UNITED STATES BANKRUPTCY COURT

DISTRICT OF Delaware

In Re. Southern Operations, LLC §
§
§
Debtor(s) §

Case No. 26-11480

Lead Case No. 26-11479

☒ Jointly Administered

Monthly Operating Report

Chapter 11

Reporting Period Ended: 09/30/2026

Petition Date: 09/21/2026

Months Pending: 0

Industry Classification: 7 2 2 5

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/ Shannon A. Forshay
Signature of Responsible Party

10/28/2026
Date

Shannon A. Forshay
Printed Name of Responsible Party

1313 N Market Street, 7th Floor
Wilmington DE 19801-6108
Address

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



Debtor's Name Southern Operations, LLC Case No. 26-11480

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	$0	
b.	Total receipts (net of transfers between accounts)	$33	$33
c.	Total disbursements (net of transfers between accounts)	$0	$0
d.	Cash balance end of month (a+b-c)	$33	
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)	$0
b.	Accounts receivable over 90 days outstanding (net of allowance)	$0
c.	Inventory (Book ◉ Market ○ Other ○ (attach explanation))	$29,170
d	Total current assets	$40,915
e.	Total assets	$13,463,483
f.	Postpetition payables (excluding taxes)	$113,013
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)	$113,013
k.	Prepetition secured debt	$11,333,194
l.	Prepetition priority debt	$0
m.	Prepetition unsecured debt	$896,574
n.	Total liabilities (debt) (j+k+l+m)	$12,342,782
o.	Ending equity/net worth (e-n)	$1,120,702

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)	$0	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	$0	
c.	Gross profit (a-b)	$0	
d.	Selling expenses	$0	
e.	General and administrative expenses	$0	
f.	Other expenses	$54,510	
g.	Depreciation and/or amortization (not included in 4b)	$0	
h.	Interest	$58,249	
i.	Taxes (local, state, and federal)	$0	
j.	Reorganization items	$0	
k.	Profit (loss)	$-112,759	$-112,759

Debtor's Name Southern Operations, LLC Case No. 26-11480

Part 5: Professional Fees and Expenses

				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
a.	Debtor's professional fees & expenses (bankruptcy) *Aggregate Total*			$0	$0	$0	$0
	Itemized Breakdown by Firm						
		Firm Name	Role				
	i			$0	$0	$0	$0
	ii						
	iii						
	iv						
	v						
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	vii						
	viii						
	ix						
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Debtor's Name Southern Operations, LLC Case No. 26-11480

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Debtor's Name Southern Operations, LLC Case No. 26-11480

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				Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
b.	Debtor's professional fees & expenses (nonbankruptcy) *Aggregate Total*			$0	$0	$0	$0
	Itemized Breakdown by Firm						
		Firm Name	Role				
	i			$0	$0	$0	$0
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Debtor's Name Southern Operations, LLC Case No. 26-11480

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Debtor's Name Southern Operations, LLC Case No. 26-11480

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c.	All professional fees and expenses (debtor & committees)			$0	$0	$0	$0

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 ◉
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 ○

Debtor's Name Southern Operations, LLC Case No. 26-11480

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. 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.

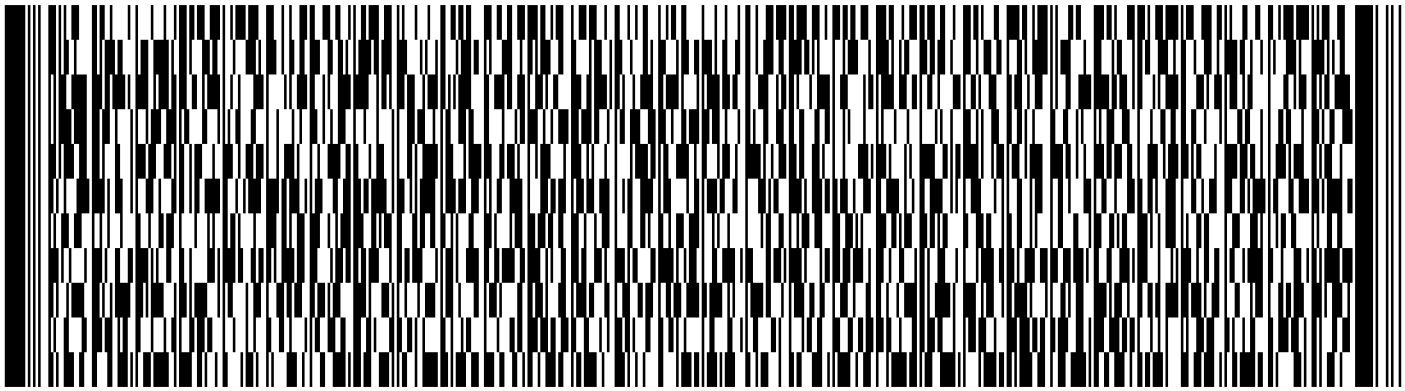
/s/ Albert Altro
Signature of Responsible Party

Albert Altro
Printed Name of Responsible Party

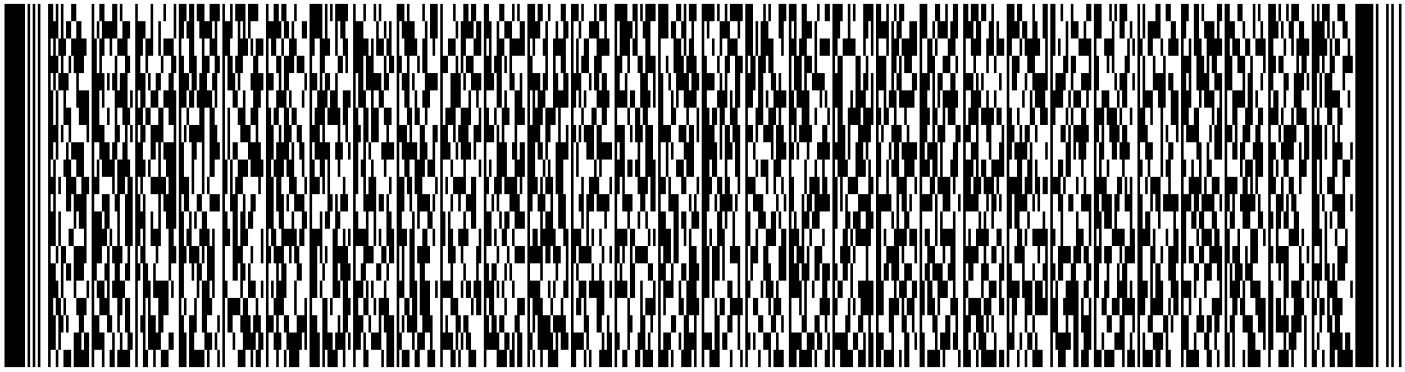
Chief Restructuring Officer
Title

10/28/2026
Date

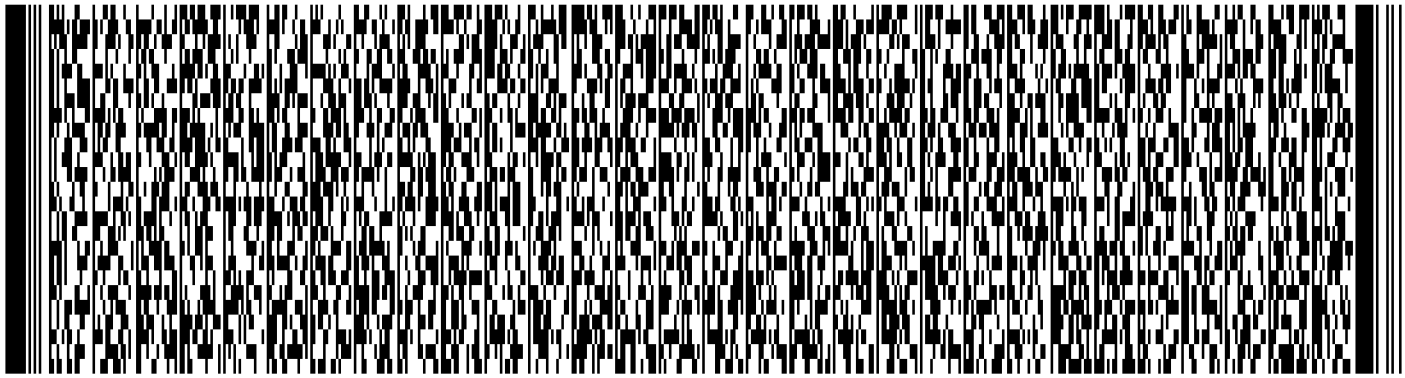
Debtor's Name Southern Operations, LLC Case No. 26-11480



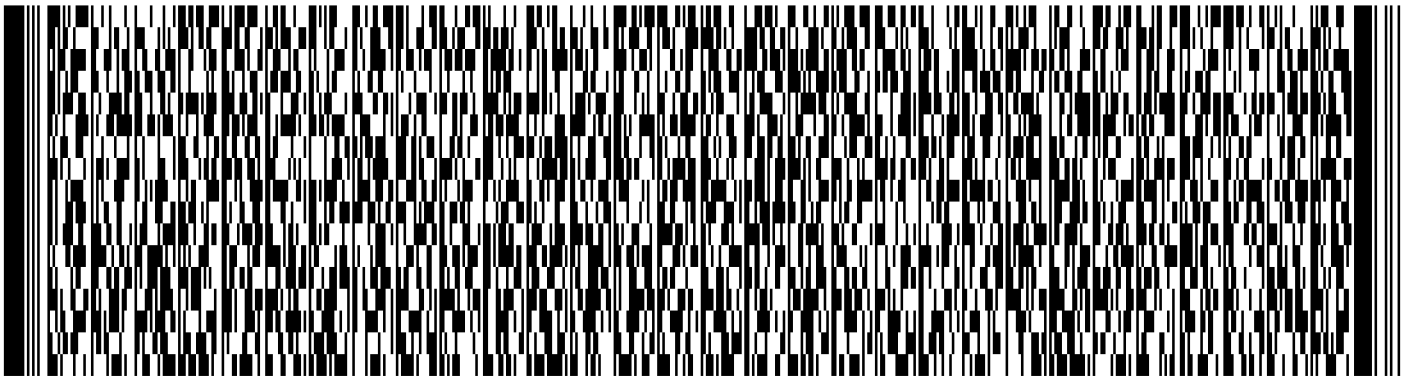
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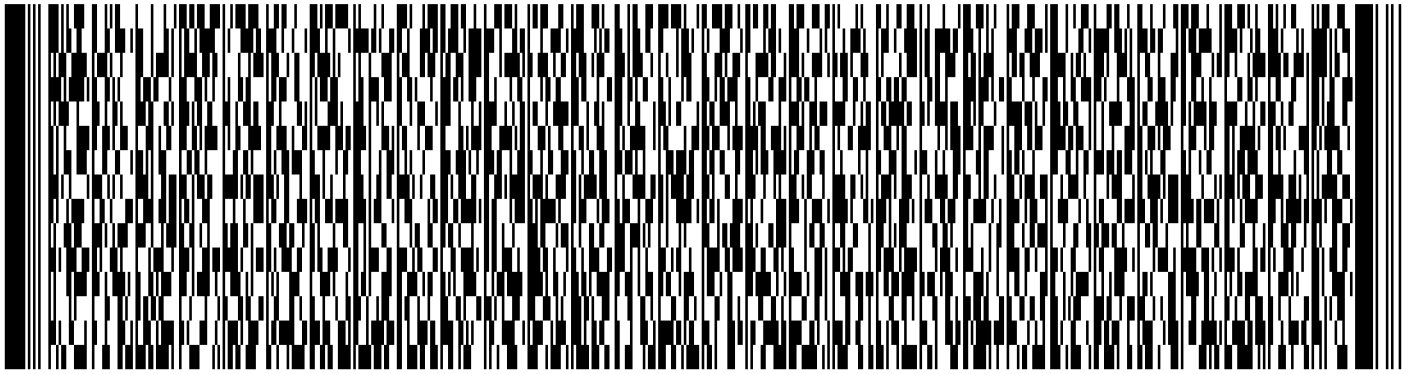


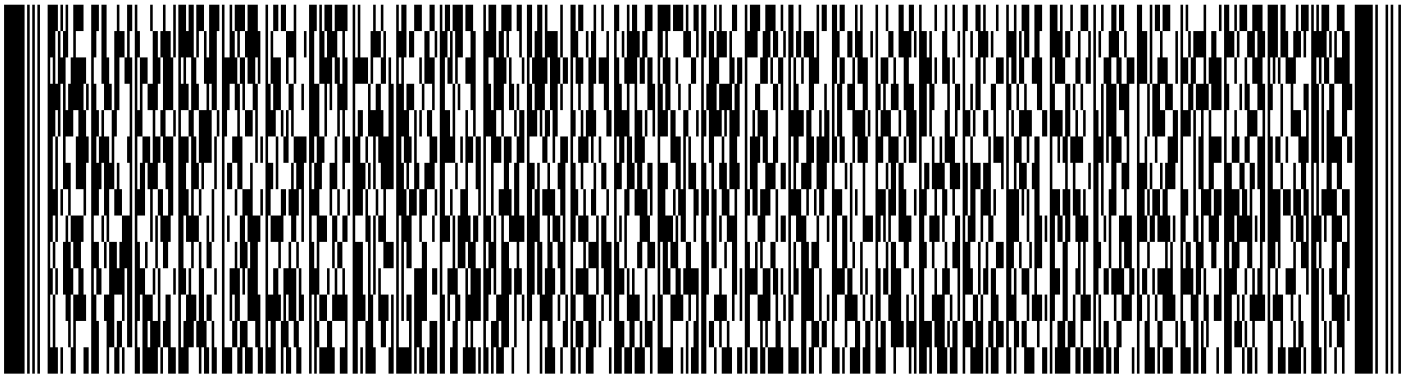
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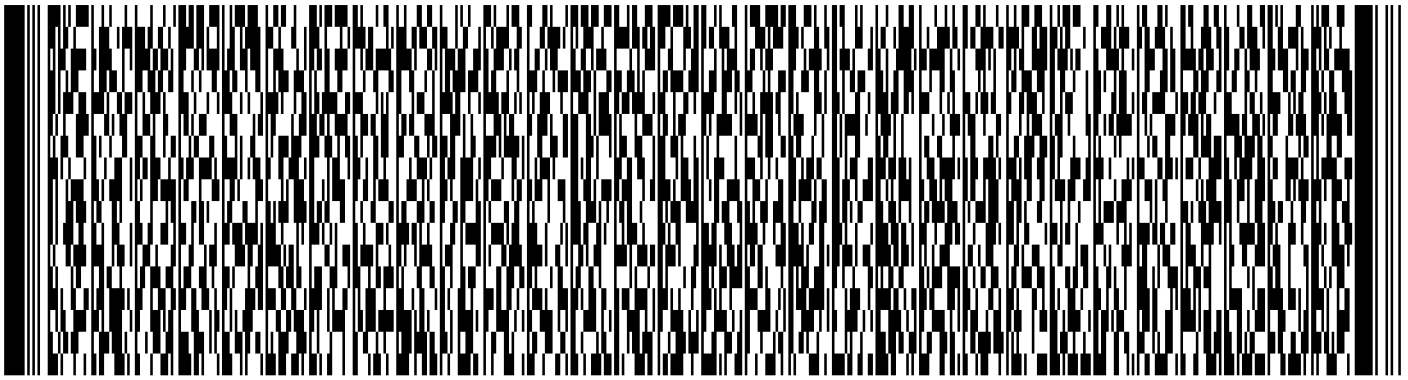


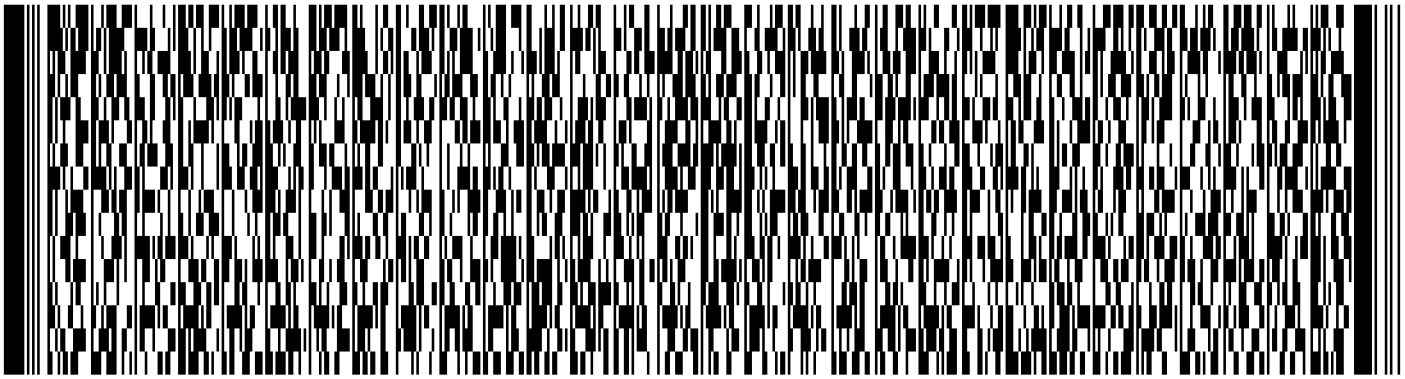
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Debtor's Name Southern Operations, LLC Case No. 26-11480

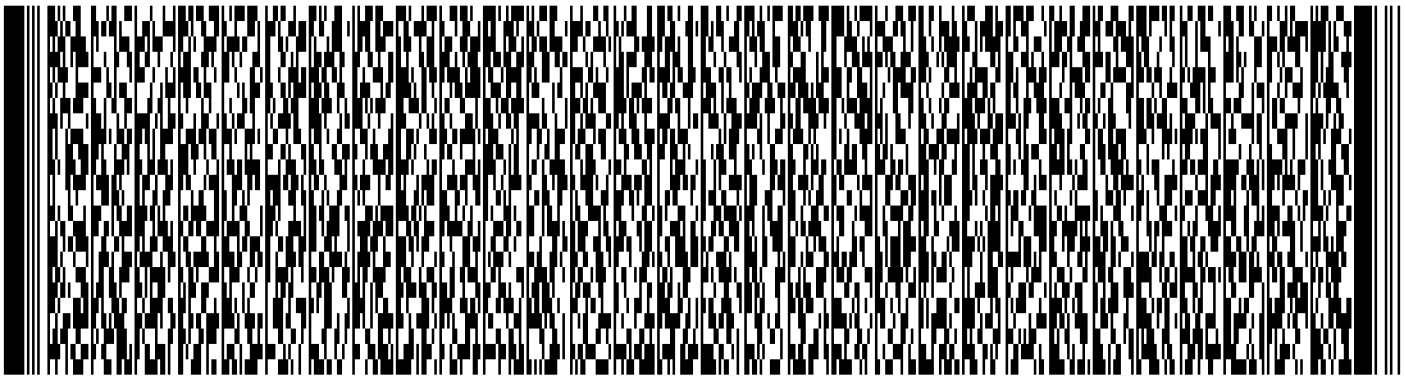

Bankruptcy1to50


Bankruptcy51to100

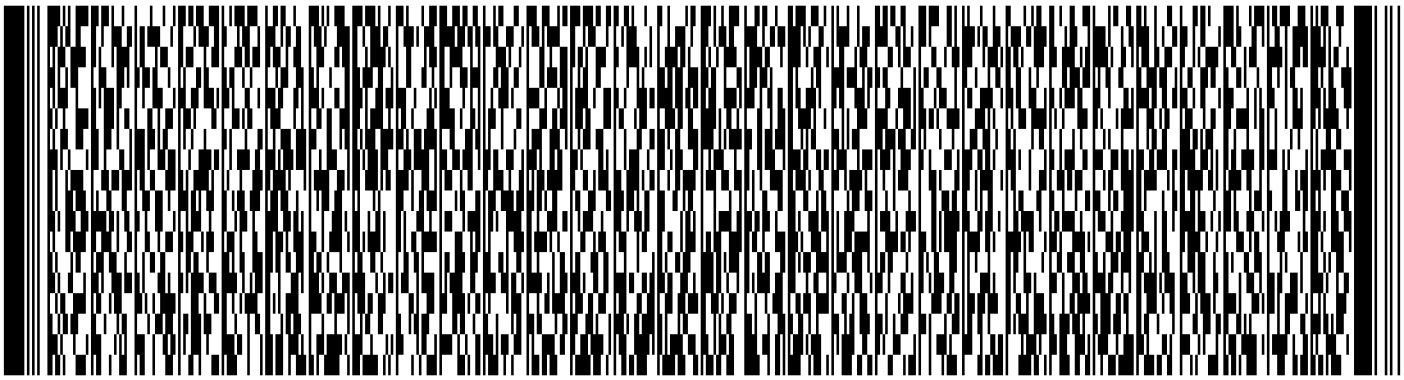

NonBankruptcy1to50


NonBankruptcy51to100

Debtor's Name Southern Operations, LLC Case No. 26-11480



PageThree



PageFour

Southern Operations, LLC	CNB 2684	Sep 2026	Cumulative Since filing
Beg Bal	-	-	-
Deposits	33.35	33.35	33.35
Withdrawls	-	-	-
Transfers	-	-	-
End	33.35	33.35	33.35

Southern Operations LLC
Balance Sheet
As of September 30, 2026

Cash	$ 33.35
Accounts Receivable	-
Inventory	29,170.29
Other Current Assets	11,710.90
Total Current Assets	40,914.54
Fixed Assets	286,633.55
Other Long Term Assets	13,135,935.12
Total Assets	13,463,483.21
Post Petition Payable	113,012.79
Post Petition Tax Payable	-
Total Post	113,012.79
Pre Petition Unsecured	896,574.43
Pre Petition Secured	11,333,194.49
Total Pre	12,229,768.92
Total Liabilities	12,342,781.71
equity	1,120,701.50
Liab. & Equity	$ 13,463,483.21

Southern Operations LLC
Income Statement
September 20-30, 2026

	9/20-9/30	Since Filing
Sales	$ -	$ -
COGS	(20,698.22)	(20,698.22)
Gross Profit	20,698.22	20,698.22
Selling	(1,360.35)	(1,360.35)
G&A	(5,811.60)	(5,811.60)
Other	54,509.78	54,509.78
Depr	-	-
interest	58,249.43	58,249.43
Taxes	-	-
Reorg	-	-
Net Income/(Loss)	$ (84,889.04)	$ (84,889.04)

Reconciliation Report

1104-200 - Operating - CNB - YB Miami 2684, Statement Ending 9/30/2026

Summary

Statement Beginning Balance		$0.00
Cleared Checks and Withdrawals	-	$0.00
Cleared Deposits and Other Credits	+	$0.00
Statement Ending Balance		**$0.00**
Uncleared transactions		*$33.35*
Statement Balance + Uncleared		*$33.35*

Uncleared Transactions

Deposits & Other Credits

Date	Type	Ref. #	Location #	Location Name	Comment	Amount
9/30/2026	Journal Entry	JE-Merchant Fees-Period 9-2026	200	Yardbird Miami Beach	200-Toast-Toast Merchant Fees-YardB	$33.35
Total Uncleared Deposits & Other Credits						**$33.35**

Reconciled on: 10/12/2026 (any changes to transactions after this date aren't reflected on this report)
Approved by: Jeffry Atchuela

City National Bank

2701 S Le Jeune Rd, 8th Floor
Coral Gables, FL 33134-5809
833-448-6500
citynational.com

Account: XXXXXXX2684

Client Services

Online
citynational.com

CityTel
1-800-762-CITY (2489)

Your Banking Center
Corporate Banking Miami
P.O. Box 025620
Miami, FL 33102-5620

Telephone
305-577-7336
800-435-8839

Your Banking Center Hours
Lobby: Monday - Friday: 8:30am - 5:00pm

SOUTHERN OPERATIONS LLC
7350 BISCAYNE BLVD
MIAMI FL 33138-5151

For additional locations and hours, please visit citynational.com/locations

NMLS412469 Member FDIC

EQUAL HOUSING LENDER

Regular Commercial Checking

Account Summary

Account:	XXXXXXX2684	Beginning Balance:	$0.00
Last Statement:	August 31, 2026	Ending Balance:	$0.00
This Statement:	September 30, 2026	Average Ledger Balance:	$0.00
		Low Balance:	$0.00

Daily Activity

Date	Description	Deposits/ Additions	Withdrawals/ Subtractions	Balance
09-01	**Beginning Balance**			**$0.00**
09-01	NUCO2 LLC WEB PAY NuCO2		$364.79	-$364.79
09-01	TRANSFER FROM COMM CHK ACCOUNT 30000172666	$364.79		$0.00
09-08	TOAST EOM Aug 31 01KO1N2		$128.25	-$128.25
09-08	AMERICAN EXPRESS AXP DISCNT YB MIAMI		$361.69	-$489.94
09-08	TRANSFER FROM COMM CHK ACCOUNT 30000172666	$489.94		$0.00
09-11	NUCO2 LLC WEB PAY NuCO2		$396.51	-$396.51
09-11	TRANSFER FROM COMM CHK ACCOUNT 30000172666	$396.51		$0.00
09-16	BRINKS CAPITAL CORP COLL 275135384		$9,532.61	-$9,532.61
09-16	TRANSFER FROM COMM CHK ACCOUNT 30000172666	$9,532.61		$0.00
09-17	ACH Pos Pay RTN BRINKS CAPITAL	$9,532.61		$9,532.61



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Get free quotes for **home and business,** guided by licensed insurance professionals.

Let's get in touch!
Scan to explore your options

Disclosures:

Insurance products are not insured by the FDIC or by any federal government agency. They are not a deposit or other obligation of, or guaranteed by City National Bank of Florida, or any of its affiliates or partners. Insurance products are offered by City National Bank of Florida Insurance Services (CNBFLIS), an affiliate of City National Bank of Florida under common ownership, via NSI Insurance Brokers, with which CNBFLIS retains a financial partnership.

City National Bank

Outstanding checks, withdrawals and debits:

Number	Description	Amount
		$
Total	**$**	

Bank balance shown on this statement: _____

Add +

Deposits not credited on this statement (if any) _____

_____

_____

_____

_____

Total _____

Subtract – outstanding items _____

Balance* _____

**This balance should agree with your checkbook balance after deducting service charge (if any) or adding interest (if any) shown on this statement.*

In Case of Errors or Questions About Your Electronic Funds Transfer on a Consumer Account:
Contact your local City National Bank of Florida banking center, or for lost check card call us at 1-800-762-2489 24-hours a day or write us (City National Bank of Florida, c/o E.F.T. Department, P.O. Box 025606, Miami, Florida 33102-5606) as soon as possible. If you think your statement or receipt is wrong or if you need more information about a transfer on the statement or receipt, we must hear from you **no later than 60 days after we sent you the FIRST statement** on which the error or problem appeared. (1) Tell us your name and account number, (2) describe the error or the transfer you are unsure about and explain as clearly as you can why you believe there is an error or why you need more information, and (3) tell us the dollar amount of the suspected error and the date the transaction occurred. We will investigate your complaint and will correct any error promptly. If we take more than 10 business days to do this and this is a consumer account, we will credit your account for the amount you think is in error so that you will have use of the money during the time it takes us to complete our investigation. If you are asked to submit your complaint or question in writing and signed by you, and it is not received within 10 business days, we may not credit your account the disputed amount.

Consumer Lines of Credit Finance/Interest Charge Calculation Information:
City National Bank of Florida calculates FINANCE/INTEREST CHARGES on your account by applying the periodic rate to the "daily balance" of your account for each day in the billing cycle. These daily finance charges are added together to determine the finance charge for the billing cycle. To get the "daily balance" we take the beginning balance of your account each day of the billing cycle, add any new advances, and subtract any payments made or credits issued and any unpaid interest or other finance charges.

In Case of Errors or Questions About Your Line of Credit Bill or Mortgage Loan Statement:
If you think your bill is wrong, or if you need more information about a transaction on your bill, write us at City National Bank of Florida, c/o Loan Services Department, P.O. Box 025606, Miami, Florida 33102-5606 or call (305) 577-7343 or call toll free 1-800-230-0332 as soon as possible. We must hear from you **no later than 60 days after we sent you the first bill or statement on which the error or problem appeared.** Telephoning us will not preserve your rights. In your letter, please provide: (1) your name and account number, (2) the dollar amount of the suspected error, and (3) describe the error and explain, if you can, why you believe there is an error. If you need more information, describe the item you are unsure about. You do not have to pay any amount in question while we are investigating, but you are still obligated to pay the parts of your bill that are not in question. While we investigate your question, we cannot report you as delinquent or take any action to collect the amount your question.

Mortgage Loan Servicing Errors or Request for Information:
Send a written request to City National Bank of Florida, c/o Loan Services Department, P.O. Box 025606, Miami, Florida 33102-5606. In your written request, please provide your name, loan account number, and the specific error you believe occurred or the loan information being requested.

Important - for Repurchase Agreements:
Investment products are not insured by the FDIC or by any federal government agency. They are not a deposit or other obligation of, or guaranteed by City National Bank of Florida or any of its affiliates. They are subject to investment risks, including possible loss of the principal amount invested.

Access your account(s) 24 hours a day via online banking, mobile apps and with CityTel by calling 800-762-CITY or 856-470-1000.

Regular Commercial Checking (continued)

Daily Activity (continued)

Date	Description	Deposits/ Additions	Withdrawals/ Subtractions	Balance
09-17	TRANSFER TO COMM CHK ACCOUNT 30000172666		$9,532.61	$0.00
09-30	**Ending totals**	**$20,316.46**	**$20,316.46**	**$0.00**

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IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re:	Chapter 11
Yardbird Group LLC, *et al.*,[1]	Case No. 26-11479 (BLS)
Debtors.	(Jointly Administered)

GLOBAL NOTES AND STATEMENTS OF LIMITATIONS AND DISCLAIMERS REGARDING THE DEBTORS' MONTHLY OPERATING REPORTS

On September 21, 2026 (the "Petition Date"), the above-captioned debtors and debtors in possession (collectively, the "Debtors"), filed voluntary petitions for relief under chapter 11 of title 11 of the United States Code (the "Bankruptcy Code") in the United States Bankruptcy Court for the District of Delaware (the "Bankruptcy Court"). The Debtors' chapter 11 cases are being jointly administered for procedural purposes only pursuant to rule 1015(b) of the Federal Rules of Bankruptcy Procedure (the "Bankruptcy Rules") and rule 1015-1 of the Local Rules of the United States Bankruptcy Court for the District of Delaware (the "Local Rules") under the caption Yardbird Group LLC, *et al.*, Case No. 26-11479 (BLS).

The following notes, statements and limitations should be referred to, and referenced in connection with, any review of the Debtors' monthly operating reports (the "MORs").

1. **Basis of Presentation.** The Debtors are filing their MORs solely for purposes of complying with the monthly operating requirements applicable in the Debtors' chapter 11 cases. The MORs are in a format acceptable to the U.S. Trustee. The MORs should not be relied upon by any persons for information relating to past, current, or future financial conditions, events, or performance of any of the Debtors or their affiliates.

   In preparing these MORs, the Debtors relied on historical financial data derived from their books and records that was available at the time of preparation. The historical data may be incomplete or inaccurate. Subsequent information or discovery may result in material changes to the MORs and inaccuracies, errors or omissions may exist. Notwithstanding any such discovery, new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update the MORs.

[1] The Debtors in these chapter 11 cases, along with the last four digits of each Debtor's federal tax identification number include: Yardbird Group LLC (7139); Southern Operations, LLC (5384); Yardbird Beverly Hills, LLC (9735); Yardbird DFW, LLC (2545); Yardbird DC, LLC (2651); Yardbird Chicago, LLC (6273); Yardbird Denver LLC (8819); YB Las Vegas, LLC (4071); Yardbird DFW Management LLC (8949); Yardbird DFW Concession LLC (1952); and The Bird Singapore LLC (8264). The location of the Debtors' service address in these chapter 11 cases is 3355 Las Vegas Boulevard South, Las Vegas, Nevada 89109.

These MORs have not been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") and do not include all of the information and footnotes required by U.S. GAAP. Therefore, there can be no assurance that the financial information presented herein is complete, and readers are strongly cautioned not to place undue reliance on the MORs.

Furthermore, the monthly financial information contained herein has not been subjected to the same level of accounting review and testing that the Debtors apply in the preparation of their annual consolidated financial information in accordance with U.S. GAAP. Accordingly, upon the application of such procedures, the Debtors believe that the financial information may be subject to change, and these changes could be material.

The results of operations contained herein are not necessarily indicative of results that may be expected from any other period or for the full year and may not necessarily reflect the consolidated results of operations and financial position of the Debtors in the future.

These unaudited financial statements are prepared to support the information required in the MORs and should not be used for any other purpose.

2. **Reporting Period.** Unless otherwise noted herein, the MORs generally reflect the Debtors' books and records and financial activity occurring during the applicable reporting period. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

3. **Accuracy.** The financial information disclosed herein was not prepared in accordance with federal or state securities laws or other applicable non-bankruptcy law or in lieu of complying with any periodic reporting requirements thereunder. Persons and entities trading in or otherwise purchasing, selling, or transferring the claims against or equity interests in the Debtors should evaluate this financial information in light of the purposes for which it was prepared. The Debtors are not liable for and undertake no responsibility to indicate variations from securities laws or for any evaluations of the Debtors based on this financial information or any other information.

4. **Payment of Pre-Petition Claims Pursuant to Payment Orders.** Following the Petition Date, the Court entered various orders authorizing the Debtors to, among other things, pay certain prepetition claims, including without limitation: insurance obligations; employee wages, salaries, and related items (including, but not limited to, employee benefit programs and contractor wage obligations); and other obligations (collectively, the "Payment Orders"). To the extent any payments were made on account of such claims or obligations following the commencement of these chapter 11 cases pursuant to the authority granted to the Debtors by the Bankruptcy Court under the Payment Orders, such payments have been included in the MORs unless otherwise noted.

5. **Insiders.** For purposes of these MORs, the Debtors have defined "insiders" as is provided in section 101(31) of the Bankruptcy Code during the relevant time period. The Debtors do not concede or take any position with respect to (a) such person's influence over the control of the Debtors; (b) the management responsibilities or functions of such individual;

(c) the decision-making or corporate authority of such individual; or (d) whether such individual could successfully argue that he or she is not an "insider" under applicable law, including, without limitation, the federal securities laws or with respect to any theories of liability or any other purpose. Further, the inclusion of a party as an "insider" solely for purposes of these MORs is not an acknowledgement, admission, or concession that such party is an "insider" under applicable bankruptcy law.

6. **Reservation of Rights.** The Debtors reserve all rights to amend or supplement the MORs in all respects, as may be necessary or appropriate. Nothing contained in these MORs shall constitute a waiver of any of the Debtors' rights or an admission with respect to their chapter 11 cases.

7. **Specific Disclosures.**

   a. **Notes to Part 1: Cash Receipts and Disbursements**: This section is prepared on a cash basis. Further details with respect to the Debtors' cash management system and bank accounts are also provided in the *Final Order Granting the Debtors' Motion for Entry of Interim and Final Orders (I) Authorizing the Debtors to (A) Continue to Operate Their Cash Management System, (B) Honor Certain Pre-Petition Obligations Related Thereto, (C) Continue Intercompany Transactions, and (D) Maintain Existing Business Forms; (II) Authorizing the Debtors' to Honor All Related Payment Requests; and (III) Granting Related Relief* [Docket No. 189].

   b. **Notes to Part 2: Asset and Liability Status**: This section is prepared on an accrual basis. The amounts identified in Part 2 of the MORs are derived from the Debtors' unaudited and estimated Balance Sheets as of close of business on the last day of the reporting period. Please refer to the notes above for information about presentation and limitations related to these MORs.

   c. **Notes to Part 4: Income Statement (Statement of Operations)**: This section is prepared on an accrual basis. The amounts identified in Part 4 of the MORs are derived from the Debtors' unaudited Income Statements as of close of business on the last day of the reporting period.

   d. **Notes to Part 5: Professional Fees and Expenses**: The Debtors will pay the professional fees & expenses of their retained bankruptcy professionals in accordance with the *Order (I) Establishing Procedures for Interim Compensation and Reimbursement of Expenses for Retained Professionals and (II) Granting Related Relief* [Docket No. 132] (the "Interim Compensation Order"). The Debtors will pay the professional fees & expenses of their other professionals (non-bankruptcy) in accordance with the *Order Authorizing Debtors to Retain and Compensate Professionals Employed in the Ordinary Course of Business Effective as of the Petition Date* [Docket No. 130].

e. Notes to Part 7: Questionnaire:

i. Question (a) – The Debtors made certain payments on prepetition debts in accordance with the Payment Orders and have, therefore, responded Yes to Question (a) on the MOR form, as applicable.

ii. Question (f) – The Debtors are required to collect and remit sales taxes in connection with the operation of their restaurants. Therefore, the Debtor entities with operating restaurant locations have responded Yes to Question (f) on the MOR form, and Debtor entities with non-operating restaurant locations have responded No to Question (f) on the MOR form as no sales taxes have accrued.

iii. Question (g) – In accordance with the *Final Order (I) Authorizing the Debtors to (A) Obtain Postpetition Financing and (B) Utilize Cash Collateral, (II) Granting Senior Secured Priming Liens and Superpriority Administrative Expense Claims, (III) Granting Adequate Protection to the Prepetition Secured Parties, (IV) Modifying the Automatic Stay, and (V) Granting Related Relief* [Docket No. 134] (the "Final DIP Order") the Debtors incurred post-petition DIP Loans (as defined in the Final DIP Order), and therefore responded Yes to Question (g) on the MOR form.