

UNITED STATES BANKRUPTCY COURT

DISTRICT OF Delaware

In Re. Joe's Holdings LLC

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§

Debtor(s)

Case No. 21-11205

Lead Case No. 21-11194

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 10/31/2021

Petition Date: 08/31/2021

Months Pending: 2

Industry Classification: 5 3 3 1

Reporting Method:

Accrual Basis ☒

Cash Basis ☐

Debtor's Full-Time Employees (current):

0

Debtor's Full-Time Employees (as of date of order for relief):

0

Supporting Documentation (check all that are attached):

(For jointly administered debtors, any required schedules must be provided on a non-consolidated basis for each debtor)

- ☐ Statement of cash receipts and disbursements
- ☒ Balance sheet containing the summary and detail of the assets, liabilities and equity (net worth) or deficit
- ☒ Statement of operations (profit or loss statement)
- ☐ Accounts receivable aging
- ☐ Postpetition liabilities aging
- ☐ Statement of capital assets
- ☐ Schedule of payments to professionals
- ☐ Schedule of payments to insiders
- ☐ All bank statements and bank reconciliations for the reporting period
- ☐ Description of the assets sold or transferred and the terms of the sale or transfer

/s/ Timothy P. Cairns

Signature of Responsible Party

11/18/2021

Date

Timothy P. Cairns

Printed Name of Responsible Party

919 N Market St 17th Fl Wilmington DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore § 1320.4(a)(2) applies.



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Debtor's Name Joe's Holdings LLC

Case No. 21-11205

Part 1: Cash Receipts and Disbursements	Current Month	Cumulative
a. Cash balance beginning of month	\$0	
b. Total receipts (net of transfers between accounts)	\$0	\$0
c. Total disbursements (net of transfers between accounts)	\$0	\$0
d. Cash balance end of month (a+b-c)	\$0	
e. Disbursements made by third party for the benefit of the estate	\$0	\$0
f. Total disbursements for quarterly fee calculation (c+e)	\$0	\$0

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)	Current Month
a. Accounts receivable (total net of allowance)	\$444,580
b. Accounts receivable over 90 days outstanding (net of allowance)	\$0
c. Inventory (Book <input type="radio"/> Market <input type="radio"/> Other <input checked="" type="radio"/> (attach explanation))	\$0
d. Total current assets	\$48,781,037
e. Total assets	\$83,781,037
f. Postpetition payables (excluding taxes)	\$4,941,141
g. Postpetition payables past due (excluding taxes)	\$0
h. Postpetition taxes payable	\$0
i. Postpetition taxes past due	\$0
j. Total postpetition debt (f+h)	\$4,941,141
k. Prepetition secured debt	\$0
l. Prepetition priority debt	\$0
m. Prepetition unsecured debt	\$0
n. Total liabilities (debt) (j+k+l+m)	\$4,941,141
o. Ending equity/net worth (e-n)	\$78,839,896

Part 3: Assets Sold or Transferred	Current Month	Cumulative
a. Total cash sales price for assets sold/transferred outside the ordinary course of business	\$0	\$0
b. Total payments to third parties incident to assets being sold/transferred outside the ordinary course of business	\$0	\$0
c. Net cash proceeds from assets sold/transferred outside the ordinary course of business (a-b)	\$0	\$0

Part 4: Income Statement (Statement of Operations) (Not generally applicable to Individual Debtors. See Instructions.)	Current Month	Cumulative
a. Gross income/sales (net of returns and allowances)	\$486,997	
b. Cost of goods sold (inclusive of depreciation, if applicable)	\$0	
c. Gross profit (a-b)	\$486,997	
d. Selling expenses	\$8,184	
e. General and administrative expenses	\$0	
f. Other expenses	\$0	
g. Depreciation and/or amortization (not included in 4b)	\$0	
h. Interest	\$0	
i. Taxes (local, state, and federal)	\$0	
j. Reorganization items	\$0	
k. Profit (loss)	\$478,813	\$772,317

Debtor's Name Joe's Holdings LLC

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**Part 5: Professional Fees and Expenses**

a.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (bankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
	i					
	ii					

b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>					
	<i>Itemized Breakdown by Firm</i>					
		Firm Name	Role			
	i					
	ii					
c.	All professional fees and expenses (debtor & committees)					

**Part 6: Postpetition Taxes**

	Current Month	Cumulative
a. Postpetition income taxes accrued (local, state, and federal)	\$0	\$0
b. Postpetition income taxes paid (local, state, and federal)	\$0	\$0
c. Postpetition employer payroll taxes accrued	\$0	\$0
d. Postpetition employer payroll taxes paid	\$0	\$0
e. Postpetition property taxes paid	\$0	\$0
f. Postpetition other taxes accrued (local, state, and federal)	\$0	\$0
g. Postpetition other taxes paid (local, state, and federal)	\$0	\$0

**Part 7: Questionnaire - During this reporting period:**

- a. Were any payments made on prepetition debt? (if yes, see Instructions) Yes ☐ No ☒
- b. Were any payments made outside the ordinary course of business without court approval? (if yes, see Instructions) Yes ☐ No ☒
- c. Were any payments made to or on behalf of insiders? Yes ☐ No ☒
- d. Are you current on postpetition tax return filings? Yes ☒ No ☐
- e. Are you current on postpetition estimated tax payments? Yes ☒ No ☐
- f. Were all trust fund taxes remitted on a current basis? Yes ☒ No ☐
- g. Was there any postpetition borrowing, other than trade credit? (if yes, see Instructions) Yes ☐ No ☒
- h. Were all payments made to or on behalf of professionals approved by the court? Yes ☐ No ☐ N/A ☒
- i. Do you have:
- Worker's compensation insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- Casualty/property insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- General liability insurance? Yes ☒ No ☐
- If yes, are your premiums current? Yes ☒ No ☐ N/A ☐ (if no, see Instructions)
- j. Has a plan of reorganization been filed with the court? Yes ☒ No ☐

Debtor's Name Joe's Holdings LLC

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- k. Has a disclosure statement been filed with the court? Yes ☒ No ☐
- l. Are you current with quarterly U.S. Trustee fees as set forth under 28 U.S.C. § 1930? Yes ☒ No ☐

**Part 8: Individual Chapter 11 Debtors (Only)**

- |  |       |     |
|--|-------|-----|
| a. Gross income (receipts) from salary and wages                     | _____ | \$0 |
| b. Gross income (receipts) from self-employment                      | _____ | \$0 |
| c. Gross income from all other sources                               | _____ | \$0 |
| d. Total income in the reporting period (a+b+c)                      | _____ | \$0 |
| e. Payroll deductions  | _____ | \$0 |
| f. Self-employment related expenses                                  | _____ | \$0 |
| g. Living expenses   | _____ | \$0 |
| h. All other expenses  | _____ | \$0 |
| i. Total expenses in the reporting period (e+f+g+h)                  | _____ | \$0 |
| j. Difference between total income and total expenses (d-i)          | _____ | \$0 |
| k. List the total amount of all postpetition debts that are past due | _____ | \$0 |
- l. Are you required to pay any Domestic Support Obligations as defined by 11 U.S.C § 101(14A)? Yes ☐ No ☒
- m. If yes, have you made all Domestic Support Obligation payments? Yes ☐ No ☐ N/A ☒

**Privacy Act Statement**

28 U.S.C. § 589b authorizes the collection of this information, and provision of this information is mandatory under 11 U.S.C. §§ 704, 1106, and 1107. The United States Trustee will use this information to calculate statutory fee assessments under 28 U.S.C. § 1930(a)(6). The United States Trustee will also use this information to evaluate a chapter 11 debtor's progress through the bankruptcy system, including the likelihood of a plan of reorganization being confirmed and whether the case is being prosecuted in good faith. This information may be disclosed to a bankruptcy trustee or examiner when the information is needed to perform the trustee's or examiner's duties or to the appropriate federal, state, local, regulatory, tribal, or foreign law enforcement agency when the information indicates a violation or potential violation of law. Other disclosures may be made for routine purposes. For a discussion of the types of routine disclosures that may be made, you may consult the Executive Office for United States Trustee's systems of records notice, UST-001, "Bankruptcy Case Files and Associated Records." See 71 Fed. Reg. 59,818 et seq. (Oct. 11, 2006). A copy of the notice may be obtained at the following link: [http://www.justice.gov/ust/eo/rules\\_regulations/index.htm](http://www.justice.gov/ust/eo/rules_regulations/index.htm). Failure to provide this information could result in the dismissal or conversion of your bankruptcy case or other action by the United States Trustee. 11 U.S.C. § 1112(b)(4)(F).

**I declare under penalty of perjury that the foregoing Monthly Operating Report and its supporting documentation are true and correct and that I have been authorized to sign this report on behalf of the estate.**

/s/ Lorraine DiSanto

Signature of Responsible Party

Chief Financial Officer

Title

Lorraine DiSanto

Printed Name of Responsible Party

11/18/2021

Date

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	Sequential Brand Group, Inc and Subsidiaries				
	Balance Sheet				
	As of October 31, 2021				
		Joe's			
TAB		Holdings			
	Current Assets				
Cash	Cash and cash equivalents				
Cash	Restricted cash			Total AR	AR over 90 days
Lic Inc	Accounts receivable, license agreements		280,317		
Lic Inc	Unbilled AR		164,263	444,580	0
	Intercompany		48,336,457		
Avaml for sale	Available for sale securities				
Prepamd	Prepaid expenses and other current assets				
	Deferred tax asset - current				
	Disc Ops				
	Total Current Assets		48,781,037		
Fixed Assets	Property and equipment, net of acc deprec and amort				
LT Rec	Accounts receivable, license agreements, long term				
LT Rec	Long Term Receivables				
Intangibles	Intangibles, net of accumulated amortization		35,000,000		
Lease	Right of use - asset - operating leases				
	Investment in subsidiaries				
Goodwill	Goodwill				
	Deferred tax asset				
DFC	Deferred financing costs, net and other assets				
	Total assets		83,781,037		
	Liabilities and Stockholders' Equity				
	Current Liabilities:				
Acc Exp	Accounts payable and accrued expenses		837,095		
Lic Inc	Deferred license revenue, current portion		1,683,287		
Lic Inc	Unearned revenue		333,910		
Debt	Note payable - short term portion				
Lease	Other liabilities - current (lease)				
	Intercompany				
	Disc Ops				
	Total current liabilities		2,854,292		
	Long-Term Liabilities:				
Other LT Liab	Other long-term liabilities				
	Deferred license revenue, long term portion		2,086,849		
Tax accts	Deferred tax liability				
Debt	Notes Payable				
	Total long-term liabilities		2,086,849		
	Total liabilities		4,941,141		
	Stockholders' equity (deficit):				
Equity	Common stock, \$0.01 par value				
Equity	Additional paid-in capital		71,167,685		
Equity	Other comprehensive income (loss)				
Equity	Retained earnings		22,016,837		
Equity	Current year - income (loss)		(14,344,626)		
Equity	Less: Treasury stock, at cost				
	Total stockholders' equity (deficit) - SQBG		78,839,896		
Equity	Noncontrolling interest				
	Total equity (deficit)		78,839,896		
	Total liabilities and stockholders' equity (deficit)		83,781,037		
			-		

**Sequential Brand Group, Inc and Subsidiaries**

## Statement of Operations

For the One Month Ended October 31, 2021

	Joe's Holdings		
Net revenue - 605	522,059		
Net revenue - 606	(35,062)		
Total Revenue	486,997		
Operating expenses	8,184	8,184	selling expenses
Abandonment of fixed assets	-	-	legal fees
Impairment of Trademark/goodwill	-		
(Gain) Loss on Asset	-		
Total operating expenses	8,184		
Income (loss) from operations	478,813		
Other (expense)/ income	-		
Interest expense, net	-		
Income (loss) from continuing operations before taxes	478,813		
Provision (benefit) for income taxes	-		
Income (loss) from continuing operations	478,813		
Income (loss) before minority interests	478,813		
Noncontrolling interest:			
Continuing operations	-		
Net income (loss) from continuing operations	478,813	293,504	772,317
Check	478,813	prior MOL	Cumulative
Income (loss) from discontinued operations before taxes	-		
Gain (loss) on sale	-		
Provision (benefit) for income taxes	-		
Income (loss) from discontinued operations			
<b>Net income (loss)</b>			

Percentage of non-SBG/SLI Revenue  
Allocation of SBG and SLI  
SBG and SLI loss per P&L

	Joe's Holdings
<b>Operating Expenses:</b>	
Salaries - Officers	-
Salaries - Other	-
Salaries - paid by GMA	-
Salaries - Temps	-
Bonuses - Officers - Executive	-
Bonuses - Other - Administration	-
Severance	-
Stock-Based Comp - Options	-
Stock-Based Comp - Warrants	-
Stock-Based Comp - PSU's	-
Stock-Based Comp - Restricted Stock	-
Stock-Based Comp - Restructuring	-
Payroll Taxes	-
Payroll taxes - allocated	-
Employee benefits	-
Employee benefits - allocated	-
401k plan expenses	-
401k plan matching expense	-
Rent expense	-
Rent expense - utilities / escalation	-
Sublease income	-
Insurance	-
Insurance - keyman life	-
Location Fees	-
Event Fees	-
Communication	-
Commissions	8,185
Amendment Fee	-
Talent Fee	-
Marketing	-
Travel	-
Entertainment	-
Office - Stationery and Supplies	-
Office - Food and Beverage	-
Office - Parking	-
Office - Dues and Subscriptions	-
Office - Cleaning	-
Office - Copier Lease and Usage	-
Office - Payroll Service	-
Office - Repair and Maintenance	-
Office - Equipment Svc Contract and Rentals	-
Office - Placement Fees	-
Cafe Expense	-
Office - Outside Service Fees, Props, & Samples	-
Bank Charges	-
Misc Fees and Taxes	-
Office - Security	-

Office - Beauty/Wardrobe/Wellness	-
Office - Storage	-
Office - Postage Meter Lease and Usage	-
Office - Messenger / UPS / Fedex	-
Contributions	-
Licensee and Retailer Costs	-
Computer - Outside Services	-
Prof Fees - Accounting	-
Prof Fees - Legal	-
Prof Fees - Shareholder Litigation	-
Prof Fees - Legal Addback	-
Prof Fees - Legal Settlement (Addback)	-
Prof Fees - Consulting	-
Capitalized Pre-production costs - TV	-
Temporary Labor	-
Consulting - ReFi Fees	-
Shareholder and Investor Relations	-
Annual Meeting/Proxy	-
SEC Costs	-
Directors Fees	-
Business Development	-
Restructuring charges	-
Depreciation	-
Amortization - intangibles	-
Management Fees	-
Bad Debts	-
Bad Debts ASC 606	-
Franchise Taxes	-
(Gain)/Abandonment of Fixed Assets	-
Impairment of trademark/goodwill	-
Loss on Assets	-
Deal Costs - Heelys	-
Deal Costs - Brand Matter	-
Deal Costs - Revo	-
Deal Costs - Franklin Mint	-
Deal Costs - Maxim	-
Deal Costs - Galaxy	-
Deal Costs - FUL	-
Deal Costs - Jessica Simpson	-
Deal Costs - Martha Stewart	-
Deal Costs - Joe's Jeans	-
Deal Costs - Gaiam	-
Deal Costs - Other	-
Total Op Expense	<u>8,185</u>