Non-business income may include interest, dividends, money collected from lawsuits, and royalties. List each source and the gross revenue for each separately. Do not include revenue listed in line 1.

None

| | | Description of sources of revenue | Gross revenue from each source (before deductions and exclusions) |
|--|---|-----------------------------------|---|
| From the beginning of the fiscal year to filing date: | From <u>4/01/2019</u> to Filing date | Land Rental | \$ <u>0.00</u> |
| | <small>MM / DD / YYYY</small> | | |
| For prior year: | From <u>4/01/2018</u> to <u>3/31/2019</u> | Land Rental | \$ <u>0.00</u> |
| | <small>MM / DD / YYYY</small> <small>MM / DD / YYYY</small> | | |
| For the year before that: | From <u>4/01/2017</u> to <u>3/31/2018</u> | Land Rental | \$ <u>113,917.00</u> |
| | <small>MM / DD / YYYY</small> <small>MM / DD / YYYY</small> | | |

Part 2: List Certain Transfers Made Before Filing for Bankruptcy

3. Certain payments or transfers to creditors within 90 days before filing this case

List payments or transfers-including expense reimbursements-to any creditor, other than regular employee compensation, within 90 days before filing this case unless the aggregate value of all property transferred to that creditor is less than \$6,825 . (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.)

None

| Creditor's name and address | Dates | Total amount or value | Reasons for payment or transfer Check all that apply |
|--|-------|-----------------------|---|
| 3.1 See SOFA 3 Attachment Creditor's Name | | \$ | <input type="checkbox"/> Secured debt <input type="checkbox"/> Unsecured loan repayments <input type="checkbox"/> Suppliers or vendors <input type="checkbox"/> Services <input type="checkbox"/> Other |
| Street | | | |
| City State ZIP Code | | | |
| Country | | | |

4. Payments or other transfers of property made within 1 year before filing this case that benefited any insider

List payments or transfers, including expense reimbursements, made within 1 year before filing this case on debts owed to an insider or guaranteed or cosigned by an insider unless the aggregate value of all property transferred to or for the benefit of the insider is less than \$6,825. (This amount may be adjusted on 4/01/22 and every 3 years after that with respect to cases filed on or after the date of adjustment.) Do not include any payments listed in line 3. Insiders include officers, directors, and anyone in control of a corporate debtor and their relatives; general partners of a partnership debtor and their relatives; affiliates of the debtor and insiders of such affiliates; and any managing agent of the debtor. 11 U.S.C. § 101(31).

None

| Insider's Name and Address | Dates | Total amount or value | Reason for payment or transfer |
|-------------------------------|-------|-----------------------|--------------------------------|
| 4.1 Insider's Name | | \$ | |
| Street | | | |
| City State ZIP Code | | | |
| Country | | | |
| Relationship to Debtor | | | |

Name

5. Repossessions, foreclosures, and returns

List all property of the debtor that was obtained by a creditor within 1 year before filing this case, including property repossessed by a creditor, sold at a foreclosure sale, transferred by a deed in lieu of foreclosure, or returned to the seller. Do not include property listed in line 6.

None

| Creditor's Name and Address | Description of the Property | Date | Value of property |
|-----------------------------|-----------------------------|------|-------------------|
| 5.1 Creditor's Name | | | \$ |
| Street | | | |
| City State ZIP Code | | | |
| Country | | | |

6. Setoffs

List any creditor, including a bank or financial institution, that within 90 days before filing this case set off or otherwise took anything from an account of the debtor without permission or refused to make a payment at the debtor's direction from an account of the debtor because the debtor owed a debt.

None

| Creditor's Name and Address | Description of the action creditor took | Date action was taken | Amount |
|-----------------------------|---|-----------------------|--------|
| 6.1 Creditor's Name | | | \$ |
| Street | | | |
| | Last 4 digits of account number: XXXX- | | |
| City State ZIP Code | | | |
| Country | | | |

Part 3: Legal Actions or Assignments

7. Legal actions, administrative proceedings, court actions, executions, attachments, or governmental audits

List the legal actions, proceedings, investigations, arbitrations, mediations, and audits by federal or state agencies in which the debtor was involved in any capacity—within 1 year before filing this case.

None

| Case title | Nature of case | Court or agency's name and address | Status of case |
|------------|----------------|--|--|
| 7.1 | | Name Street City State ZIP Code Country | <input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded |
| | | Case number | |

8. Assignments and receivership

List any property in the hands of an assignee for the benefit of creditors during the 120 days before filing this case and any property in the hands of a receiver, custodian, or other court-appointed officer within 1 year before filing this case.

None

| Custodian's name and address | Description of the Property | Value |
|---|-----------------------------|--|
| 8.1 Custodian's name Street City State ZIP Code Country | | \$ |
| | Case title | Court name and address |
| | Case number | Name Street City State ZIP Code Country |
| | Date of order or assignment | |

Part 4: Certain Gifts and Charitable Contributions

9. List all gifts or charitable contributions the debtor gave to a recipient within 2 years before filing this case unless the aggregate value of the gifts to that recipient is less than \$1,000

None

| Recipient's name and address | Description of the gifts or contributions | Dates given | Value |
|---|---|-------------|-----------|
| 9.1 Eastern Oregon Trade and Event Center Creditor's Name 180 NE 2nd St Street Hermiston OR 97838 City State ZIP Code Country | Cash Per Pledge | 4/2018 | \$ 500.00 |
| Recipient's relationship to debtor | | | |
| None | | | |
| 9.2 Eastern Oregon Trade and Event Center Creditor's Name 180 NE 2nd St Street Hermiston OR 97838 City State ZIP Code Country | Cash Per Pledge | 3/2019 | \$ 500.00 |
| Recipient's relationship to debtor | | | |
| None | | | |

Part 5: Certain Losses

10. All losses from fire, theft, or other casualty within 1 year before filing this case.

None

| Description of the property lost and how the loss occurred | Amount of payments received for the loss If you have received payments to cover the loss, for example, from insurance, government compensation, or tort liability, list the total received. List unpaid claims on Official Form 106A/B (Schedule A/B: Assets – Real and Personal Property). | Date of loss | Value of property lost |
|---|--|---------------------|-------------------------------|
| 10.1 | | | \$ |

Part 6: Certain Payments or Transfers

11. Payments related to bankruptcy

List any payments of money or other transfers of property made by the debtor or person acting on behalf of the debtor within 1 year before the filing of this case to another person or entity, including attorneys, that the debtor consulted about debt consolidation or restructuring, seeking bankruptcy relief, or filing a bankruptcy case.

None

| Who was paid or who received the transfer? | If not money, describe any property transferred | Dates | Total amount or value |
|---|---|-------|-----------------------|
| 11.1 _____ | _____ | _____ | \$ _____ |
| Address | | | |
| Street _____ | | | |
| _____ | | | |
| City _____ State _____ ZIP Code _____ | | | |
| Country _____ | | | |
| Email or website address | | | |
| _____ | | | |
| Who made the payment, if not debtor? | | | |
| _____ | | | |

12. Self-settled trusts of which the debtor is a beneficiary

List any payments or transfers of property made by the debtor or a person acting on behalf of the debtor within 10 years before the filing of this case to a self-settled trust or similar device. Do not include transfers already listed on this statement.

None

| Name of trust or device | Describe any property transferred | Dates transfers were made | Total amount or value |
|-------------------------|-----------------------------------|---------------------------|-----------------------|
| 12.1 _____ | _____ | _____ | \$ _____ |
| Trustee | | | |
| _____ | | | |

Name

13. Transfers not already listed on this statement

List any transfers of money or other property - by sale, trade, or any other means - made by the debtor or a person acting on behalf of the debtor within 2 years before the filing of this case to another person, other than property transferred in the ordinary course of business or financial affairs. Include both outright transfers and transfers made as security. Do not include gifts or transfers previously listed on this statement.

None

| Who received transfer? | Description of property transferred or payments received or debts paid in exchange | Date transfer was made | Total amount or value |
|-----------------------------------|--|------------------------|-----------------------|
| 13.1 Stanfiled Hutterian Brethren | Processing Facility | 4/12/2019 | \$ 4,500,000.00 |

Address

Street

36345 Despain Gulch Rd.

| | | |
|-----------|-------|----------|
| Stanfield | OR | 97875 |
| City | State | ZIP Code |

Country

Relationship to Debtor

None

| | | | |
|-----------------------------------|------|-----------|-----------------|
| 13.2 Stanfiled Hutterian Brethren | Land | 2/21/2018 | \$ 6,565,000.00 |
|-----------------------------------|------|-----------|-----------------|

Address

36345 Despain Gulch Rd.

Street

| | | |
|-----------|-------|----------|
| Stanfield | OR | 97875 |
| City | State | ZIP Code |

Country

Relationship to Debtor

None

Part 7: Previous Locations

14. Previous addresses

List all previous addresses used by the debtor within 3 years before filing this case and the dates the addresses were used.

Does not apply

| Address | | | Dates of occupancy | |
|---------|-----------------------------------|--------------------|--------------------------|-------------------|
| 14.1 | <u>222 Columbia Way</u> Street | | From <u>5/21/2004</u> | To <u>Current</u> |
| | <u>Quincy</u> City | <u>WA</u> State | <u>98848</u> ZIP Code | |
| | <u>Country</u> | | | |
| 14.2 | <u>3225 25th St. SE</u> Street | | From <u>5/01/2015</u> | To <u>Current</u> |
| | <u>Salem</u> City | <u>OR</u> State | <u>97302</u> ZIP Code | |
| | <u>Country</u> | | | |

Part 8: Health Care Bankruptcies

15. Health Care bankruptcies

Is the debtor primarily engaged in offering services and facilities for:
— diagnosing or treating injury, deformity, or disease, or
— providing any surgical, psychiatric, drug treatment, or obstetric care?

- No. Go to Part 9.
- Yes. Fill in the information below.

| Facility Name and Address | Nature of the business operation, including type of services the debtor provides | If debtor provides meals and housing, number of patients in debtor's care |
|---------------------------|---|--|
| 15.1 Facility Name | | |
| Street | Location where patient records are maintained (if different from facility address). If electronic, identify any service provider. | How are records kept? |
| City State ZIP Code | | Check all that apply: <input type="checkbox"/> Electronically <input type="checkbox"/> Paper |
| Country | | |

Part 9: Personally Identifiable Information

16. Does the debtor collect and retain personally identifiable information of customers?

- No.
- Yes. State the nature of the information collected and retained. _____
Does the debtor have a privacy policy about that information?
 - No
 - Yes

17. Within 6 years before filing this case, have any employees of the debtor been participants in any ERISA, 401(k), 403(b), or other pension or profit-sharing plan made available by the debtor as an employee benefit?

- No. Go to Part 10.
- Yes. Does the debtor serve as plan administrator?
 - No. Go to Part 10.
 - Yes. Fill in below:

| Name of plan | Employer identification number of the plan |
|---------------------------|--|
| 17.1 Defined Benefit Plan | EIN: 93-0289330 |

Has the plan been terminated?

- No
- Yes

Frozen 3/31/2013

| Name of plan | Employer identification number of the plan |
|---|--|
| 17.2 Employee Tax Deferred Savings Plan | EIN: 93-0289330 |

Has the plan been terminated?

- No
- Yes

| Name of plan | Employer identification number of the plan |
|----------------------------------|--|
| 17.3 Money Purchase Pension Plan | EIN: 93-0289330 |

Has the plan been terminated?

- No
- Yes

Part 10: Certain Financial Accounts, Safe Deposit Boxes, and Storage Units

18. Closed financial accounts

Within 1 year before filing this case, were any financial accounts or instruments held in the debtor's name, or for the debtor's benefit, closed, sold, moved, or transferred? Include checking, savings, money market, or other financial accounts; certificates of deposit; and shares in banks, credit unions, brokerage houses, cooperatives, associations, and other financial institutions.

None

| Financial institution name and address | Last 4 digits of account number | Type of account | Date account was closed, sold, moved, or transferred | Last balance before closing or transfer |
|--|---------------------------------|--|--|---|
| 18.1 _____ Name _____ Street _____ City _____ State _____ ZIP Code _____ Country _____ | XXXX- _____ | <input type="checkbox"/> Checking <input type="checkbox"/> Savings <input type="checkbox"/> Money market <input type="checkbox"/> Brokerage <input type="checkbox"/> Other _____ | _____ | \$ _____ |

19. Safe deposit boxes

List any safe deposit box or other depository for securities, cash, or other valuables the debtor now has or did have within 1 year before filing this case.

None

| Depository institution name and address | Names of anyone with access to it | Description of the contents | Does debtor still have it? |
|--|-----------------------------------|-----------------------------|---|
| 19.1 _____ Name _____ Street _____ City _____ State _____ ZIP Code _____ Country _____ | _____ | _____ | <input type="checkbox"/> No <input type="checkbox"/> Yes |
| Address _____ | | | |

Name

20. Off-premises storage

List any property kept in storage units or warehouses within 1 year before filing this case. Do not include facilities that are in a part of a building in which the debtor does business.

None

| Facility name and address | Names of anyone with access to it | Description of the contents | Does debtor still have it? |
|---------------------------|-----------------------------------|-----------------------------|------------------------------|
| 20.1 | | | <input type="checkbox"/> No |
| Name | | | <input type="checkbox"/> Yes |
| Street | | | |
| | | | |
| | | | |
| City | Address | | |
| State | | | |
| ZIP Code | | | |
| Country | | | |

Debtor: Hermiston Foods, LLC
Name

Case number (if known): 19-33102

Part 11: Property the Debtor Holds or Controls That the Debtor Does Not Own

21. Property held for another

List any property that the debtor holds or controls that another entity owns. Include any property borrowed from, being stored for, or held in trust. Do not list leased or rented property.

None

| Owner's name and address | Location of the property | Description of the property | Value |
|---|--------------------------|-----------------------------|----------|
| 21.1 Name _____ Street _____ _____ City _____ State _____ ZIP Code _____ Country _____ | | | \$ _____ |

Part 12: Details About Environmental Information

For the purpose of Part 12, the following definitions apply:

- *Environmental law* means any statute or governmental regulation that concerns pollution, contamination, or hazardous material, regardless of the medium affected (air, land, water, or any other medium).
- *Site* means any location, facility, or property, including disposal sites, that the debtor now owns, operates, or utilizes or that the debtor formerly owned, operated, or utilized.
- *Hazardous material* means anything that an environmental law defines as hazardous or toxic, or describes as a pollutant, contaminant, or a similarly harmful substance.

Report all notices, releases, and proceedings known, regardless of when they occurred.

22. Has the debtor been a party in any judicial or administrative proceeding under any environmental law? Include settlements and orders.

- No
 Yes. Provide details below.

| Case title | Court or agency name and address | Nature of the case | Status of case |
|--------------------|---------------------------------------|--------------------|--|
| 22.1 _____ | Name _____ Street _____ | _____ | <input type="checkbox"/> Pending <input type="checkbox"/> On appeal <input type="checkbox"/> Concluded |
| Case Number | _____ | _____ | |
| | City _____ State _____ ZIP Code _____ | | |
| | Country _____ | | |

23. Has any governmental unit otherwise notified the debtor that the debtor may be liable or potentially liable under or in violation of an environmental law?

- No
 Yes. Provide details below.

| Site name and address | Governmental unit name and address | Environmental law, if known | Date of notice |
|---------------------------------------|---------------------------------------|-----------------------------|----------------|
| 23.1 Name _____ | Name _____ | _____ | _____ |
| Street _____ | Street _____ | | |
| _____ | _____ | | |
| City _____ State _____ ZIP Code _____ | City _____ State _____ ZIP Code _____ | | |
| Country _____ | Country _____ | | |

Name

24. Has the debtor notified any governmental unit of any release of hazardous material?

No

Yes. Provide details below.

| Site name and address | Governmental unit name and address | Environmental law, if known | Date of notice |
|-----------------------|------------------------------------|-----------------------------|----------------|
|-----------------------|------------------------------------|-----------------------------|----------------|

24.1

| | | | | | | | |
|---------|--|--|---------|--|--|-------|----------|
| Name | | | Name | | | | |
| Street | | | Street | | | | |
| City | | | City | | | State | ZIP Code |
| Country | | | Country | | | | |

Part 13: Details About the Debtor's Business or Connections to Any Business

25. Other businesses in which the debtor has or has had an interest

List any business for which the debtor was an owner, partner, member, or otherwise a person in control within 6 years before filing this case. Include this information even if already listed in the Schedules.

None

| 25.1 | Business name and address | Describe the nature of the business | Employer Identification number |
|------|---------------------------|-------------------------------------|--|
| | | | Do not include Social Security number or ITIN. |
| | Name | | EIN: |
| | Street | | Dates business existed |
| | | | From _____ To _____ |
| | City State ZIP Code | | |
| | Country | | |

26. Books, records, and financial statements

26a. List all accountants and bookkeepers who maintained the debtor's books and records within 2 years before filing this case.

None

| 26a.1 | Name and Address | Dates of service | |
|-------|--------------------------------------|------------------|-----------|
| | | From | To |
| | James Fontaine, Controller | 9/14/2016 | 3/15/2019 |
| | Name | | |
| | 3225 25th St. SE | | |
| | Street | | |
| | | | |
| | Salem OR 97302 | | |
| | City State ZIP Code | | |
| | Country | | |
| | | | |
| | Randal Berning, Interim - Controller | 3/16/2019 | Current |
| | Name | | |
| | 3225 25th St. SE | | |
| | Street | | |
| | | | |
| | Salem OR 97302 | | |
| | City State ZIP Code | | |
| | Country | | |
| | | | |
| | Richard Munekiyo, CFO | 7/24/2017 | 8/09/2019 |
| | Name | | |
| | 3225 25th St. SE | | |
| | Street | | |
| | | | |
| | Salem OR 97302 | | |
| | City State ZIP Code | | |
| | Country | | |

Name

26b. List all firms or individuals who have audited, compiled, or reviewed debtor's books of account and records or prepared a financial statement within 2 years before filing this case.

None

| Name and Address | | Dates of service | |
|------------------|-----------------------------|------------------|------------------------|
| 26b.1 | Aldrich CPAs + Advisors LLP | From | 3/31/2017 To 6/12/2019 |
| | Name | | |
| | 680 Hawthorne Ave. SE #140 | | |
| | Street | | |
| | Salem OR 97301 | | |
| | City State ZIP Code | | |
| | Country | | |
| 26b.2 | PricewaterhouseCoopers LLP | From | 3/31/2017 To 6/12/2019 |
| | Name | | |
| | 805 SW Broadway, Suite 800 | | |
| | Street | | |
| | Portland OR 97205 | | |
| | City State ZIP Code | | |
| | Country | | |

26c. List all firms or individuals who were in possession of the debtor's books of account and records when this case is filed.

None

| Name and address | If any books of account and records are unavailable, explain why |
|---------------------|--|
| 26c.1 | |
| Name | |
| Street | |
| City State ZIP Code | |
| Country | |

Name

26d. List all financial institutions, creditors, and other parties, including mercantile and trade agencies, to whom the debtor issued a financial statement within 2 years before filing this case.

None

Name and address

26d.1 See SOFA 26d Attachment

Name

Street

City

State

ZIP Code

Country

27. Inventories

Have any inventories of the debtor's property been taken within 2 years before filing this case?

No

Yes. Give the details about the two most recent inventories.

Name of the person who supervised the taking of the inventory

Date of Inventory

The dollar amount and basis (cost, market, or other basis) of each inventory

\$

Name and address of the person who has possession of inventory records

27.1

Name

Street

City

State

ZIP Code

Country

28. List the debtor's officers, directors, managing members, general partners, members in control, controlling shareholders, or other people in control of the debtor at the time of the filing of this case.

Name

Address

Position and Nature of any interest

% of interest, if any

28.1 See SOFA 28 Attachment

29. Within 1 year before the filing of this case, did the debtor have officers, directors, managing members, general partners, members in control of the debtor, or shareholders in control of the debtor who no longer hold these positions?

No

Yes. Identify below.

Name

Address

Position and Nature of any interest

Period during which position or interest was held

29.1

From _____ To _____

Name

30. Payments, distributions, or withdrawals credited or given to insiders

Within 1 year before filing this case, did the debtor provide an insider with value in any form, including salary, other compensation, draws, bonuses, loans, credits on loans, stock redemptions, and options exercised?

No

Yes. Identify below.

| Name and address of recipient | Amount of money or description and value of property | Dates | Reason for providing the value |
|---|--|-------|--------------------------------|
| 30.1 _____ Name _____ Street _____ _____ City _____ State _____ ZIP Code _____ Country _____ Relationship to debtor _____ | | | |

31. Within 6 years before filing this case, has the debtor been a member of any consolidated group for tax purposes?

No

Yes. Identify below.

| Name of the parent corporation | Employer Identification number of the parent corporation |
|--------------------------------|--|
| 31.1 _____ | EIN: _____ |

32. Within 6 years before filing this case, has the debtor as an employer been responsible for contributing to a pension fund?

No

Yes. Identify below.

| Name of the pension fund | Employer Identification number of the pension fund |
|---|--|
| 32.1 Defined Benefit Plan | EIN: 93-0289330 |
| 32.2 Employee Tax Deferred Savings Plan | EIN: 93-0289330 |
| 32.3 Money Purchase Pension Plan | EIN: 93-0289330 |

Part 14: Signature and Declaration

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.

I have examined the information in this *Statement of Financial Affairs* and any attachments and have a reasonable belief that the information is true and correct.

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

Executed on 09/17/2019
MM / DD / YYYY

x / s / Winston Mar _____

Printed name Winston Mar _____

Signature of individual signing on behalf of the debtor

Position or relationship to debtor Chief Restructuring Officer _____

Are additional pages to *Statement of Financial Affairs for Non-Individuals Filing for Bankruptcy* (Official Form 207) attached?

No

Yes

In re: Hermiston Foods, LLC

Case No. 19-33102

SOFA 3 Attachment

Certain payments or transfers to creditors within 90 days before filing this case

| Creditor's name | Address 1 | City | State | Zip | Date | Total amount or value | Reason for payment or transfer (e.g. Secured debt, Unsecured loan repayments, Suppliers or vendors, Services, or Other) |
|------------------------|------------------|-------------|--------------|------------|-------------|------------------------------|--|
| McMillan, Dennis | 15 Washington St | Umatilla | OR | 97882 | 5/31/2019 | \$5,000.00 | Vendors |
| McMillan, Dennis | 15 Washington St | Umatilla | OR | 97882 | 6/28/2019 | \$5,000.00 | Vendors |
| Providence Health Plan | PO Box 4167 | Portland | OR | 97208-4167 | 5/28/2019 | \$7,072.47 | Vendors |
| Providence Health Plan | PO Box 4167 | Portland | OR | 97208-4167 | 6/28/2019 | \$7,072.47 | Vendors |
| Providence Health Plan | PO Box 4167 | Portland | OR | 97208-4167 | 7/26/2019 | \$7,072.47 | Vendors |

In re: Hermiston Foods, LLC

Case No. 19-33102

SOFA 26d Attachment

Books, records and financial statements - Financial institution to whom financial statement was issued

| Name | Address 1 | Address 2 | City | State | Zip |
|--|-------------------------------|------------------|-------------------|--------------|------------|
| Alvarez & Marsal | 600 Madison Avenue | 8th Floor | New York | NY | 10022 |
| CoBank ACB | 6340 S. Fiddlers Green Circle | | Greenwood Village | CO | 80111 |
| D A Davidson Investment Banking | 611 Anton Blvd | Suite 600 | Costa Mesa | CA | 92626 |
| Hamstreet & Associates | 1 SW Columbia St | Suite 1575 | Portland | OR | 97258 |
| Metropolitan Life Insurance Company | 10801 Mastin Blvd | Suite 930 | Overland Park | KS | 66210 |
| Sierra Constellation Partners | 400 S. Hope Street | Suite 1050 | Los Angeles | CA | 90071 |
| State of Oregon, Workers' Compensation Division - Self Insurance | PO Box 14480 | | Salem | OR | 97309-0405 |
| State of Washington, Workers' Compensation Division - Self Insurance | PO Box 44891 | | Olympia | WA | 98504-4891 |
| Woodruff Sawyer Oregon, Inc. | 1050 SW 6th Ave. | Suite 1000 | Portland | OR | 97204 |

In re: Hermiston Foods, LLC

Case No. 19-33102

SOFA 28 Attachment

Current Partners, Officers, Directors and Shareholders

| Name | Address 1 | City | State | Zip | Position and nature of any interest | % of interest, if any |
|----------------------------------|------------------|-------|-------|-------|-------------------------------------|-----------------------|
| Alan Keudell | 3225 25th St. SE | Salem | OR | 97302 | Director | 2.15% |
| Delbert Haener | 3225 25th St. SE | Salem | OR | 97302 | Director | 1.39% |
| Doug Zielinski | 3225 25th St. SE | Salem | OR | 97302 | Director | 0.27% |
| Gary Butler | 3225 25th St. SE | Salem | OR | 97302 | Director | 2.30% |
| Gary Cook | 3225 25th St. SE | Salem | OR | 97302 | Director | 1.62% |
| Ken Hendricks | 3225 25th St. SE | Salem | OR | 97302 | Director | 2.07% |
| Larry Brown | 3225 25th St. SE | Salem | OR | 97302 | Advisory Director | 0% |
| Paul Scott | 3225 25th St. SE | Salem | OR | 97302 | VP of Operations | 0% |
| Robert Ashmun | 3225 25th St. SE | Salem | OR | 97302 | VP of Sales | 0% |
| Robert May | 3225 25th St. SE | Salem | OR | 97302 | Director | 1.14% |
| Shawn Campbell | 3225 25th St. SE | Salem | OR | 97302 | President & CEO | 0% |
| Sierra Constellation-Winston Mar | 3225 25th St. SE | Salem | OR | 97302 | Chief Restructuring Officer | 0% |
| Steve Koch | 3225 25th St. SE | Salem | OR | 97302 | Director | 1.44% |
| Tim Fallon | 3225 25th St. SE | Salem | OR | 97302 | Advisory Director | 0% |
| Tom Fessler | 3225 25th St. SE | Salem | OR | 97302 | Director | 2.37% |