

UNITED STATES BANKRUPTCY COURT
IN THE DISTRICT OF DELAWARE

In Re. Lugano Diamonds & Jewelry, Inc.

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Case No. 25-12055

Debtor(s)

Lead Case No. 25-12055

☒ Jointly Administered**Monthly Operating Report**

Chapter 11

Reporting Period Ended: 01/31/2026

Petition Date: 11/16/2025

Months Pending: 3

Industry Classification:

5	9	4	4
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Reporting Method:

Accrual Basis ☒Cash Basis ☐

Debtor's Full-Time Employees (current):

89

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

106

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/ Shella Borovinskaya

Signature of Responsible Party

02/24/2026

Date

Shella Borovinskaya

Printed Name of Responsible Party

c/o Young Conaway Stargatt & Taylor, LLP

Rodney Square, 1000 North King Street

Wilmington, DE 19801

Address

STATEMENT: This Periodic Report is associated with an open bankruptcy case; therefore, Paperwork Reduction Act exemption 5 C.F.R. § 1320.4(a)(2) applies.

Debtor's Name Lugano Diamonds & Jewelry, Inc.

Case No. 25-12055

Part 1: Cash Receipts and Disbursements		Current Month	Cumulative
a.	Cash balance beginning of month	\$7,902,489	
b.	Total receipts (net of transfers between accounts)	\$3,648,312	\$19,109,950
c.	Total disbursements (net of transfers between accounts)	\$8,247,439	\$18,154,376
d.	Cash balance end of month (a+b-c)	\$3,303,361	
e.	Disbursements made by third party for the benefit of the estate	\$0	\$0
f.	Total disbursements for quarterly fee calculation (c+e)	\$8,247,439	\$18,154,376

Part 2: Asset and Liability Status (Not generally applicable to Individual Debtors. See Instructions.)		Current Month
a.	Accounts receivable (total net of allowance)	\$35,137,089
b.	Accounts receivable over 90 days outstanding (net of allowance)	\$0
c.	Inventory (Book ☒ Market ☐ Other ☐ (attach explanation))	\$146,365,938
d.	Total current assets	\$238,812,766
e.	Total assets	\$260,263,043
f.	Postpetition payables (excluding taxes)	\$3,553,306
g.	Postpetition payables past due (excluding taxes)	\$0
h.	Postpetition taxes payable	\$-61,481,326
i.	Postpetition taxes past due	\$0
j.	Total postpetition debt (f+h)	\$-57,928,020
k.	Prepetition secured debt	\$718,578,538
l.	Prepetition priority debt	\$6,237
m.	Prepetition unsecured debt	\$260,915,559
n.	Total liabilities (debt) (j+k+l+m)	\$921,572,313
o.	Ending equity/net worth (e-n)	\$-661,309,270

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)	\$8,463,642	
b.	Cost of goods sold (inclusive of depreciation, if applicable)	\$8,057,713	
c.	Gross profit (a-b)	\$405,929	
d.	Selling expenses	\$0	
e.	General and administrative expenses	\$6,814,791	
f.	Other expenses	\$226,463	
g.	Depreciation and/or amortization (not included in 4b)	\$116,073	
h.	Interest	\$0	
i.	Taxes (local, state, and federal)	\$167,480	
j.	Reorganization items	\$0	
k.	Profit (loss)	\$-5,534,462	\$-7,036,891

Debtor's Name Lugano Diamonds & Jewelry, Inc.

Case No. 25-12055

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>		\$0	\$0	\$311,128	\$311,128
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i	Young Conaway Stargatt & Tay	Co-Counsel	\$0	\$0	\$189,729	\$189,729
ii	Keller Benvenutti Kim	Co-Counsel	\$0	\$0	\$121,398	\$121,398
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Debtor's Name Lugano Diamonds & Jewelry, Inc.

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Debtor's Name Lugano Diamonds & Jewelry, Inc.

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b.			Approved Current Month	Approved Cumulative	Paid Current Month	Paid Cumulative
	Debtor's professional fees & expenses (nonbankruptcy) <i>Aggregate Total</i>		\$0	\$8,438	\$0	\$8,438
	<i>Itemized Breakdown by Firm</i>					
	Firm Name	Role				
i						
ii	Brown Neri Smith & Khan LLP	Special Counsel	\$0	\$8,438	\$0	\$8,438
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Debtor's Name Lugano Diamonds & Jewelry, Inc.

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Debtor's Name Lugano Diamonds & Jewelry, Inc.

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c.	All professional fees and expenses (debtor & committees)			\$0	\$8,438	\$311,128	\$319,565

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)	\$15,130	\$15,130
c.	Postpetition employer payroll taxes accrued	\$0	\$0
d.	Postpetition employer payroll taxes paid	\$162,503	\$242,816
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)	\$384,727	\$521,461

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 Lugano Diamonds & Jewelry, Inc.

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Part 8: Individual Chapter 11 Debtors (Only)

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|--|-----|
| 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/ Mike Issa

Signature of Responsible Party

Chief Restructuring Officer

Title

Mike Issa

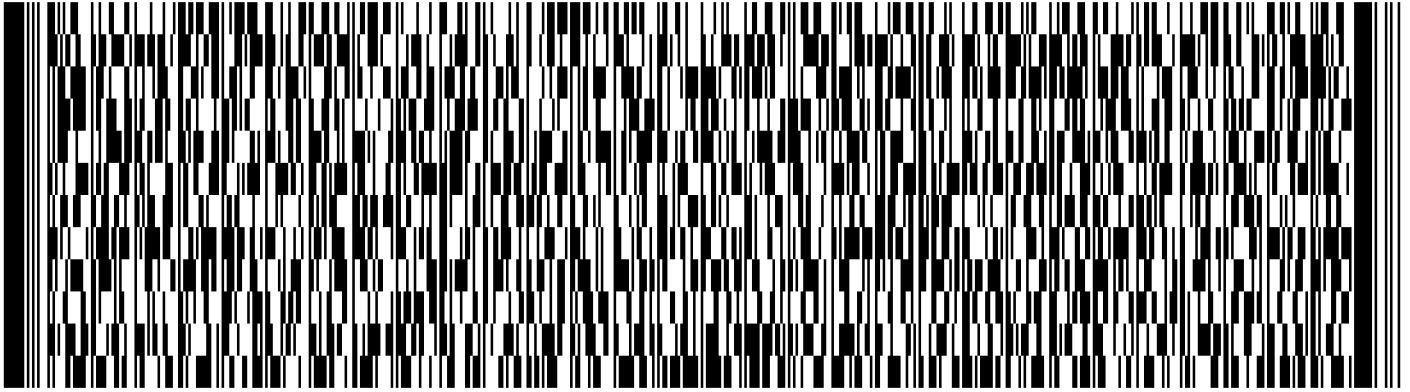
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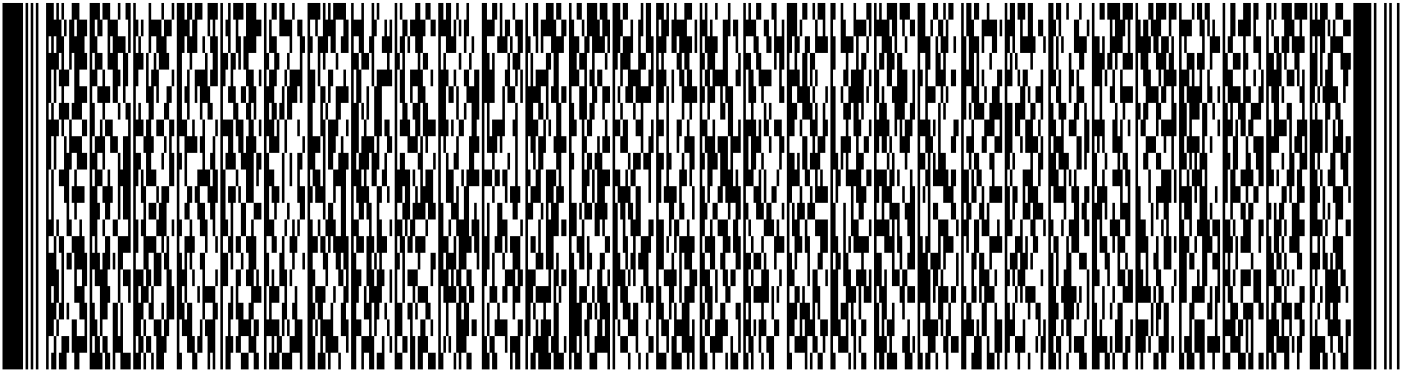
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Debtor's Name Lugano Diamonds & Jewelry, Inc.

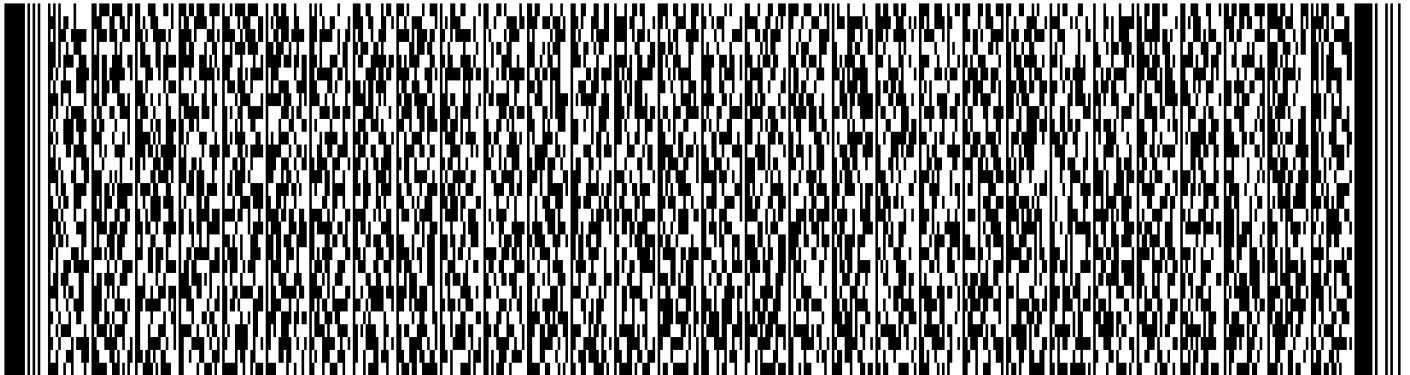
Case No. 25-12055



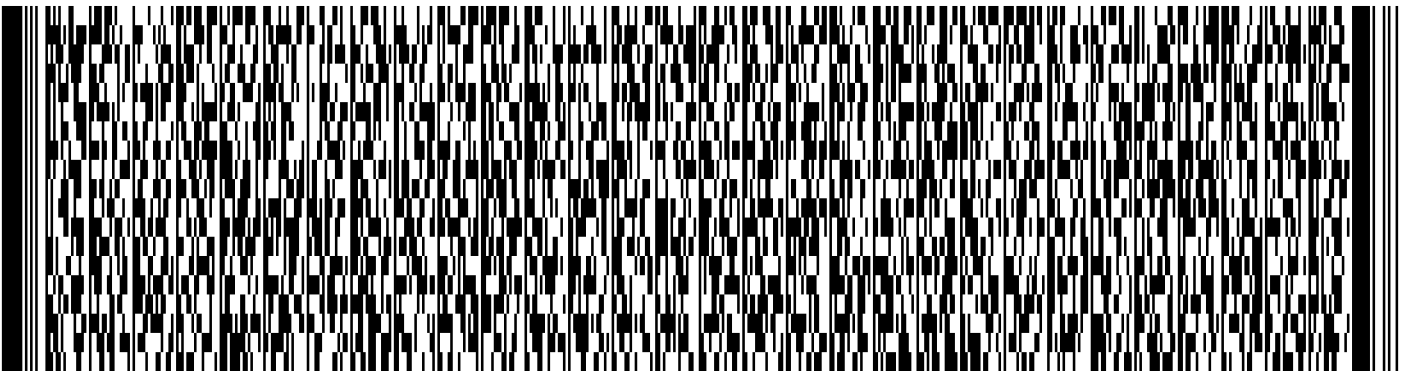
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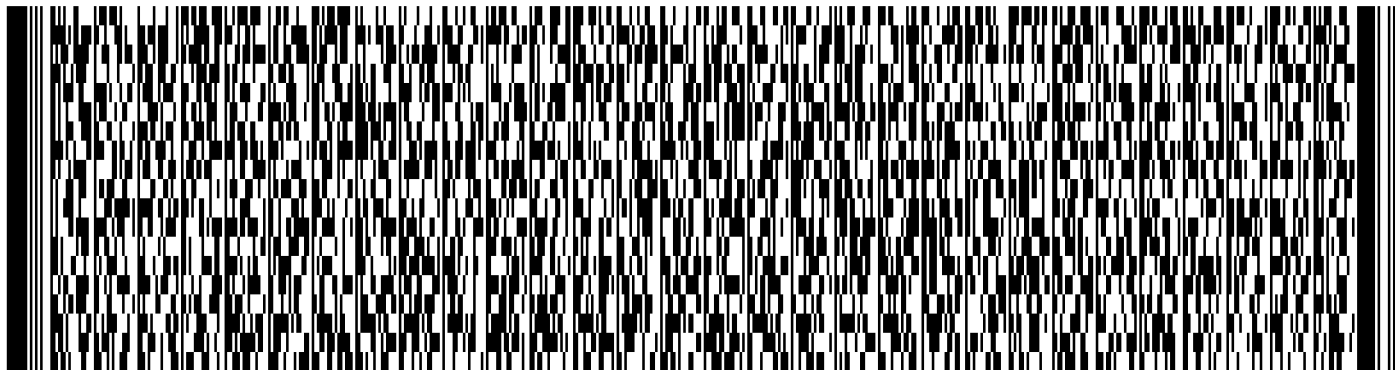
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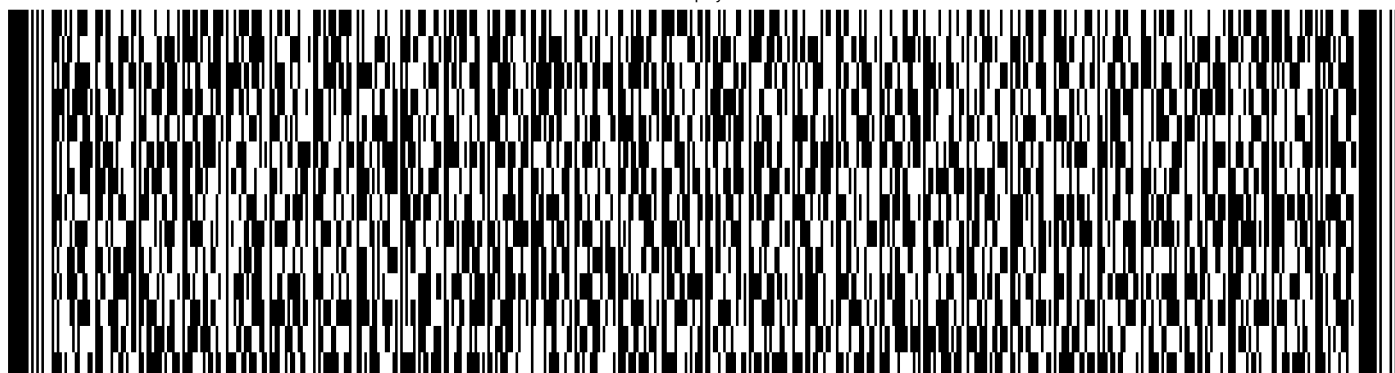
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Debtor's Name Lugano Diamonds & Jewelry, Inc.

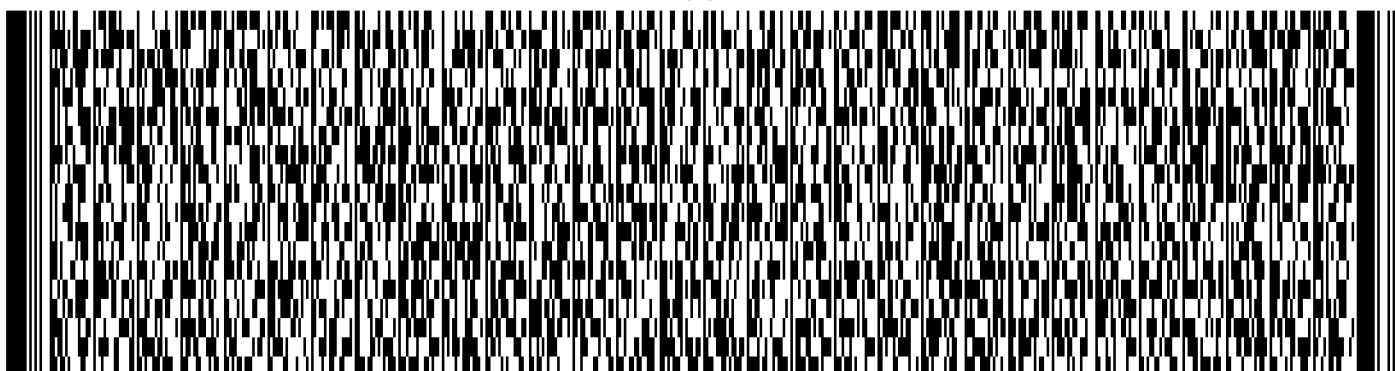
Case No. 25-12055



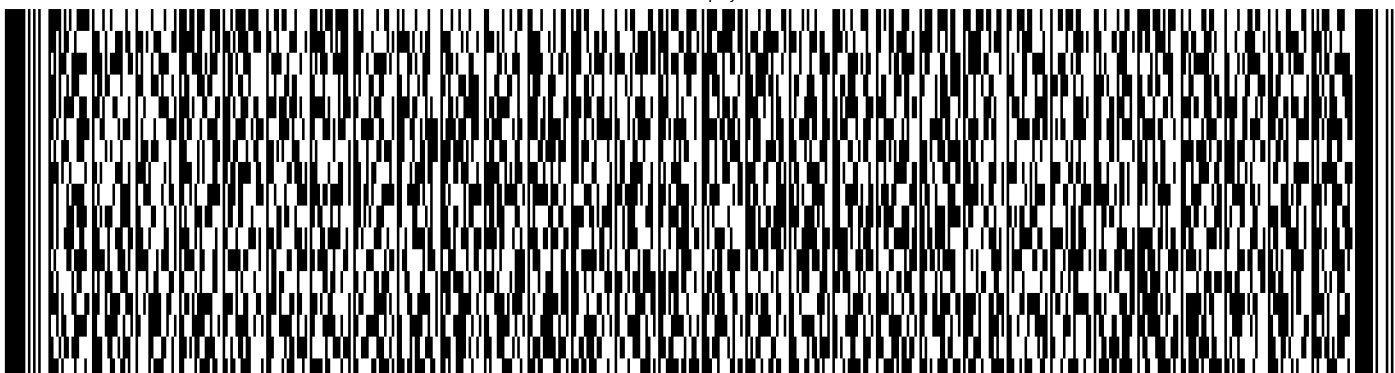
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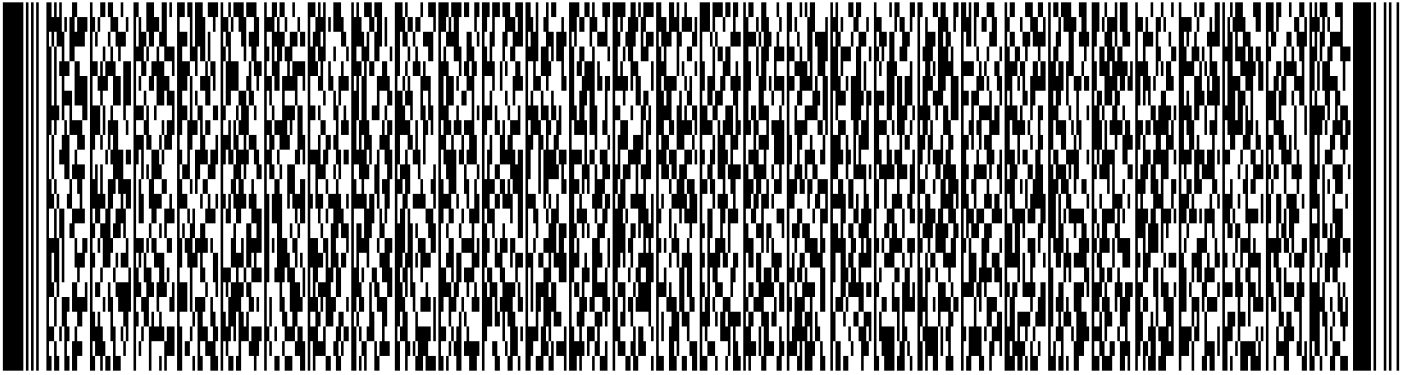
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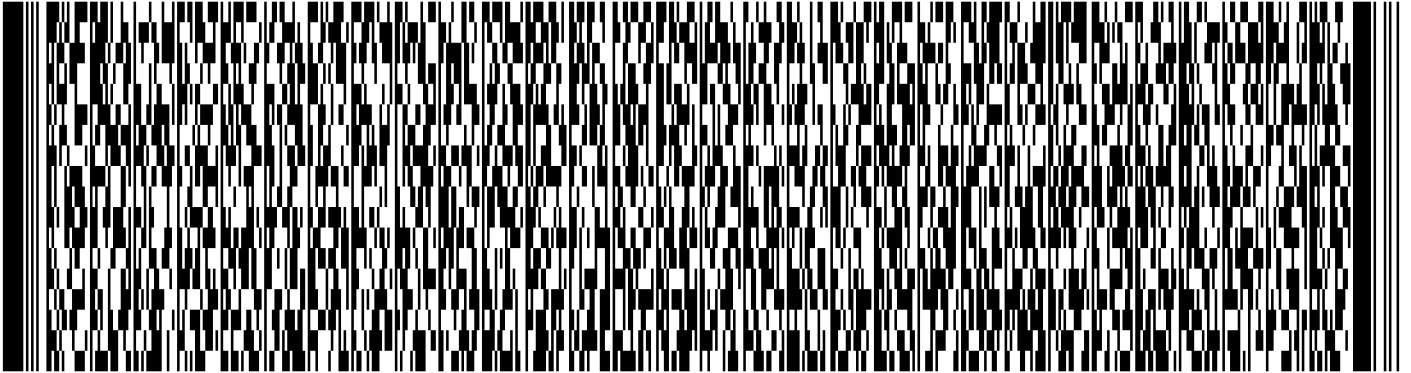
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Debtor's Name Lugano Diamonds & Jewelry, Inc.

Case No. 25-12055



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**Global Notes and Statements of Limitations and Disclaimers Regarding
Lugano Diamonds & Jewelry Inc.; Lugano Prive, LLC; K.L.D. Jewelry, Inc.;
Lugano Holding, Inc.; and Lugano Buyer, Inc.
Monthly Operating Reports
January 1, 2026 – January 31, 2026**

General:

On November 16, 2025 (the “Petition Date”), Lugano Diamonds & Jewelry Inc. and certain of its affiliates (collectively, the “Debtors”) each filed a voluntary petition for relief under chapter 11 of title 11 of the United States Code, 11 U.S.C. §§ 101–1532, with the United States Bankruptcy Court for the District of Delaware (the “Court”). These chapter 11 cases (the “Chapter 11 Cases”) have been consolidated for procedural purposes only and are being jointly administered under Lead Case No. 25-12055 (BLS).

The Debtors’ Monthly Operating Reports (the “MORs”) are limited in scope, cover a limited time period, and have been prepared solely for the purpose of complying with the monthly reporting requirements of the Court and Office of the United States Trustee for the District of Delaware. The information presented herein has not been subjected to all procedures that would typically be applied to financial information presented in accordance with U.S. GAAP. Upon the application of such procedures, financial information could be subject to changes, and these changes could be material. The information furnished in the MORs includes normal recurring adjustments but does not include all of the adjustments that would typically be made for interim financial statements in accordance with U.S. GAAP.

In preparing the MORs, the Debtors relied on financial data derived from the books and records available at the time of preparation. Subsequent information or discovery may result in material changes to the MORs. Notwithstanding any such discovery of material new information, or errors or omissions, the Debtors do not undertake any obligation or commitment to update the MORs. The financial statements presented herein reflect the book values of the Debtor entities, and, as a result, do not reflect the valuation of the Debtors’ going concern. 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.

Debtors Lugano Buyer, Inc. and Lugano Holding, Inc. are non-operating entities and, as such, do not maintain standalone balance sheets, income statements, or bank accounts. These entities have no ongoing business operations, revenue-generating activities, or material assets and liabilities requiring periodic financial reporting. Accordingly, no balance sheet, income statement, or schedule of bank accounts is included for Lugano Buyer, Inc. and Lugano Holding, Inc in the MORs.

Reservation of Rights: Given the complexity of the Debtors’ business, inadvertent errors, omissions, or over-inclusions may have occurred. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability, or executory nature of any claim amount, representation or other statement in the MORs and reserve the right to amend or supplement the MORs, if necessary, but shall be under no obligation to do so.

Debtor-in-Possession Financial Statements and MOR Attachments: The accompanying attachments are unaudited, preliminary, and may not comply with U.S. GAAP in all material respects.

Agency Agreement with Gordon Brothers: On December 31, 2025, the Court authorized the Debtors to assume an agency agreement (the “Agency Agreement”) with Enhanced Retail Funding, LLC (the “Agent”) on a final basis, pursuant to which the Agent purchased the Debtor’s cash in the Sale Locations (as defined in the Agency Agreement). *See* Docket No. 263. Thereafter, the Agent began daily cash sweeps from Debtor Lugano Diamonds & Jewelry Inc. as the rightful contractual owner of the cash on hand. The Agent remits back to the Debtors only the amounts required to pay operational expenses in accordance with the Agency Agreement.

Reporting Period:

Unless otherwise noted herein, the MORs generally reflects the Debtors’ books and records and financial activity occurring during the applicable reporting period of January 1, 2026, through and including January 31, 2026. Except as otherwise noted, no adjustments have been made for activity occurring after the close of the reporting period.

Specific Notes:

Part 1:

- a. Cash balances reflect the amounts held in the Debtors’ bank accounts, net of intercompany transfers, outstanding checks that were issued prepetition, and prepetition checks that cleared after the Petition Date. Variances between the cash balances reported in the MORs and those reflected in the Debtors’ financial statements may occur due to timing differences and other reconciling items.
- c. The ending cash balance reported on the Balance Sheet differs from the cash balance reported in the MOR because of the Agent’s daily cash sweeps under the Agency Agreement. Because the Agent purchased the Debtors’ cash, any cash sweep from the Debtor’s accounts by the Agent are not reported as disbursements made by the Debtors.

Part 2:

- a. The value of Debtor Lugano Diamonds & Jewelry Inc.’s, Debtor Lugano Prive, LLC’s, and Debtor K.L.D. Jewelry, Inc.’s accounts receivable includes intercompany receivables as per the Debtors’ books and records as of January 31, 2026.
- c. Debtors K.L.D. Jewelry, LLC, Lugano Buyer, Inc., and Lugano Holding, Inc. do not maintain inventory. Accordingly, Part 2(c) is marked as “Other,” as these entities do not conduct operating activities that would give rise to inventory balances.
- f. The postpetition payables reported for Debtor Lugano Diamonds & Jewelry Inc. and Lugano Prive, LLC exclude all prepetition amounts.

- k. Secured debt is the stated amount of the secured debt listed on each respective Debtors' *Schedules of Assets and Liabilities* and *Statements of Financial Affairs* [Docket Nos. 170–179 & 207–211] (collectively, the “Schedules and Statements”).
- l. Prepetition priority debt represents the stated amount of the prepetition priority debt per the Debtors' Schedules and Statements.
- m. Prepetition unsecured debt is based on the Debtors' preliminary estimates.

Part 5:

Expenses are primarily paid from Debtor Lugano Diamonds & Jewelry Inc.'s Bank of America bank account ending in 6485, and accordingly, such payments are reported on Debtor Lugano Diamonds & Jewelry Inc.'s MOR.

Professional fees reports in Part 5 of Lugano Diamonds & Jewelry Inc.'s MOR are paid from the Debtors' Fee Escrow Account (as defined in the *Final Order (I) Authorizing the Debtors to Use Cash Collateral; (II) Granting Adequate Protection to the Prepetition Lender; (III) Modifying the Automatic Stay; and (IV) Granting Related Relief* [Docket No. 364]) The funds held in the Debtors' Fee Escrow Account were paid from Debtor Lugano Diamonds & Jewelry Inc.'s Bank of America bank account ending in 6485.

Part 6:

Debtor Lugano Diamonds & Jewelry Inc. pays its postpetition employee payroll taxes from Bank of America bank account ending in 6485. Debtor Lugano Prive, LLC pays its postpetition employee payroll taxes from Bank of America bank account ending in 0218. Debtors K.L.D. Jewelry, Inc., Lugano Holding, Inc., and Lugano Buyer, Inc. do not have any employees.

Part 7:

- a. The Debtors made payments in accordance with various “first day” orders that have been entered in the Chapter 11 Cases. The Debtors believe that such payments have been approved under applicable “first day” relief.

Attachments to the MORs:

- A. Statement of Cash Receipts and Disbursements
- B. Schedule of Bank Accounts
- C. Balance Sheets
- D. Statement of Operations

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING JANUARY 1, 2026 AND ENDING JANUARY 31, 2026

Name of Debtor: **Lugano Diamonds & Jewelry, Inc**
Date of Petition: **November 16, 2025**

Case Number: **25-12055 BLS**

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	\$ 7,902,488.70	\$ 2,347,787.72
2. RECEIPTS:		
A. Cash Sales	-	-
Minus: Cash Refunds	-	-
Net Cash Sales	-	-
B. Accounts Receivable	10,359,311.42	25,959,374.61
C. Other Receipts	(6,710,999.82)	(6,849,424.82)
(If you receive rental income, you must attach a rent roll)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	<u>3,648,311.60</u>	<u>19,109,949.79</u>
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	<u>11,550,800.30</u>	<u>21,457,737.51</u>
5. DISBURSEMENTS		
A. Advertising	171,731.76	369,431.63
B. Bank Charges & Fees	5,671.86	15,142.93
C. Contract Labor and Consultants	91,671.81	118,382.58
D. Fixed Asset Payments (not incl. in "N")	-	-
E. Insurance	332,631.08	1,162,353.10
F. Inventory Payments	403,859.03	2,447,751.77
G. Leases & Contracts	-	-
H. Manufacturing Supplies	-	-
I. Office Supplies	767.20	767.20
J. Payroll	1,142,559.35	2,483,680.16
K. Professional Fees	2,560,385.00	4,197,078.50
L. Rent	706,285.66	1,389,375.86
M. Repairs & Maintenance	2,045.00	2,045.00
N. Secured Creditor Payments	-	-
O. Taxes Paid - Payroll	1,071,695.93	1,663,892.46
P. Taxes Paid - Sales & Use	399,857.35	949,911.48
Q. Taxes Paid - Other	-	-
R. Telephone	-	159.85
S. Travel, Meals & Entertainment	67.50	3,957.08
T. U.S. Trustee	-	-
U. Utilities	6,299.68	20,739.39
V. Vehicle Expenses	-	-
W. Other Operating Expenses	1,351,910.94	3,329,707.37
6. TOTAL DISBURSEMENTS (Sum of 5A thru W)	<u>8,247,439.15</u>	<u>18,154,376.36</u>
7. ENDING CASH BALANCE (Line 4 Minus Line 6)	<u><u>\$ 3,303,361.15</u></u>	<u><u>\$ 3,303,361.15</u></u>

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (CONT'D.)**Detail of Other Receipts and Other Disbursements****OTHER**

Describe Each Item of Other Receipt and List Amount of Receipt.

<u>Description</u>	<u>Current Month</u>	<u>Cumulative</u>
Transfer - K.L.D. Jewelry, LLC (USB 0527)	\$ -	\$ (12,500.00)
Pre-petition checks cleared post-petition	-	(925.00)
Transfer - Lugano Prive, LLC (0218)	(33,999.82)	(158,999.82)
Net Swept to ERF	(6,675,000.00)	(6,675,000.00)
Customer Refund	(2,000.00)	(2,000.00)
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	\$ (6,710,999.82)	\$ (6,849,424.82)

"Other Receipts" includes Loans from Insiders and other sources (i.e. Officer/Owner, related parties directors, related corporations, etc.). Please describe below:

<u>Loan Amount</u>	<u>Source</u>	<u>Purpose</u>	<u>Repayment Schedule</u>

OTHER DISBURSEMENTS:

Describe Each Item of Other Disbursement and List Amount of Disbursement.

<u>Description</u>	<u>Current Month</u>	<u>Cumulative</u> <u>Petition to Date</u>
401(k)	\$ 177,633.86	\$ 294,905.76
Payroll Processing Fees	13,187.72	18,474.72
Event Production	72,485.35	121,279.72
Florist	-	28,448.78
FSA Payment	19,652.06	31,897.67
Shipping	10,090.26	65,995.08
Credit Card Payments (AMEX)	382,967.62	986,337.77
Employee Expenses Reimbursement	54,329.85	121,272.48
Merchant Processing Fees	99,821.43	121,653.42
Sponsorships	160,000.00	229,166.66
Board of Directors Fees	80,000.00	140,000.00
Subscriptions	-	6,483.89
Licensing	30,057.85	30,057.85
Security	100,169.67	185,096.78
Cleaning Services	6,106.67	20,250.68
Software	21,626.73	23,964.17
IT Services	70,935.42	70,935.42
Sales Related Expenses	-	709,448.24
Operations Expenses	7,150.60	32,646.58
Excess Worker Compensation - Loan Repayment	45,695.85	91,391.70
	\$ 1,351,910.94	\$ 3,329,707.37

Lugano Diamonds & Jewelry Inc., et al.**United States Bankruptcy Court - District of Delaware****Case No. 25-12055 BLS (Jointly Administered)****Lugano Diamonds & Jewelry, Inc.****Schedule of Bank Accounts****As of January 31, 2026**

Description	Checking Account	Checking Account	Total
Account Name	Lugano Diamonds & Jewelry, Inc. Debtor-In-Possession Case 25-12055	Lugano Diamonds & Jewelry, Inc. Debtor-In-Possession	
Bank Name	Bank of America	US Bank	
Account Number - Last Four Digits	6485	8643	
Beginning book balance (as of 1/1/26)	7,873,460.60	29,028.10	\$ 7,902,488.70
Plus: Deposits	10,359,311.42	-	10,359,311.42
Transfers between Debtors	(33,999.82)	-	(33,999.82)
Net sweep to ERF	(6,675,000.00)		(6,675,000.00)
Customer Refunds	(2,000.00)	-	(2,000.00)
Subtotal book balance	11,521,772.20	29,028.10	11,550,800.30
Less: Disbursements	(8,245,472.79)	(1,966.36)	(8,247,439.15)
Transfers	25,735.57	(25,735.57)	-
Other:	-		-
Ending book balance (as of 1/31/26)	\$ 3,302,034.98	\$ 1,326.17	\$ 3,303,361.15

Balance Sheet
End of Jan 2026

Attachment C

Financial Row	Post-petition	Amount
ASSETS		
Current Assets		
Bank		
B of A - 6485 - LDI		\$3,249,175.64
Net amount swept to/from ERF ⁽¹⁾		\$6,675,000.00
Total Bank ⁽²⁾		\$9,924,175.64
Accounts Receivable		
Accounts Receivable - Trade		\$7,741,128.00
IC Accounts Receivable		\$27,009,759.82
Returns Reserve & AR rec items		(\$0.32)
Total Accounts Receivable		\$34,750,887.50
Other Current Asset		
Petty Cash		\$147,547.90
Deposits In Transit		(\$68,000.00)
Accounts Receivable - Prive		(\$0.01)
Receivables - Other		\$364,296.01
AMEX Receivable - Other AR		\$21,905.97
Inventory		
Inventory		\$156,422,367.96
Total Inventory		\$156,422,367.96
Inventory - In - Transit		\$0.48
Inventory - Purchase Deposits		(\$0.12)
Inventory Valuation Reserve		(\$10,056,430.43)
Workshop Tools		\$7,052.01
Prepaid - Insurance		\$609,508.77
Prepaid - Other		\$395,417.70
Due From Employee		\$13,610.49
Deposits - Short Term		\$100,000.00
Due To / From Inter-company		\$46,152,669.32
VAT on Purchases - Receivable		\$27,756.67
Total Other Current Asset		\$194,137,702.72
Total Current Assets		\$238,812,765.86
Fixed Assets		
Property Plant and Equipment		
Construction In Progress		(\$1,792.58)
Computer Equipment - A/D		(\$0.10)
Furniture & Fixtures		\$706,377.74
Furniture & Fixtures - A/D		(\$175,817.87)
Machinery & Equipment		\$1,262,748.02
Machinery & Equipment - A/D		(\$571,676.59)
Artwork		\$91,308.84
Leasehold Improvements - A/D		(\$0.08)
Total Property Plant and Equipment		\$1,311,147.38
Total Fixed Assets		\$1,311,147.38
Other Assets		
Deposits		\$602,492.30
ROU Lease Assets		\$17,453,919.87
Rent Clearing		\$583,602.64
18000 - Intangible Assets		
Tradename		\$226,000.00
Tradename - A/A		(\$66,377.28)
Software		\$2,183,691.55
Software - A/A		(\$844,199.14)
Total Intangible Assets		\$1,499,115.13
Total Other Assets		\$20,139,129.94
Total ASSETS		\$260,263,043.18
Liabilities & Equity		
Current Liabilities		
Accounts Payable		
Accounts Payable - Trade		\$1,016,982.92
Total Accounts Payable		\$1,016,982.92
Credit Card		
Credit Cards - Amex - 61001		\$276,480.18
Credit Cards - JPM LDI		\$0.01
Total Credit Card		\$276,480.19
Other Current Liability		
Accrued Expenses		\$740,434.50
Customer Deposits		\$277,994.08
Sales Tax Payable		(\$1,198,234.47)
Sales Tax Payable - Assessment		(\$288.72)
Sales Tax- Investigation		\$6,966,974.55
Customer Refunds Reserve		\$1,197,476.00
Accrued Payroll		\$26,649.84
Accrued Vacation		\$20,652.84
Accrued 401k Contributions		(\$732.52)
FSA / Dependent Care Liability		(\$2,631.70)
Income Tax Payable - Fed		(\$58,106,092.34)
Income Tax Payable - State		(\$1,541,000.00)
Income Tax Payable - State CA		(\$4,024,436.99)
Income Tax Payable - State NY		(\$50.00)
Income Tax Payable - State VA		\$82,483.18
Income Tax Payable - State CT		(\$653,820.52)
Income Tax Payable - State DC		(\$705,269.00)
Income Tax Payable - State CO		(\$2,060,505.68)
Income Tax Payable - State FL		(\$4,183.33)
Income Tax Payable - State TX		\$16,784.04
Income Tax Payable - Foreign		(\$253,687.00)
Total Other Current Liability		(\$59,221,483.24)
Total Current Liabilities		(\$57,928,020.13)
Net Assets		\$202,335,023.05
Total Liabilities & Net Assets		\$260,263,043.18

Note:

(1) Under the Agency Agreement, Gordon Brothers purchased the Debtors' cash. The daily sweep reflects Gordon Brothers taking cash they own, not a disbursement by the Debtors.

(2) The Balance Sheet cash balance differs from the MOR because the swept amounts are excluded from MOR disbursements to avoid double-counting.

Lugano Diamonds & Jewelry, Inc
Income Statement
January 2026

Financial Row	Amount
Ordinary Income/Expense	
Income	
Taxable Sales	\$9,911,131.19
Client Discounts	(\$30,008.70)
Sales Returns & Allowances	(\$1,417,480.19)
Total - Income	\$8,463,642.30
Cost Of Sales	
Purchases	\$446,913.56
COS by Sales Category	\$8,299,174.99
Ending Inventory	(\$889,644.35)
Supplies	\$627.09
Tools	\$4,530.46
Outside Services - COGS	(\$3,994.00)
Freight	\$29,504.72
Freight - International	\$1,010.73
WS - COGS Allocation	\$75,674.95
WS - Absorbed Labor	\$59,229.14
WS - Absorbed OH	\$11,544.00
WS - Depreciation	\$19,997.95
WS - Wastage & Reclamation	\$3,144.11
Total - Cost Of Sales	\$8,057,713.35
Gross Profit	\$405,928.95
Expense	
Salaries and Wages	\$922,893.04
Commissions & Other Variable Comp	\$623,473.14
Payroll Tax	\$160,847.75
Employee 401K Plan - ER Contributions	\$53,199.07
Vacation and PTO	(\$1,336.52)
Health Insurance	\$269,363.51
Life Insurance	\$10,195.42
Insurance - Workers Comp	(\$6,357.95)
Employee Benefits	\$2,292.67
Employee Reward and Recognition	\$4,262.04
ADP Fees	\$3,443.72
Consultants and Contract Employees	\$8,312.50
Stock Expense - Employee	\$186,125.92
Stock Expense - Consultant	\$20,562.49
Board Member Fees	\$70,000.00
Security Systems and Services	\$10,830.10
Security Guards	\$75,164.81
Security Emergency Services	\$762.78
Security Supplies	\$143.82
Bank Service Charges	\$6,198.91
Computer and IT Expense	\$3.98
Cleaning Service	\$12,963.84
Merchant Credit Card Fees	\$144,878.29
Jewelry Delivery & Freight	\$22,060.57
Non-Jewelry Delivery & Freight	\$3,428.46
Depreciation	\$54,159.43
Florist	\$3,451.24
Insurance - Liability	\$161,585.51
Office Expense	\$600.00
Parking	\$9,146.38
Rent	\$476,184.15
CAM, Taxes	\$150,286.00
Rent - Storage	\$7,337.24
Utilities	\$3,640.25
Repairs and Maintenance	\$2,149.74
Software - Licenses and Subscriptions	\$31,610.25
Supplies - Office	\$13,274.16
Supplies - Client Facing	\$727.78
Supplies - Shipping	\$940.99
Supplies - Stationary and Print	\$6,732.55
Taxes, Licenses & Permits	\$6,631.76
Telephone & Internet	\$18,213.96
Advertising	\$98,680.00
Catering	\$2,429.89
Client Gifts	\$236.94
Digital Marketing	\$1,067.55
Donations	\$16,061.92
Dues and Subscriptions	\$17,466.90
Event Production - Other	\$227,078.85
Marketing	\$12.87
Photography & Video	\$8,277.95
Public Relations	\$17,680.00
Sponsorships	\$185,476.19
Meals	\$13,945.16
Employee Travel	\$99,191.82
Professional Fees	
Professional Fees - Accounting Fees	\$609.13
Professional Fees - Transactions	\$2,636,245.80
Total Professional Fees	\$2,636,854.93
Amortization Expense	
Amortization - Tradename	\$1,255.56
Amortization - Software	\$60,658.00
Total Amortization Expense	\$61,913.56
Total - Expense	\$6,936,758.28
Net Ordinary Income	(\$6,530,829.33)
Other Income and Expenses	
Other Income	
Gain / Loss on Lease Termination	\$1,222,830.85
Total - Other Income	\$1,222,830.85
Other Expense	
Realized Gain/Loss	\$1,297.37
Unrealized Gain/Loss	\$2,561.90
Fraud/Theft Expense	\$126,800.00
Adjustments - PY	\$95,803.83
Total - Other Expense	\$226,463.10
Net Other Income	\$996,367.75
Net Income	(\$5,534,461.58)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING JANUARY 1, 2026 AND ENDING JANUARY 31, 2026

Name of Debtor: Lugano Buyer, Inc
Date of Petition: November 16, 2025

Case Number: 25-12052 BLS

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	\$ -	\$ -
2. RECEIPTS:		
A. Cash Sales	-	-
Minus: Cash Refunds	-	-
Net Cash Sales	-	-
B. Accounts Receivable	-	-
C. Other Receipts	-	-
(If you receive rental income, you must attach a rent roll)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	-	-
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	-	-
5. DISBURSEMENTS		
A. Advertising	-	-
B. Bank Charges & Fees	-	-
C. Contract Labor and Consultants	-	-
D. Fixed Asset Payments (not incl. in "N")	-	-
E. Insurance	-	-
F. Inventory Payments	-	-
G. Leases & Contracts	-	-
H. Manufacturing Supplies	-	-
I. Office Supplies	-	-
J. Payroll	-	-
K. Professional Fees	-	-
L. Rent	-	-
M. Repairs & Maintenance	-	-
N. Secured Creditor Payments	-	-
O. Taxes Paid - Payroll	-	-
P. Taxes Paid - Sales & Use	-	-
Q. Taxes Paid - Other	-	-
R. Telephone	-	-
S. Travel, Meals & Entertainment	-	-
T. U.S. Trustee	-	-
U. Utilities	-	-
V. Vehicle Expenses	-	-
W. Other Operating Expenses	-	-
6. TOTAL DISBURSEMENTS (Sum of 5A thru W)	-	-
7. ENDING CASH BALANCE (Line 4 Minus Line 6)	\$ -	\$ -

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING JANUARY 1, 2026 AND ENDING JANUARY 31, 2026

Name of Debtor: K.L.D. Jewelry, LLC

Case Number: 25-12053 BLS

Date of Petition: November 16, 2025

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	\$ 13,289.06	\$ 807.76
2. RECEIPTS:		
A. Cash Sales	-	-
Minus: Cash Refunds	-	-
Net Cash Sales	-	-
B. Accounts Receivable	-	-
C. Other Receipts	(285.06)	12,214.94
(If you receive rental income, you must attach a rent roll)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	<u>(285.06)</u>	<u>12,214.94</u>
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	<u>13,004.00</u>	<u>13,022.70</u>
5. DISBURSEMENTS		
A. Advertising	-	-
B. Bank Charges & Fees	-	-
C. Contract Labor and Consultants	-	-
D. Fixed Asset Payments (not incl. in "N")	-	-
E. Insurance	-	-
F. Inventory Payments	-	-
G. Leases & Contracts	-	-
H. Manufacturing Supplies	-	-
I. Office Supplies	-	-
J. Payroll	-	-
K. Professional Fees	-	-
L. Rent	-	-
M. Repairs & Maintenance	-	-
N. Secured Creditor Payments	-	-
O. Taxes Paid - Payroll	504.00	504.00
P. Taxes Paid - Sales & Use	-	-
Q. Taxes Paid - Other	-	-
R. Telephone	-	-
S. Travel, Meals & Entertainment	-	-
T. U.S. Trustee	-	-
U. Utilities	-	-
V. Vehicle Expenses	-	-
W. Other Operating Expenses	-	18.70
6. TOTAL DISBURSEMENTS (Sum of 5A thru W)	<u>504.00</u>	<u>522.70</u>
7. ENDING CASH BALANCE (Line 4 Minus Line 6)	<u><u>\$ 12,500.00</u></u>	<u><u>\$ 12,500.00</u></u>

<u>Description</u>	<u>Current Month</u>	<u>Cumulative Petition to Date</u>
Payroll Processing Fees	\$ -	\$ 18.70
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	\$ -	\$ 18.70

Lugano Diamonds & Jewelry Inc., et al.**United States Bankruptcy Court - District of Delaware****Case No. 25-12055 BLS (Jointly Administered)****K.L.D. Jewelry, LLC****Schedule of Bank Accounts****As of January 31, 2026**

Description	Checking Account	Checking Account	Total
Account Name	K.L.D. Jewelry, LLC Debtor in Possession Case 25- 12055	K.L.D. Jewelry, LLC Debtor in Possession	
Bank Name	Bank of America	U.S. Bank	
Account Number - Last Four Digits	3172	0527	
Beginning book balance (as of 1/1/26)	789.06	12,500.00	\$ 13,289.06
Plus: Deposits	-	-	-
Transfers between Debtors	(285.06)	-	(285.06)
Subtotal book balance	504.00	12,500.00	13,004.00
Less: Disbursements	(504.00)		(504.00)
Transfers	-		-
Other:	-		-
Ending book balance (as of 1/31/26)	\$ (0.00)	\$ 12,500.00	\$ 12,500.00

Lugano Diamonds & Jewelry, Inc
KLD Jewelry, LLC
Balance Sheet
As of January 2026

Post-petition

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
US Bank KLD 0527	\$12,500.00
Total Bank	\$12,500.00
Accounts Receivable	
IC Accounts Receivable	\$1,615,894.52
Total Accounts Receivable	\$1,615,894.52
Other Current Asset	
Prepaid - Other	\$2,556.46
Total Other Current Asset	\$2,556.46
Total Current Assets	\$1,630,950.98
Total ASSETS	\$1,630,950.98
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable - Trade	\$0.00
IC Accounts Payable	\$17,500.00
Total Accounts Payable	\$17,500.00
Other Current Liability	
Accrued Payroll Taxes	\$7,176.92
FSA / Dependent Care Liability	\$14,920.06
Income Tax Payable - State CA	(\$13,474.57)
Total Other Current Liability	\$8,622.41
Total Current Liabilities	\$26,122.41
Net Assets	\$1,604,828.57
Total Liabilities & Net Assets	\$1,630,950.98

Lugano Diamonds & Jewelry, Inc
KLD Jewelry, LLC
Income Statement
January 2026

Financial Row	Amount
Ordinary Income/Expense	
Gross Profit	\$0.00
Expense	
Payroll Tax	\$504.00
Total - Expense	\$504.00
Net Ordinary Income	(\$504.00)
Net Income	(\$504.00)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING JANUARY 1, 2026 AND ENDING JANUARY 31, 2026

Name of Debtor: Lugano Prive, LLC
Date of Petition: November 16, 2025

Case Number: 25-12054 BLS

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	\$ 91,061.81	\$ 132,891.71
2. RECEIPTS:		
A. Cash Sales	-	-
Minus: Cash Refunds	-	-
Net Cash Sales	-	-
B. Accounts Receivable	75,219.10	137,032.89
C. Other Receipts	34,284.88	156,319.38
(If you receive rental income, you must attach a rent roll)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	<u>109,503.98</u>	<u>293,352.27</u>
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	<u>200,565.79</u>	<u>426,243.98</u>
5. DISBURSEMENTS		
A. Advertising	-	-
B. Bank Charges & Fees	660.57	1,445.01
C. Contract Labor and Consultants	1,250.00	8,700.00
D. Fixed Asset Payments (not incl. in "N")	-	-
E. Insurance	2,724.82	6,991.06
F. Inventory Payments	25,610.72	56,419.58
G. Leases & Contracts	-	-
H. Manufacturing Supplies	-	-
I. Office Supplies	-	-
J. Payroll	65,177.17	168,954.33
K. Professional Fees	-	-
L. Rent	-	1,860.00
M. Repairs & Maintenance	-	439.00
N. Secured Creditor Payments	-	-
O. Taxes Paid - Payroll	31,730.28	75,954.16
P. Taxes Paid - Sales & Use	44,008.00	44,008.00
Q. Taxes Paid - Other	-	-
R. Telephone	-	-
S. Travel, Meals & Entertainment	482.28	3,114.71
T. U.S. Trustee	-	-
U. Utilities	-	3,765.69
V. Vehicle Expenses	-	-
W. Other Operating Expenses	10,767.25	36,437.74
6. TOTAL DISBURSEMENTS (Sum of 5A thru W)	<u>182,411.09</u>	<u>408,089.28</u>
7. ENDING CASH BALANCE (Line 4 Minus Line 6)	<u>\$ 18,154.70</u>	<u>\$ 18,154.70</u>

Attachment A

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS (CONT'D.)

Detail of Other Receipts and Other Disbursements

OTHER

Describe Each Item of Other Receipt and List Amount of Receipt.

<u>Description</u>	<u>Current Month</u>	<u>Cumulative</u>
Pre-petition checks cleared post-petition	\$ -	\$ (2,965.50)
Transfer - Lugano Diamonds & Jewelry, LLC (BOA 6485)	34,284.88	159,284.88
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	\$ 34,284.88	\$ 156,319.38

"Other Receipts" includes Loans from Insiders and other sources (i.e. Officer/Owner, related parties directors, related corporations, etc.). Please describe below:

<u>Loan Amount</u>	<u>Source</u>	<u>Purpose</u>	<u>Repayment Schedule</u>

OTHER DISBURSEMENTS:

Describe Each Item of Other Disbursement and List Amount of Disbursement.

<u>Description</u>	<u>Current Month</u>	<u>Cumulative</u> <u>Petition to Date</u>
Payroll Processing Fees	\$ 271.80	\$ 679.50
Merchant Processing Fees	3,202.59	8,091.24
Cleaning Services	-	12,828.65
Laundry Services	5,596.48	11,358.84
Culinary Supplies	-	476.15
Software	1,696.38	2,143.36
Florist	-	860.00
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	-	-
	\$ 10,767.25	\$ 36,437.74

Lugano Diamonds & Jewelry Inc., et al.**United States Bankruptcy Court - District of Delaware****Case No. 25-12055 BLS (Jointly Administered)****Lugano Prive, LLC****Schedule of Bank Accounts****As of January 31, 2026**

Description	Checking Account	Checking Account	Total
Account Name	Lugano Prive Debtor-In- Possession Case 25- 12055	Lugano Prive, LLC Debtor-In- Possession	
Bank Name	Bank of America	U.S. Bank	
Account Number - Last Four Digits	0218	0535	
Beginning book balance (as of 1/1/26)	28,534.72	62,527.09	\$ 91,061.81
Plus: Deposits	75,219.10	-	75,219.10
Transfers between Debtors	96,811.97	(62,527.09)	34,284.88
Pre-petition checks cleared post-petition	-	-	-
Subtotal book balance	200,565.79	-	200,565.79
Less: Disbursements	(182,411.09)	-	(182,411.09)
Transfers	-	-	-
Other:	-	-	-
Ending book balance (as of 1/31/26)	\$ 18,154.70	\$ -	\$ 18,154.70

Lugano Diamonds & Jewelry, Inc
Lugano Prive, LLC
Balance Sheet
As of January 2026

Post-petition

Financial Row	Amount
ASSETS	
Current Assets	
Bank	
B of A - 0218 - Prive	\$11,902.25
US Bank Prive 0535	(\$261.32)
Total Bank ⁽¹⁾	\$11,640.93
Accounts Receivable	
IC Accounts Receivable	\$158,425.71
Total Accounts Receivable	\$158,425.71
Other Current Asset	
Petty Cash	\$199.10
Accounts Receivable - Prive	\$109,258.72
Receivables - Other	\$11,940.00
Inventory	
Inventory - Prive	\$235,102.50
Total Inventory	\$235,102.50
Prepaid - Insurance	\$1,079.72
Prepaid - Other	(\$0.04)
Due From Employee	\$179.82
Due To / From Inter-company Prive	\$0.00
Total Other Current Asset	\$357,759.82
Total Current Assets	\$527,826.46
Fixed Assets	
Property Plant and Equipment	
Computer Equipment - A/D	(\$0.01)
Machinery & Equipment	\$50,370.09
Machinery & Equipment - A/D	(\$28,791.04)
Total Property Plant and Equipment	\$21,579.04
Total Fixed Assets	\$21,579.04
Other Assets	
Other Assets - LT	\$153,700.00
Total Other Assets	\$153,700.00
Total ASSETS	\$703,105.50
Liabilities & Equity	
Current Liabilities	
Accounts Payable	
Accounts Payable - Trade	\$98,078.15
IC Accounts Payable	\$0.00
Total Accounts Payable	\$98,078.15
Other Current Liability	
Accrued Expenses	\$2,850.00
Customer Deposits	\$49,704.61
Sales Tax Payable - Prive	(\$1,543.50)
Accrued Payroll	\$3,580.87
Accrued Vacation	\$3,258.72
FSA / Dependent Care Liability	\$10,291.84
Income Tax Payable - State CA	(\$10,818.47)
Total Other Current Liability	\$57,324.07
Total Current Liabilities	\$155,402.22
Net Assets	\$547,703.28
Total Liabilities & Net Assets	\$703,105.50

Note:

(1) Difference between balance sheet ending cash and MOR ending cash totals \$6,513.77 and is in the process of being reconciled by the CRO.

Lugano Diamonds & Jewelry, Inc
Lugano Prive, LLC
Income Statement
January 2026

Financial Row	Amount
Ordinary Income/Expense	
Income	
Sales - Member Initiation and Dues	\$91,637.98
Sales - Food and Beverage	\$7,397.00
Total - Income	\$99,034.98
Cost Of Sales	
Freight	\$389.77
Food - Cost of Sales	\$29,398.11
Liquor - Cost of Sales	\$677.94
Wine - Cost of Sales	\$20,350.22
Beer - Cost of Sales	\$361.63
Total - Cost Of Sales	\$51,177.67
Gross Profit	\$47,857.31
Expense	
Salaries and Wages	\$84,574.91
Payroll Tax	\$12,249.98
Employee 401K Plan - ER Contributions	\$2,570.86
Vacation and PTO	\$359.64
Health Insurance	(\$1,116.00)
Life Insurance	(\$95.58)
Employee Benefits	\$329.50
ADP Fees	\$271.80
Consultants and Contract Employees	\$35,280.93
Security Systems and Services	\$7,495.76
Bank Service Charges	\$2,420.62
Cleaning Service	\$9,320.85
Merchant Credit Card Fees	\$3,202.59
Depreciation	\$1,028.22
Florist	\$1,895.00
Insurance - Liability	(\$4,170.74)
Rent	\$84,950.19
Rent - Storage	\$1,810.00
Utilities	\$4,572.62
Repairs and Maintenance	\$1,977.17
Software - Licenses and Subscriptions	\$2,427.44
Supplies - Office	\$268.12
Supplies - Operating	\$11,908.34
Supplies - Stationary and Print	\$274.63
Taxes, Licenses & Permits	\$2,335.00
Telephone & Internet	\$1,219.30
Uniforms	\$5,737.09
Dues and Subscriptions	\$125.96
Printing and Reproduction	\$166.41
Employee Travel	\$1,190.00
Professional Fees	
Professional Fees - Transactions	\$653.00
Total Professional Fees	\$653.00
Total - Expense	\$275,233.61
Net Ordinary Income	(\$227,376.30)
Net Income	(\$227,376.30)

STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
FOR THE PERIOD BEGINNING JANUARY 1, 2026 AND ENDING JANUARY 31, 2026

Name of Debtor: Lugano Holding, Inc.
Date of Petition: November 16, 2025

Case Number: 25-12056 BLS

	<u>CURRENT</u> <u>MONTH</u>	<u>CUMULATIVE</u> <u>PETITION TO DATE</u>
1. FUNDS AT BEGINNING OF PERIOD	\$ -	\$ -
2. RECEIPTS:		
A. Cash Sales	-	-
Minus: Cash Refunds	-	-
Net Cash Sales	-	-
B. Accounts Receivable	-	-
C. Other Receipts	-	-
(If you receive rental income, you must attach a rent roll)		
3. TOTAL RECEIPTS (Lines 2A+2B+2C)	-	-
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (Line 1 + Line 3)	-	-
5. DISBURSEMENTS		
A. Advertising	-	-
B. Bank Charges & Fees	-	-
C. Contract Labor and Consultants	-	-
D. Fixed Asset Payments (not incl. in "N")	-	-
E. Insurance	-	-
F. Inventory Payments	-	-
G. Leases & Contracts	-	-
H. Manufacturing Supplies	-	-
I. Office Supplies	-	-
J. Payroll	-	-
K. Professional Fees	-	-
L. Rent	-	-
M. Repairs & Maintenance	-	-
N. Secured Creditor Payments	-	-
O. Taxes Paid - Payroll	-	-
P. Taxes Paid - Sales & Use	-	-
Q. Taxes Paid - Other	-	-
R. Telephone	-	-
S. Travel, Meals & Entertainment	-	-
T. U.S. Trustee	-	-
U. Utilities	-	-
V. Vehicle Expenses	-	-
W. Other Operating Expenses	-	-
6. TOTAL DISBURSEMENTS (Sum of 5A thru W)	-	-
7. ENDING CASH BALANCE (Line 4 Minus Line 6)	\$ -	\$ -