UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: RMB BAKERY LLC, Debtor.	Chapter 11 Case No. 20-11422
In re: BKD GROUP LLC Debtor	Chapter 11 Case No. 20-11423

DECLARATION OF MARK RIMER PURSUANT TO LOCAL BANKRUPTCY RULE 1007-2 AND IN SUPPORT OF CHAPTER 11 PETITION AND FIRST DAY MOTIONS

I, Mark Rimer, pursuant to 28 U.S.C. § 1746, do hereby declare under penalty of perjury under the laws of the United States of America that the following is true and correct as of this 15th day of June, 2020:

1. I am a member of the senior management of and an investor in both RM Bakery LLC, a Delaware limited liability company ("RMB"), and BKD Group LLC, a Delaware limited liability company ("BKD"), the debtors and debtors-in-possession herein (the "Debtors"), and am generally familiar with the Debtors' day to day operations, business, financial affairs, and books and records.

2. On June15, 2020 (the "Petition Date"), the Debtors are commencing two cases by filing their respective petitions for relief under chapter 11 of the United States Bankruptcy Code, 11 U.S.C. § 101 *et seq*. (the "Bankruptcy Code"), in the United States Bankruptcy Court for the Southern District of New York (the "Chapter 11 Cases"). The Debtors will be seeking to have their cases jointly administered.

3. The Debtors are currently operating their businesses and managing their affairs as debtors-in-possession pursuant to Bankruptcy Code sections 1107(a) and 1108. To date, no creditors' committee has been formed in these Chapter 11 Cases, and no trustee or examiner has been appointed.

4. I submit this declaration (the "Declaration"), pursuant to Rule 1007-2 of the Local Bankruptcy Rules for the Southern District of New York (the "Local Rules"), to provide an overview of the Debtors, their businesses and the Chapter 11 Cases, as well as to support the Debtors' chapter 11 petitions and the motions and applications seeking various types of relief upon or shortly after commencement of the Chapter 11 Cases (collectively, the "First Day Motions"). I have been in a management position with the Debtor since September, 2017, and as a result of my work with the Debtors, my review of relevant documents, and my discussions with others familiar with the Debtors, I am familiar with the Debtors' day-to-day operations, business affairs, financial affairs, and books and records. Except as otherwise noted, I have personal knowledge of the matters set forth herein, and all facts set forth in the Declaration are based on my personal knowledge, my discussions with others familiar with the Debtor, my review of relevant documents, or my opinion based on my experience and knowledge of the Debtors' operations and financial conditions. In making this Declaration, I have relied in part on information and materials that the Debtors' advisors have gathered, prepared, verified and

provided to me, in each case under my ultimate supervision, at my direction, and/or for my benefit in preparing the Declaration. I am authorized to submit this Declaration on behalf of the Debtors, and, if called upon to testify, I could and would testify competently to the facts set forth herein.

5. This declaration is divided into three parts. Part I provides background information about the Debtors, their business, capital structure, restructuring efforts, and the events leading up to the filing of the Chapter 11 Cases. Part II sets forth the relevant facts and considerations in support of each of the First Day Motions. Finally, Part III provides the specific information required by Local Bankruptcy Rule 1007-2.

PART I
The Debtors

A. History and Business of the Debtors

6. RMB is a wholesale artisanal bread and pastry bakery in the Bronx that produces over 400 different breads and pastries. Prior to the coronavirus pandemic, RMB had approximately 400 customers in the tri-state area, consisting of hotels, restaurants, country clubs, and caterers. Products are made to order from scratch every day and delivered fresh to customers. Prior to the coronavirus pandemic, this was accomplished via a fleet of leased vehicles, as well as distributors. We have recently completed the outsourcing of distribution to distributors and are terminating all vehicle leases and ownership interests in order to reduce overhead. The business employed approximately seventy hard-working bakers, packers, drivers and office staff, plus an additional twenty or so employees in two of RMB's subsidiaries, RMB BONY LLC ("BONY") and Baked Wholesale LLC ("Wholesale LLC"). None of RMB's three subsidiaries are filing for protection pursuant to chapter 11 at this time. The majority of the

employees are residents of New York and are ethnically diverse. The Bronx-based bakery facility itself, as well as the residences of the majority of the employees, are in an area that demographically shows very low income. RMB is proud to give hard workers from the nearby area employment opportunities.

7. Unfortunately, the business has had to furlough many employees due to the dramatic business reductions surrounding the coronavirus pandemic. More than 75% of our customers have had to close their doors since March, resulting in a 65% reduction in business during the worst weeks of the crisis. I hope we will be able to rehire many of these employees as we restructure the business and our customers open up again.

8. Due to the artisanal nature of the products, RMB buys some very specific ingredients and raw materials from a few ingredient wholesalers. It also works with numerous general service vendors in the area.

9. RMB is wholly owned by BKD, which, as discussed below, has also guaranteed some of RMB's debt. BKD's only asset is RMB.

10. In 2013, an individual named Christian Matthaeus ("Matthaeus") came to the attention of Debtors' key investors (the "Investors") as someone interested in operating an artisanal bakery. Matthaeus was an experienced business operator, management consultant, and passionate baker. The Investors had been looking at bakeries and had identified Rollo Mio Artisan Bakery in Queens as a potential investment. Together with Matthaeus, the Investors developed a business plan to purchase the assets of Rollo Mio Artisan Bakery, and subsequently pooled the capital to make a significant equity investment in the bakery together with Matthaeus through a special purpose vehicle, Kuzari Investor 27323 LLC ("KI"). Matthaeus and KI caused RMB to buy the assets of Rollo Mio Artisan Bakery. In order to do so, in addition to a $1.25

million investment by KI, RMB borrowed $5 million on a senior secured basis from Square 1 Bank, secured by substantially all of the assets of the new company, RMB Bakery LLC. The loan from Square 1 Bank was guaranteed by the Small Business Administration ("SBA"). Matthaeus and KI owned Debtor RMB 55%/45%, respectively, with Matthaeus as the managing member and designated operator.

11. In less than a year of operations it became apparent that the condition and profitability of the business had been grossly misrepresented by the sellers, and that Matthaeus did not have the skills or experience to operate a severely challenged business. With revenues declining and the loss of a large contract, Matthaeus announced in June 2014 that he was no longer willing or able to lead the business. There followed a period of severe turmoil while the equity owners attempted to restructure the business and operations.

12. In October 2014, KI and Matthaeus signed an amended operating agreement giving KI majority ownership, and creating room for equity incentives for new managers and key people, including a newly hired CEO, Frederic Lebourg ("Lebourg"), who was brought in urgently following Matthaeus's departure. KI became the managing member, and could monitor matters more closely. The new CEO was a seasoned bakery executive, having been CEO at Rudi Foods and Neuhauser USA. He had opened at least five new bakery facilities during his career and appeared to be ideal for the role. At the time he took over running the business on a day to day basis, the business was substantially underperforming.

13. One of Lebourg's first actions as CEO was to determine that RMB was at capacity at its bakery facility in Queens, and could therefore never grow sufficiently to service its debt without moving to a larger facility. He located the current facility in the Bronx, which would

take the bakery from an 8,000 square-foot facility to 22,500 square feet, and determined to move RMB there in order to take advantage of business development opportunities.

14. The move to the Bronx would be costly, however. In order to fund the move and a settlement with the original seller who could otherwise have blocked the move, RMB had to raise an additional $1 million in equity. The anticipated move-in date was March 2016.

15. This plan hit a snag, however, when it was discovered that during construction, the building had not been properly waterproofed. RMB was forced into a 12 month lawsuit with the landlord in order to ensure the delivery of a habitable building. As a result, the Debtor was not able to move into the facility until summer 2017, which caused significant cash flow problems.

16. Faced with these problems, during the summer of 2016, in order to enhance cash flow, RMB looked for other bakeries which had cash flow and whose operations could be merged into the prospective new facility. As part of this effort, and in preparation for an acquisition, RMB created a holding company, Debtor BKD Group LLC, which would emerge as the 100% shareholder of RMB. BKD merged with Freshly Baked Holdings LLC in an equity swap, which required no cash. After the merger, BKD owned 100% of RMB and 100% of Freshly Baked Holdings LLC. BKD has subsequently divested Freshly Baked Holdings in an effort to raise capital.

17. While this process was underway, RMB was also working with Square 1 Bank to modify and reamortize the outstanding loan to bring it into better alignment with the expected revenues from the new facility and the new acquisition. Square 1 Bank worked with the company and modified the loan accordingly.

18. Between the construction problems and the lawsuit with the landlord, the move was repeatedly delayed and became increasingly more expensive. It became apparent that Lebourg

was not in firm control of day to day operations. As a result, the Debtors had to raise an additional investment of $1,375,000 to survive. The funds came $1.2 million from the existing KI investors, and $175,000 from the remaining shareholders of BKD. While there was no official change to the management team, KI, as managing member, watching its investment balloon, started to take a greater oversight role. As the Investor who became largely responsible for the oversight of KI's investment, I personally had no choice but to became more active in day to day oversight of the business and have continued to do so. Unfortunately, however, neither KI nor its affiliates has received any management fees from the Debtors since April 2015, and I have never received any compensation for functioning as a manager and day-to-day member of the senior management team.

19. By the time RMB eventually moved into the new facility at 220 Coster Street in the Bronx in Summer 2017, RMB was so far behind in executing on Lebourg's business plan that Lebourg felt unable to continue in his role as CEO. He resigned from the Debtors on just 30 days' notice, leaving the company operationally unstable. Without an experienced CEO, the Debtors were unable to properly utilize the new space and to provide their customers with basic levels of customer service and logistics. Not only was the ability to add new customers-- a key component of Lebourg's business plan-- severely diminished, but also RMB started losing existing customers because of the chaos created by Lebourg's sudden departure.

20. The Debtors found themselves in a facility too large for their business and unable to attract a reliable CEO to a highly leveraged business that was in chaos. To further exacerbate the situation, Square 1 Bank was merged into Pacific Western Bank ("Pac West"). While Square 1 Bank had always been very entrepreneurial and worked with the Debtors to preserve the

business, Pac West was not nearly so accommodating, and indicated that this type of loan was outside of its typical lending profile, and they hoped to get out of the credit as soon as possible.

21. In an effort to stabilize the business and preserve value for the bank, the Investors, and all of our stakeholders, in September 2017, I started serving as the senior manager without compensation, devoting a great deal of my personal time to the Debtors and making personal loans through KI to keep them afloat, but without experience in the industry, it was initially difficult for me to fill the void left by Lebourg's sudden departure. I have, per force, become well-versed in the business since, but achieving this level of expertise took significant time and effort. I have continued to act as a member of the senior management team since September 2017.

22. In June 2017, RMB had the opportunity to enter into a revolving line of credit agreement with North Mill Capital ("NMC"), secured with a first lien against accounts receivable, deposit accounts, inventory, general intangibles related thereto, and products and proceeds thereof. Without this funding, the company would not have been able to survive. Accordingly, Pac West agreed to subordinate their lien on accounts receivable, deposit accounts, inventory, general intangibles related thereto, and products and proceeds thereof through an inter-creditor agreement between NMC and Pac West. They also agreed to put any past due principal payments to the end of the loan term. In return, investors put in junior capital of approximately $500,000 to maximize the value of the Pac West collateral. The NMC facility allowed the company to borrow up to a maximum of $1.25 million. The NMC facility has subsequently been sold and assigned to Mayrich Capital LLC ("Mayrich"), subject to the original inter-creditor agreement. Accordingly, Mayrich has a first priority security interest in accounts receivable, deposit accounts, inventory, general intangibles related thereto, and products and

proceeds thereof. Presently, the amount Mayrich is owed is approximately $1,379,537 and is not fully covered by this collateral. As a result, Pac West's second lien on accounts receivable, deposit accounts, inventory, general intangibles related thereto, and products and proceeds thereof is currently of no value.

23. One of my first actions as a manager was to make some key hires, bringing in Dan Wilczynski and Simon Bowden to stabilize production and bring the facility to a higher level of food safety and quality assurance. Dan was hired in July 2017 with responsibility for all bakery logistics and operations, including distribution, and currently has the title of Executive Vice President. Simon was hired in October 2017 as head baker. Together with myself, they constitute the "senior management" of the company. We needed to hire these managers following the facility move from Queens to the Bronx and consequent operational underperformance which had caused damage to the business's reputation and loss of customers, as well as making it difficult to attract a qualified CEO. Operational challenges were compounded by the minimum wage growing from nine dollars an hour in 2015 to fifteen dollars an hour by 2018.

24. During this period in which we were trying to stabilize the business, we relied heavily on the CFO, Norman Rich ("Rich"), who joined the company in Summer 2018. Management was unaware that Rich was struggling with severe mental problems prior to joining us. A symptom of his problems was the need to exert total control and, if necessary, conceal problems from others in order to appear successful. Unfortunately, this led to his giving inaccurate information to management. Unbeknownst to anyone in management, as bills mounted and became past due, Rich was stuffing past due notices and lawsuits into drawers and not responding to them, as well as failing to complete tax returns and internal financial statements. The internal financial statements which were completed did not necessarily have

correct information. Thus, the Debtors were doing much worse than anyone knew. The inability to provide Pac West with timely, accurate financial statements and tax returns further exacerbated the already tenuous relationship with Pac West, and made it very difficult to reach any accommodation with them. As it eventually became apparent to management that Rich was not functioning properly, Rich simply stopped coming to work and responding to inquiries from management around October 2019. Trying to find books and records in his office, management discovered unanswered lawsuits and unpaid bills in his desk. Tragically, Rich lost his long battle with mental health last winter and committed suicide. In addition to the personal loss, this made it impossible for management to re-create some of the knowledge which only Rich had. The Debtors are making a yeoman effort to bring the books and records up to date and understand all of the claims against the Debtors, but have concluded that the chaos left in Rich's wake can only be cleansed through chapter 11 proceedings.

25. Although I believe the operational underperformance was stabilized by spring of 2018, the business was only generating $1.2 million in revenue in the first quarter of 2018, versus a breakeven of $3 million per quarter. Again, the problem appeared to be that we were not fully utilizing the 22,500 square-foot new facility; so again, we looked for potential partners who could help us bring the facility up to capacity, so that, we could survive and thrive.

26. RMB identified two acquisition targets: Beldotti Bakeries, Inc. d/b/a Good Bread ("Good Bread") and Bakery of New York ("BONY"). As RMB had lost money in every quarter since the move to the new facility, none of the purchase consideration or integration costs could be funded from retained earnings. The Debtors funded the transactions with a combination of equity investments from new and existing Investors (approximately $2.8 million), the conversion of loans from KI into equity (approximately $1.3 million), and further loans from

individual partners of KI of approximately $3.6 million, which includes at least $1.6 million from myself through entities controlled by me. In addition, the sellers took back notes and/or entered into lucrative consulting agreements with RMB. The sellers of Good Bread were the Beldotti brothers, and the licensor of BONY was Manuel Marino.

27. The results of the two transactions were immediate, bringing RMB to an almost breakeven level by the fourth quarter of 2018, but it has not been all good news. Pac West disagreed with the strategy of bringing in more business by acquisition and felt that if RMB could raise more money, it should have been used to pay down Pac West and not for acquisitions or licensing arrangements. Since the transactions, they have become increasingly difficult to deal with, which has made it correspondingly difficult to navigate through these treacherous times.

28. The Investors have continued to try to support the business during these difficult times, but are not willing to continue to do so without a deleveraging of the balance sheet. By April 2019, KI's equity investment in the Debtors was $6 million, and outstanding loans from individual Investors made through KI were approximately $3.6 million, including loans from myself of approximately $1.6 million made through the managing member. Had Pac West been willing to work with the Debtors, I believe the Investors would have continued to fund the Debtors until they turned around. However, with Pac West threatening foreclosure at every opportunity and refusing to even discuss settlement, and the threat to the business from the coronavirus pandemic, it did not make sense to Investors to put in more money behind Pac West.

29. The two recent transactions discussed above have performed quite differently from one another. BONY, which was structured as a licensing deal, has performed as expected and added a stable revenue stream to the Debtors, but Good Bread has been quite a different story. RMB believes that the Beldotti brothers did not live up to their obligations under their consulting

agreements, and as a direct result of this failure, the revenue from Good Bread dropped by approximately 50% within six months of the acquisition. The Beldottis are demanding payment on their consulting agreements, which the Debtors do not believe is due given the Beldottis' breach of their contracts which resulted in substantially lower revenues. The Debtors have recently been sued by the Beldottis in New York state court, which is another precipitating factor to these Chapter 11 Cases. Although the Debtors believe they have defenses to the Beldotti lawsuit of both fraud and breach of contract, the Debtors cannot afford the distraction nor the expense of a protracted litigation in their precarious position.

30. While RMB has been able to steadily increase revenues by approximately $1 million annually each year since 2017, such sales growth has been insufficient to show a profit since moving into the Bronx facility given the debt on the companies. Management is trying all possible avenues to increase the revenues to the $11-12 million annual range, which it believes would allow the Debtors to start to show a profit. The key to success is growing sales, such that, the Bronx facility can be fully utilized, which would make it profitable. The Debtors would like to move forward with both organic increases in sales and potential acquisitions of revenue streams, but Pac West has been adamantly against any further acquisitions, and management has been so focused on putting out the fires of various lawsuits that it has been difficult to grow internally. Furthermore, since the coronavirus pandemic has forced most of our customers to close their doors at least temporarily, it is impossible to grow the business in the current environment. Clearly, the breathing space afforded by chapter 11 would benefit the Debtors.

31. In January 2019, after very difficult negotiations, RMB entered into a Loan Default Agreement with Pac West outlining a revised payment schedule that would be satisfactory to Pac West. That same month, Mayrich Capital acquired the revolving credit facility from North Mill

Capital, acquiring all of the North Mill liens subject to the inter-creditor agreement with Pac West.

32. The revised payment schedule with Pac West was aggressive, but the Debtors felt that they could meet it by making an additional acquisition which they had identified. Had they closed on such acquisition in spring of 2019 as they expected to do, they believe they could have met the payment schedule. Pac West, however, adamantly opposed the acquisition, saying that if the Debtors could raise money for an acquisition, that money should be used toward paying down Pac West. They objected even though the Debtors believed that the acquisition was the only pathway to meeting the payment schedule under the Loan Default Agreement and having the Debtors survive. The Debtors then proposed that KI or some of the Investors would acquire the target and do a sale-leaseback of some of the assets in order to make a large lump sum payment to Pac West in exchange for a new amortization schedule over a longer period of time for the remaining loan. Unfortunately, the Debtors and KI could not execute on this quickly enough to satisfy Pac West.

33. RMB did not make all of the payments required under the Loan Default Agreement and remains in default on its loan with Pac West, which has a current outstanding balance of approximately $3,075,000. RMB has not made a payment to Pac West since June 2019. Pac West became increasingly difficult to deal with, as the Debtors continued to miss payments and could not provide accurate financial information due to the problems with the former CFO. With the Debtors not being profitable, and Pac West threatening foreclosure, it became impossible for the Debtors to raise any further capital through loans or equity from the Investors who had been helping the Debtors.

34. In November 2019, the Debtors brought in bankruptcy counsel specifically to negotiate with Pac West. Pac West indicated a willingness to negotiate a short-term resolution, but only if RMB provided additional information concerning Pac West's collateral, which RMB did. While the Debtors were negotiating in good faith, Pac West, without warning, having received all of the information it requested, surprised the Debtors and filed a summary judgment action against both RMB as borrower, BKD as guarantor, and all of the other guarantors under the Pac West loan, in the amount of $3,077, 244.08, in the Supreme Court of the State of New York. Shortly thereafter, they also filed a replevin action to replevy virtually all of the assets of the Debtors.

35. The Debtors cannot claim that the money is not owed and therefore did not respond to the lawsuits, but rather continued to try to negotiate a resolution with Pac West to avoid foreclosure and replevin (and this bankruptcy). Pac West steadfastly refused to engage in any negotiations with the Debtors. The Debtors had their machinery and equipment, which is Pac West's collateral, appraised in an attempt to jumpstart negotiations. Debtor shared the results of the appraisal, which states that all of the machinery and equipment was worth $448,500 as of December 31, 2019, with Pac West in hopes of starting negotiations that realistically recognize the value of Pac West's collateral. The Debtors also had an enterprise valuation done, but the appraisal indicated that the enterprise value of the business was significantly less than the liquidation value of the machinery and equipment, accounts and inventory. In response to the Debtors providing this information, Pac West asked to have their own appraisers visit the property. The Debtors cooperated fully with Pac West's appraisers and indicated to Pac West that if Pac West would share their appraisal as the Debtors had, perhaps we could have a meeting of the minds somewhere in the middle when we saw how each party was valuing Pac West's

collateral. Despite the Debtors asking for Pac West's appraisal in writing on numerous occasions and sharing their own appraisal with Pac West, Pac West has never responded nor given any indication of how it values the collateral.

36. Pac West's reticence made it very difficult to have any meaningful negotiations, as, they simply turned down every overture made by the Debtors out of hand without discussion. Nonetheless, this Spring, Debtors made a formal settlement proposal, called and Offer in Compromise, on the SBA forms, and provided all of the information required by the SBA regulations to have the offer considered. The offer was based on the Debtors' understanding of the value of Pac West's collateral. Despite the great deal of time and effort that went into the formal Offer in Compromise, Pac West once again rejected the offer out of hand and refused to engage in any settlement discussions. They falsely claimed to reject the offer due to Debtors' failure to provide the documents required by the SBA regulations, but in fact, the Debtors had put together an extensive package and provided every item required by the SBA. Pac West has made it clear that they simply want out, and will not deal with the Debtors in any way to try to preserve the business. Somehow, while the courts were closed for the coronavirus pandemic, they nonetheless got a judgment against the Debtors in their summary judgment action, and they planned to move forward with their replevin action on June 16, 2020.

37. Before the Debtors could even come to terms with Pac West's complete refusal to even discuss settlement and their trajectory toward foreclosure and replevin, the coronavirus pandemic hit and completely changed the outlook for the Debtors. Within just a few days, our orders plummeted. Most of our customers are restaurants, hotels, country clubs, caterers and events businesses. Restaurants have closed except for takeout and delivery, and hotels have either closed or are running at an absolute minimum occupancy. In addition, the big conventions

and the shows at Javits Center which attract tourists to New York to fill our hotel and restaurant clients have been cancelled. We lost 65% of our business almost overnight. The impact of the coronavirus has made it impossible for the Debtors to continue in business without the breathing space afforded by chapter 11. I note that while the SBA is offering new loans on extremely favorable terms to businesses affected by the coronavirus, this opportunity has not been extended to its existing borrowers such as the Debtors who are just as adversely impacted.

38. The bulk of the Debtors attempts to negotiate with Pac West occurred before the coronavirus had really taken its toll on the Debtors' business. Pac West did allow extensions of time to answer both suits in order for the Debtors to make offers, but then refused to discuss the offers. In the meantime, however, the Debtors obtained the appraisals of enterprise value and of the collateral of Pac West as of December 31, 2019-- well before anyone anticipated the coronavirus pandemic and the adverse effect it will have on the value of the collateral. With the blow to this industry by the coronavirus, the value of food industry equipment is now expected to be considerably lower. Accordingly, looking at $448,500 as the approximate value of Pac West's secured claims in bankruptcy, the Debtors have referenced this value in their settlement offers. The big discrepancy between the value of the collateral, however, and the amount outstanding under the loans has made it extremely difficult to reach an accord, especially since we do not know how Pac West values its collateral.

39. Faced with an imminent replevin and a summary judgment that the Debtors owe in excess of $3 million immediately to Pac West, and the threat to our business from the coronavirus and other meritless lawsuits such as the Beldottis, the Debtors had no choice but to file for protection under chapter 11 in order to protect what they continue to believe is a viable business which not only has a great product, but also employs dozens of people in a

disadvantaged economic area which has been designated as a "qualified opportunity zone" under federal law. I firmly believe that through Chapter 11, if the impact of the coronavirus can be managed, the Debtors will be able to bring their balance sheet more in line with their operations and deal with the many lawsuits facing them in a manner which will allow them to reorganize and continue in business.

B. The Debtors' Capital Structure and Certain Liabilities.

40. RMB has an outstanding secured debt to Pac West of approximately $3,077,245 which is in default. Payment of the obligations under the loan are guaranteed by BKD, as well as by KI; Matthaeus; CM Owner, LLC (an entity controlled by Matthaeus); and RM Bakery Manager, LLC, a non-debtor subsidiary of RMB. Pac West holds a guarantee from the SBA on the debt. The indebtedness to Pac West is secured by a first lien substantially all of the assets of RMB; however, pursuant to an inter-creditor agreement, Pac West has subordinated its first lien on accounts, inventory, deposit accounts, general intangibles related thereto, and proceeds and products thereof to Mayrich as assignee of North Mill. The Debtors believe that the collateral of Pac West is worth approximately $448,500 as of December 31, 2019. The Debtors believe it is worth significantly less on the Petition Date due to the impact of the coronavirus on the food and hospitality industry.

41. RMB has a secured revolving line of credit with Mayrich Capital up to a maximum borrowing of $1.25 million principal. The line of credit is an asset-based loan which allows RMB to borrow against eligible accounts receivable and inventory. Immediately prior to the filing of these Chapter 11 Cases, approximately $1,379,537 was outstanding under the line of credit. Pursuant to the inter-creditor agreement between Pac West and North Mill, which was assigned to Mayrich Capital by North Mill, which assignment did not require the consent of Pac

West, the line of credit is secured by a first lien on RMB's accounts, inventory, deposit accounts, general intangibles related thereto, and the proceeds and products thereof. It is also secured by liens on substantially all of the assets of BKD, other than choses in action, and by certain equipment of RMB's non-debtor subsidiary, BONY. The Debtors believe that the collateral of Mayrich is worth approximately $1.1 million, of which $750,000 is collateral owned by RMB; zero is collateral owned by BKD, and $350,000 is collateral owned by a non-debtor third party.

42. KI, the largest shareholder of BKD and its managing member, has loaned approximately $3.6 million to the Debtors on an unsecured basis, which loans are convertible into equity at the request of the lender.

43. The Debtors and their non-debtor subsidiaries do occasionally "loan" money to one another. All of these are noted and traceable on the books and records of the Debtors. Micah

44. As RMB and BONY share the Bronx facility, BONY has access to certain inventory of RMB. Although BONY purchases its own specialized inventory for its own use, it does use certain staples purchased by RMB, such as flour. This usage is not recorded on the books and records of either company. The Debtors believe that RMB is well compensated for the use of its inventory; as, profits of BONY are upstreamed to RMB, where they can be used for the benefit of RMB.

45. As reflected on the schedules of the Debtors filed herewith, as of shortly before the Petition Date, RMB had assets of approximately $1,51 3,433.16, and liabilities, including contingent and disputed liabilities, of approximately $10,119,664.51. I believe the liabilities are actually considerably less; as, the software program which generates the schedules double counts the claim of Pac West as both a secured claim and an unsecured claim; since, the value of the

collateral has not yet been finally determined. BKD had assets of approximately $8125.59 , and liabilities, including contingent and disputed liabilities, of approximately $5,504,558.95.

46. Certain of the Debtors' assets would be subject to seizure absent these Chapter 11 Cases. Pac West has filed a replevin action seeking to replevy substantially all of the assets of RMB; even though, pursuant to the inter-creditor agreement with North Mill of which Mayrich is an assignee, it is not entitled to replevy on the accounts, inventory, deposit accounts, general intangibles related thereto, and proceeds and products thereof . On these items, Pac West is subordinate to Mayrich up to $1,500,000. Pac West has a court date of June 16, 2020, on its replevin action. In addition, a lawsuit was filed against RMB by US Foods Inc. styled *US Foods Inc. v. RM Bakery LLC DBA Rollo Mio Artisan Bakery*, Index No. 24616/19 pending in the Civil Court of the City of New York, Kings County, alleging RMB owes the plaintiff $24,311.11. Plaintiff sought a pre-judgment garnishment, and as a result $24,311.11 in RMB's bank account at JP Morgan Chase Bank has been frozen by the marshal. The marshal had indicated he would seize the frozen funds as of March 23 absent any intervening action by RMB, and RMB believes this amount has been seized from its account; although, this is difficult to confirm during the coronavirus pandemic, as the amount has not been shown as available in the Debtor's account since it was frozen in February. The money is either still frozen at Chase Bank or in the possession of the New York City marshal, Martin Bienstock.

47. RMB is a Delaware limited liability company with 100 membership interests outstanding. One hundred percent of the membership interests are owned by BKD.

48. BKD is a Delaware limited liability company with 30,420,937 membership interests outstanding. KI owns 90.76% of the outstanding membership interests. It is the managing member of BKD.

49. I am the only individual in management who owns equity in BKD. Through my investment vehicles Chenies Investor LLC and Chenies Management LLC, I have invested in KI. As a result, I am the beneficial owner of approximately 17.39% of the outstanding equity of BKD.

50. Neither of the Debtors has any outstanding securities which are publicly held.

PART II

First Day Motions

51. In furtherance of these Chapter 11 Cases, the Debtors expect to file a number of motions and applications on the same day as the Petition Date or shortly thereafter (the "First Day Motions"). I have reviewed each of these First Day Motions and any proposed orders accompanying them, and the facts set forth therein are true and correct to the best of my knowledge, information, and belief. Moreover, I believe that the relief sought in each of the First Day Motions is vital to enable the Debtors to transition into Chapter 11 and to maximize value during these Chapter 11 Cases. I have had the opportunity to ask my advisors about the customary practice with respect to First Day Motions, and I believe that I understand the rationale for all of the First Day Motions. Below, I summarize why I am supporting each of the First Day Motions.

A. Motion for Procedural Consolidation

52. The Debtors are filing a motion to have these Chapter 11 Cases procedurally consolidated under one caption and jointly administered. It is my understanding that this will streamline procedures and save money by allowing the Debtors to file one motion or report

in the future, whereas otherwise, they might each have to file a separate motion and report and serve it in both cases, which have overlapping creditors. As the Debtors have very limited resources, I am all in favor of anything that saves money and eliminates redundancies. I am also advised that a joint administration is a procedural matter only, and does not affect the substantive rights of any party. I, therefore, believe that it is in the best interests of the Debtors, their estates and their creditors, to allow joint administration in these Chapter 11 Cases.

B. Debtors' Application to Retain Counsel

53. Debtors will be filing an application for entry of an order authorizing the employment of Mayerson & Hartheimer, PLLC ("M & H"), effective as of the Petition Date, as soon as it has been reviewed by the United States Trustee. It is my understanding that this review must take place before the application can officially be filed with the Bankruptcy Court, but I will be using M&H as counsel from the Petition Date forward.

54. I have been working with M&H for several months now and know them to be highly competent bankruptcy counsel. In addition, they are familiar with the Debtors, their financial situation, and many of the lawsuits facing Debtors. They have also been involved in negotiating with Pac West and with the proposed DIP lender. I believe that their knowledge of the Debtors and the Bankruptcy Code is critical to a successful outcome of these Chapter 11 Cases. Furthermore, recognizing our difficult financial situation, they have agreed to cap their fees for this engagement, which is of critical importance to the Debtors. Accordingly, I believe their fees will probably be less than other bankruptcy professionals with similar credentials. Finally, after due inquiry, I do not believe they hold any interest adverse to the Debtors' estates. Accordingly,

I believe that it is in the best interests of the Debtors, their estates and their creditors to have the services of M&H.

C. Debtors' Application to Retain Financial Advisor

55. Debtors will be filing an application for entry of an order authorizing the employment of Vernon Consulting, Inc. ("VCI") as financial advisor to the Debtors, effective as of the petition date, as soon as it has been reviewed by the United States Trustee. It is my understanding that this review must take place before the application can officially be filed with the Bankruptcy Court, but the Debtors will be using VCI from the Petition Date forward.

56. I have only recently been introduced to VCI, but upon interviewing them, I found them to be extremely competent bankruptcy professionals who could quickly offer advice that would allow the Debtors to start the Chapter 11 Cases with the appropriate books and records for a debtor-in-possession and in compliance with all rules and regulations. Although I originally planned to do some of this work myself due to my business background, it became apparent to me after meeting with VCI that in the long run, it would be more cost-effective for them to set up the accounting for the debtors- in- possession and establish the procedures for filing the monthly operating reports. I also feel that they will be helpful in developing a plan of reorganization and the appropriate financial information for any disclosure statement which the Debtors file. None of the personnel or professionals currently associated with the Debtors have any experience with bankruptcy, and as the Petition Date grew closer, it became apparent to me that if we wanted to comply with all the rules and regulations, it would be easiest and most cost effective to do so with the advice of a seasoned bankruptcy financial professional like VCI. They have already proved invaluable in finalizing the Schedules and Statement of Affairs.

57. After talking to other accounting firms, I found the hourly fees of VCI to be extremely competitive, and after due inquiry, I determined that they do not hold any interest adverse to the Debtors' estates. Accordingly, I believe that is in the best interests of the Debtors, their estates and their creditors to have the services of VCI.

D. Debtors' Application to Retain an Agent for Noticing and Claims

58**.** Debtors will be filing an application to authorize it to hire Epiq Corporate Restructuring LLC as its agent for noticing and claims effective as of the Petition Date. It is my understanding that the Debtors are not required to hire such an agent unless they have 250 notice parties, which we do not. We do, however, have over 200 notice parties, and I felt that as people filed notices of appearance and proofs of claim, we would soon be in excess of 250. Therefore, I felt it was prudent for the Debtors to hire an agent at the outset, so that, everything is initially set up properly. Furthermore, given that my attorneys are currently working remotely, I did not see how it would be possible to serve over 200 notice parties without a noticing agent.

59. In keeping with this Court's Protocol for the Employment of Claims and Noticing Agents under 28 U.S.C. §156 (c), I hereby certify that I have reviewed three different proposals from court-approved noticing agents. Upon careful review of all three proposals, I felt that Epiq had the expertise and experience to do the job at the most reasonable price. Epiq is a court-approved noticing agent, and is one of the country's leading chapter 11 administrators, with experience in noticing, claims administration, solicitation, balloting, and facilitating other administrative aspects of chapter 11 cases. Epiq has substantial experience in matters of this size and complexity, and has acted as the official notice and claims agent in many large bankruptcy cases pending in this District and other districts nationwide, as set forth more extensively in the

application. Accordingly, I believe that it is in the best interests of the Debtors, their estates and their creditors to engage the services of Epiq as an agent for noticing and claims.

E. Debtors' Motion for DIP Financing and Use of Cash Collateral

60. The Debtors have obtained a $1 million line of credit from FS Lenders 2015 LLC (the "DIP Lender") on terms that I believe are most favorable to the Debtors. Neither of the Debtors' existing secured lenders were willing to provide DIP financing. Accordingly, I made several inquiries in an attempt to get financing first on an unsecured basis, then on a superpriority basis, then subordinate to existing liens, then on the basis of priming liens. The proposed DIP financing is the only lender who would come forward and offer financing at a reasonable interest rate that did not prime the existing lenders, and for that reason, I have chosen this lender. The lender is a special purpose vehicle that was created by investors in KI, including myself, for the purpose of providing this loan. Nonetheless, the negotiations have been at arm's-length, and the terms were much more favorable than any other terms that we could obtain. All other potential lenders wanted a substantially higher interest rate, and required that we prime our existing lenders. It is my understanding that there could be no assurance that we would prevail in a priming battle, given our current business prospects in light of the coronavirus pandemic, and that a priming battle at the beginning of the case would be very costly and divert our attention from a successful reorganization. Accordingly, after consultation with my advisors, I determined that the proposal from the DIP Lender was in the best interests of the Debtors, their estates, and their creditors.

61. The proposed financing provides replacement liens to both Mayrich and Pac West and is subordinate to all pre-existing liens, including equipment lenders. It makes available a revolving $1 million line of credit, which I feel will be more than adequate to meet all of our needs

throughout a Chapter 11 proceeding. It allows us to borrow pursuant to a budget with Permitted Variances and provides for a 90 day rolling budget, which is submitted to the Creditors Committee, if any, for approval, in addition to the Debtors. Any Excess Cash of the Debtors, as defined in the agreement, is used to pay down the borrowings; however, it can be reborrowed, so long as, the borrowings do not exceed the Maximum Commitment of $1 million. In return, the DIP Lender is receiving a lien on all of the prepetition assets of the Debtors, subordinate to pre-existing liens, a postpetition lien on all of the assets of the debtors, subordinate to the Replacement Lien to Mayrich and the Adequate Protection Lien to Pac West, as well as a superpriority claim for all obligations under the DIP Loan. Interest is at 10% per annum on the outstanding principal, with an extra 3% after an Event of Default, and there is a 2% Commitment Fee. The DIP Loan is due in full upon the earliest of: the DIP Obligations becoming immediately due and payable by their terms or by a court order; a sale or transfer of substantially all of the assets of the Debtors; and the effective date of a confirmed plan of reorganization. It has a $100,000 carveout for professional fees.

62. As part of the financing package, the Debtors are giving Mayrich a postpetition replacement lien in accounts, inventory, deposit accounts, general intangibles related thereto, and products and proceeds thereof in the same priority as Mayrich had prepetition. In return, Mayrich has consented to the use of cash collateral and will accrue interest at the prepetition non-default rate. As adequate protection for Pac West, RMB is giving Pac West a replacement lien in machinery and equipment, fixtures, and all other items in which it had a prepetition security interest that was not subordinated to Mayrich in the same priority as it had prepetition, and is offering Pac West a monthly adequate protection payment calculated as 4% annually on $456,500, which the Debtors believe to be somewhat more than the value of the Pac West pre-

petition collateral. Prepetition, Pac West also had a lien on RMB's accounts , inventory, deposit accounts, general intangibles related thereto, and products and proceeds thereof, but such lien was subordinate to the lien of Mayrich pursuant to an intercreditor agreement. Since the Debtors owe Mayrich amounts in excess of the value of the Mayrich collateral, Pac West's subordinate position had no value as of the Petition Date. Accordingly, the Debtors are only providing adequate protection with respect to the lien on the remaining collateral of Pac West which the Debtors believe is appropriate under the circumstances.

63. The Debtors would not be able to operate without the consent of Mayrich to the use of its cash collateral, which consent would be withheld if the DIP Lender did not subordinate to Mayrich. Nor could it continue to operate without additional capital from a DIP Loan. I firmly believe that the Debtors' continued operations are necessary to maximize value for all creditors. A liquidation at this point, especially in light of our reduced business during the coronavirus pandemic and the large number of businesses exiting the food and hospitality industry, would produce no value for unsecured creditors and very little value for secured creditors. As the proposed lender is the only lender who would agree to subordinate to Mayrich, pre-existing secured lenders, and to Pac West's proposed postpetition lien on machinery and equipment, and the DIP Loan is essential to the continued operations of the Debtors, the Debtors submit that the proposed DIP Loan is in the best interests of the Debtors, their estates, and their creditors.

F. Debtors' Motion for Authority to Pay Prepetition Wages and Employee Obligations

64. The Petition Date occurred in the middle of a pay period. Most of the employees of RMB are from economically disadvantaged areas, and a regular paycheck is extremely important to them. (BKD has no employees.) It would work a severe hardship on our employees if they were not paid the salaries and benefits which had accrued to them prepetition. In addition,

paychecks were distributed a few days before the filing and may not all have cleared. It would be difficult for our payroll service to differentiate between prepetition and postpetition. I am advised that there is an administrative priority for wages and obligations to employees, and that the amount we would need to pay pursuant to this Motion would not exceed the amount permitted by the administrative priority for any one employee. Furthermore, employees would be harmed if we cannot turn over amounts that have been withheld from their wages already. I believe that the trust fund accounts are not property of the estate in any event. I am concerned that we would lose vital employees and work would suffer from poor morale if our employees were not paid what was owed to them, and our existing benefit policies, such as accrued vacation and sick days, were not continued seamlessly. Accordingly, I believe that it is in the best interests of RMB, its estate and its creditors, as well as its employees, to grant the relief requested.

G. Debtors' Motion for Interim and Final Orders Permitting Debtors to Maintain Existing Insurance Policies, Existing Premium Financing Agreements, and to Perform All Prepetition Obligations Related Thereto

65. The Debtors maintain a package of insurance with The Hartford which covers property, general liability and hired and non-owned vehicles. It also maintains a Workmen's Comp. policy, automobile insurance, disability insurance and an umbrella policy. All of these policies are essential to the business of the Debtors. The package policy and umbrella insurance are required by our lenders. The Workmen's Comp. insurance is required by law. The disability insurance is an essential benefit to our workers. While we intend to reject the leases for all vehicles as soon as possible, for the time being, we continue to have a leasehold interest in a number of vehicles, and therefore, must maintain the legally mandated minimum insurance on them, even though, they

are not currently in use. The Debtors get a great deal of benefit from their insurance policies, which, for the most part, are either mandated by law or required by our lenders, including the proposed DIP Lender.

66. In order to keep insurance costs down, the debtors have group policies which include several nondebtor entities. In every case, the nondebtor entities contribute their share of any premiums due. The Debtors only pay the premiums for their own coverage. In certain instances, the Debtors may have chosen or may choose to finance their premiums, which is an option which the insurer makes available. To the extent the Debtors have done so prepetition, the Debtors are seeking authorization to continue such premium financing arrangements postpetition. Finally, the debtors owe a past due amount of approximately $48,000 on their Workmen's Comp. insurance, which the insurer is allowing them to pay off over time pursuant to an agreement which is extremely favorable to the Debtor. If we could not honor this agreement, our Workmen's Comp. insurance would immediately be terminated, and we would be in violation of the law.

67. It is essential to the business operations of the Debtors that they maintain their insurance without interruption. Accordingly, I have authorized the Debtors to make a motion to continue all prepetition insurance policies without interruption, including the payment of all premiums, whether they accrued prepetition or postpetition. The Debtors are not seeking to assume the insurance contracts at this time, but merely to continue them in force by paying any prepetition amounts owed, including any amounts owed for premium financing. Certain of our insurance premiums, such as Workmen's Comp. and disability, are paid in arrears based on our payroll reporting to the insurer. Therefore, there will definitely be amounts due for prepetition periods. Including the past due amount for Workmen's Comp., I estimate that approximately $75,000 in the aggregate will be necessary to pay prepetition amounts due on all of the above

policies, which amounts will not be due all at once. Without approval to pay these amounts, insurance policies could lapse, causing a default in both our prepetition and postpetition loans, and failure to meet legal requirements for the operation of the business. I, therefore, submit that it is in the best interests of the Debtors, their estates, and their creditors to authorize the continuation of the insurance policies and payment of all amounts due.

H. Debtors' Motion for Entry of Interim and Final Orders concerning Utilities

68. It is my understanding that the Debtors are required by the Bankruptcy Code to provide adequate assurance of future payment to utilities within two weeks of the Petition Date. In order to comply with that requirement, the Debtors have filed this motion, and have provided for both an interim order and a final order, so that, the utilities will have an opportunity to get notice and be heard on the proposed procedures. We are serving all utilities of which we are aware with a copy of the motion. I believe the relief requested in this motion is vital to the Debtors, as, it prevents all utilities from discontinuing service to the Debtors precipitously. It is also fair to the utilities because it establishes a fund to which the utilities can look for payment if the Debtors are late in paying them, which we do not intend to be. I believe that having one fund for all utilities will be more cost-effective for the Debtors than taking the time to sit down and negotiate with each separate utility. It also sets forth the procedure whereby an individual utility can ask for further relief if it deems it appropriate. Accordingly, I believe that the relief requested is fair to both the Debtors and the utilities, and is even-handed, and prevents irreparable harm from occurring to the Debtors by the precipitous discontinuation of a utility. Accordingly, I believe that the relief requested is in the best interests of the Debtors, their estates, and their creditors.

I. Critical Vendors' Motion

69. As Debtors produce artisanal bakery goods, the source and quality of the ingredients are vital to the finished product. In some cases, the clients have had to approve of the ingredients and/or of their organic nature. Consequently, the Debtors are limited as to suppliers of certain vital organic products. For example, it is a selling point with our clients that we use only King Arthur flour in our products. Debtors, in the first instance, hope to treat all of their vendors the same; however, Debtors must have the flexibility to pay certain prepetition amounts in order to continue the supply of ingredients that it cannot source elsewhere. The Debtors will use their best efforts to limit the number and payment amounts of critical vendor payments to those who are absolutely vital to the operations of the Debtors. Although we are asking for the flexibility to pay up to $300,000 to critical vendors, we hope not to spend that entire amount, and would only pay vendors if their refusal to supply us postpetition would cause a disruption in the business. The amount for which we are seeking authority will not be paid in a lump sum, but would be paid in the ordinary course of business, as, such vendors continue to supply Debtors. We would not pay any vendor prepetition amounts unless they agree to continue to supply Debtors post-petition. We have asked for a pool from which to pay critical vendors and have not named the critical vendors because (i) we have not negotiated with any of our vendors yet, and do not know where any sticking points might be; and (ii) we believe it would cause consternation among our vendors if they knew who was receiving a prepetition payment. I believe the amount requested for critical vendors is small in relation to the benefits to the Debtors of having a stable source of supply of its most critical ingredients. I, therefore, believe that the relief requested is in the best interests of the Debtors, their estates and their creditors.

J. Case Management Order

70. The Debtors are requesting a case management order primarily for the purpose of defining who gets notice of various motions and applications. Our creditor matrices are extremely all encompassing to ensure that any party in interest gets notice of the filing of the bankruptcy. However, once the bankruptcy is filed and interested parties can file a notice of appearance requesting service, it would be unnecessary and extremely burdensome and expensive for the Debtors to serve all of the parties on the creditor matrices with every document filed in the Chapter 11 Cases. Accordingly, the Debtors are suggesting a streamlined procedure which I believe will still give all interested parties adequate notice of all filings in the case, but will not break the bank. In addition to the notice procedures, Epic will maintain a website where any member of the public can obtain any document filed in the case. I, therefore, believe that the proposed case management order strikes an appropriate balance between giving parties in interest notice and saving the Debtors from unreasonable expenses. Accordingly, I submit that the relief requested is in the best interests of the Debtors, their estates, and their creditors.

PART III

Information Required by Local Bankruptcy Rule 1007-2

71. Local Rule 1007-2 requires certain information related to the Debtors, which is set forth in this Part III. The information required by Local Rules 1007-2 (a)(1), 1007-2(a)(6), 1007-2(a)(11) and 1007-2(12) is set forth in Part I above.

72. The Debtors submit that the information required by Local Rules 1007-2(a)(2), 1007-2(a)(3), 1007-2(a)(7), and 1007-2(b)(2)(B) is not required because, as detailed in Part I above, this case was not originally commenced under either chapter 7 or chapter 13; no

committee of creditors has been organized prior to the Petition Date; the Debtors have no publicly held securities; and neither of the Debtors is an individual or partnership.

73. Pursuant to Local Rule 1007-2(a)(4), Schedule 1 attached hereto lists the following information with respect to the holders of the twenty (20) largest unsecured claims against the Debtors, on a consolidated basis, excluding insiders: the name, the address (including the number, Street, apartment or suite number, and ZIP Code, if not included in the post office address), the telephone number, the name(s) of the person(s) familiar with the Debtors' account, the amount of the claim, and an indication of whether the claim is contingent, unliquidated, disputed or partially secured, to the extent known to the Debtors.

74. Pursuant to Local Rule 1007-2(a)(5), the following holders of the five (5) largest secured claims against the Debtor RMB, along with their address (including the number, Street, apartment or suite number, and ZIP code, if not included in the post office address), the amount of the claim, a brief description, and an estimate of the value of the collateral securing the claim, and whether the claim or lien is disputed to the extent known by RMB. BKD has no secured creditors.

1. Pacific Western Bank
9701 Wilshire Boulevard
Beverly Hills, CA 90212-2020
Claim: $3,077,244.08; not disputed.
Description: Accounts, chattel paper, instruments, documents, inventory, general intangibles, equipment, furniture, fixtures, and proceeds and products thereof; however, same is subordinated with respect to accounts, inventory, deposit accounts, general intangibles related thereto, and proceeds and products thereof.
Value of collateral: Approximately $456,500 as of December 31, 2019.

2. Mayrich Capital LLC
871 7th Ave.
New York, NY 10019
Attention: R. Born
Claim: $1,379,537; not disputed

Description: Accounts, inventory, deposit accounts, general intangibles related thereto, and products and proceeds thereof
Value of collateral: Approximately $750,000 (exclusive of collateral from non-debtor)

3. Kuzari Investor
220 E. 42nd St., 29th floor
New York, NY 10016
Claim: Unknown amount as is contingent and unliquidated
Description: $75,000 cash security deposit
Value of Collateral: $75,000

4. Pawnee Leasing Corporation
3801 Automation Way, #207
Fort Collins, CO 80525
Claim: $40,000; disputed, unliquidated and contingent
Description: equipment lien
Value of collateral: $45,000
5. The Debtor has numerous creditors who purport to be secured creditors, but are actually true leases. In addition, there are several alleged purchase money security interests in equipment, but the Debtor's records do not show the equipment, the amount of the lien or the value of the collateral. Accordingly, while there may be additional secured creditors, RMB cannot determine the fifth largest secured creditor. All of the putative secured creditors who have filed UCC's are listed on Schedule D.

75. Pursuant to Local Rule 1007-2(a)(8), in the case of *US Foods Inc. v. RM Bakery LLC d/b/a Rollo Mio Artisan Bakery* pending in the Civil Court of the City of New York, Kings County, Index #24616/19, the plaintiff sought a prejudgment remedy in the amount of $24,311.11 plus interest and expenses. As a result, $24,311.11 was frozen from RMB's account at JP Morgan Chase Bank in February 2020. The marshal's notice indicated that the marshal would levy on the amount on March 23, 2020. Due to the coronavirus and inability to visit the bank, the Debtor cannot be sure that the money was seized by the marshal, as the money has not appeared in the Debtor's account since it was first frozen in February. The debtor assumes it was seized by the marshal on March 23, 2020 and is being held by Martin A. Bienstock, Marshal of

the City of New York, 36-35 Bill Boulevard, P. O. Box 610700, Bayside, New York 11361-0700, 717-279-3660.

76. With respect to Local Rules 1007-2(a)(9) and (10), the Debtors operate their business from 220 Coster Street, Bronx, NY 10474, pursuant to a sublease with KI. KI, in turn, leases the space from a third party. The sublease is a pass-through, and the Debtors pay KI what KI is obliged to pay to the third-party landlord. Substantially all of the assets of the Debtors and their books and records are held in that location. No assets of the Debtors are held outside the territorial limits of the United States.

77. Pursuant to Local Rule 1007-2(b)(1), the estimated gross amount of the weekly payroll for RMB's employees (exclusive of officers, directors, stockholders and partners), inclusive of the employer share of taxes $21,217.32. RMB expects to pay this amount each Friday during the next 30 days. BKD has no employees and will have no payroll over the next 30 days.

78. With respect to Local Rule 1007-2(b)(2)(A), there is no amount proposed to be paid for services for the 30 days following the filing of the Chapter 11 Petitions to officers, stockholders and directors. If the proposed DIP Loan is approved, the Debtors will pay a 2% commitment fee to FS Lenders 2015 LLC, which has some of the same members as KI, the sole equity owner of BKD. In addition, during the 30 days following the Petition Date, RMB will pay rent to KI in the normal monthly base rental amount of approximately $27,300.

79. With respect to Local Rule 1007-2(b)(2)(C), the Debtors have not budgeted to pay their financial advisor, Vernon Consulting, Inc., any amount in the first thirty days; as, there will not be any fee applications in the first thirty days. The Debtors expect that approximately $5000 will accrue in the first 30 days payable to Vernon upon order of the Court.

80. Pursuant to Local Rule 1007-2(b)(3) a consolidated budget for the Debtors for the 13 week period following the Petition Date is attached hereto as Schedule 2, and includes the next 30 days.

CONCLUSION

I, Mark Rimer, hereby declare under penalty of perjury that the foregoing statements are true and correct to the best of my knowledge, information and belief, and respectfully request that all of the relief requested in the First Day Motions be granted, together with such other and further relief as this Court deems just and proper.

Dated: June 16, 2020
New York, New York

/s/ Mark Rimer
Mark Rimer
on behalf of
RM Bakery LLC, and
BKD Group LLC
Debtors and Debtors-in-Possession

SCHEDULE 1

Fill in this information to Identify the case:

Debtor Names: RM Bakery, LLC ; BKD Group LLC

United States Bankruptcy Court for the: Southern District of New York

Case Numbers (If known): 20-11422 ; 20-11423

☐ Check if this is an amended filing

Official Form 204

Chapter 11 or Chapter 9 Cases: Consolidated List of Creditors Who Have the 20 Largest Unsecured Claims and Are Not Insiders

12/15

A consolidated list of creditors holding the 20 largest unsecured claims must be filed in a Chapter 11 or Chapter 9 case. Include claims which the debtor disputes. Do not include claims by any person or entity who is an insider, as defined in 11 U.S.C. § 101(31). Also, do not include claims by secured creditors, unless the unsecured claim resulting from inadequate collateral value places the creditor among the holders of the 20 largest unsecured claims.

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
1	PACIFIC WESTERN BANK 9701 WILSHIRE BLVD BEVERLY HILLS, CA 90212-2020	CONTACT: C/O MICHAEL RICH; PORZIO, BROMBER & NEWMAN, P.A. PHONE: 212-265-6888 MLRICH@PBNLAW.COM	DEFICIENCY CLAIM	CUD			$3,077,244.08
2	MAYRICH CAPITAL 871 7TH AVE ATTN: RICHARD BORN NEW YORK, NY 10019-3923	CONTACT: RICHARD BORN PHONE: 212-247-3900 FAX: 212-246-7492	DEFICIENCY CLAIM				$631,686.84
3	PEQUOT INVESTMENT LLC 575 RIVERSIDE AVENUE SUITE 102 WESTPORT, CT 06880	CONTACT: MICHAEL RYAN PHONE: 203 504-9922 MTRYAN@AOL.COM	EXECUTORY CONTRACT				$157,835.00
4	ASCENTIUM CAPITAL 23970 HIGHWAY 59N KINGWOOD, TX 77339	CONTACT: ANTHONY CAMPISCIANO PHONE: 866-846-3636 CREDIT @ASCENTIUMCAPITAL.COM	SETTLEMENT				$134,058.95
5	CHASE CARD SERVICES PO BOX 15298 WILMINGTON, DE 19850-5298	CONTACT: RYAN SHANE RYAN.J.SHANE@CHASE.COM	CREDIT CARD				$96,098.41
6	KING ARTHUR FLOUR COMPANY 62 FOGG FARM ROAD WHITE RIVER JUNCTION, VT 05001	CONTACT: BROCK BARTON PHONE: (802) 526-1834 BROCK.BARTON@KINGARTHURFLOUR.COM; BAKERYFLOURSUPPORT@KINGARTHURFLOUR.COM	VENDOR				$78,999.00

Debtor: RM Bakery, LLC Case Number (if known): 20-11422

Name of creditor and complete mailing address, including zip code		Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
7	DAVID ROSEN BAKERY SUPPLY CO. 5921 QUEENS MIDTOWN EXPRESSWAY MASPETH, NY 11378	CONTACT: DAVID ROSEN PHONE: 718-381-0600 FAX: 718-456-7699 DZFOD84@GMAIL.COM	VENDOR				$75,782.42
8	CON ED OF NY 390 W ROUTE 59 C/O ORANGE & ROCKLAND UTILITIES SPRING VALLEY, NY 10977-5320	CONTACT: JAY SCAGLIONE PHONE: 212-460-2185 FAX: 212-529-9265	UTILITIES	D			$70,892.29
9	A-1 BAKERY SUPPLY PO BOX 290 MONSEY, NY 10952	CONTACT: SHLOMO BRACH PHONE: 845-662-2299 SHLOMO@A1BAKERYSUPPLY.COM	VENDOR				$64,913.30
10	RICH (DECEASED), NORMAN 15 ENGLISH LANE SHELTON, CT 06484	CONTACT: MELISSA MARRONCELLI RICH PHONE: 203 929 2682 NORMANRICH@EXCITE.COM	CONSULTING CONTRACT				$60,000.00
11	RYDER P.O. BOX 96723 CHICAGO, IL 60693-6723	CONTACT: LAUREN LAKE LAUREN_LAKE@RYDER.COM	EXECUTORY CONTRACT				$57,608.38
12	HUB TRUCK LEASING & RENTALS 94 GAZZA BLVD, FARMINGDALE, NY 11735	CONTACT: ROBERT SLATER	EXECUTORY CONTRACT	D			$51,421.53
13	AFS TECHNOLOGIES INC. 2141 E. HIGHLAND AVENUE PHOENIX, AZ 85016	CONTACT: DAVID ALBERTY, CFO PHONE: 602-522-8282	EXECUTORY CONTRACT				$40,615.64
14	BROWN, CLAYTON 25 GLENBROOK RD APT 209 STAMFORD, CT 06902-2872	CONTACT: C/O SARA LEBERSTEIN PHONE: 914-948-8466 FAX: (866) 420-9169 SARAH.LEBERSTEIN@MAKETHEROADNY.ORG	LAWSUIT	D			$40,000.00
15	MORAN, RENE 238 HAMILTON AVE APT 2 GREENWICH, CT 06830-6114	CONTACT: C/O SARA LEBERSTEIN PHONE: 914-948-8466 FAX: (866) 420-9169 SARAH.LEBERSTEIN@MAKETHEROADNY.ORG	LAWSUIT	D			$40,000.00
16	FEATHERSTONE DISTRIBUTION, LLC 1164 E 156TH ST BRONX, NY 10474-6227	CONTACT: JORDAN A. FISCH, ESQ. PHONE: 646-563-7933 JFISCH@COLESCHOTZ.COM	VENDOR				$39,138.80
17	CINTAS P.O BOX 630803 CINCINNATI, OH 45263-0803	CONTACT: C/O BRETT D. ZINNER, ESQ. PHONE: 516-228-6666	SERVICE AGREEMENT	D			$37,480.81
18	CREATIVE FINANCIAL STAFFING P.O. BOX 95111 CHICAGO, IL 60694-5111	CONTACT: J. RODRIGUEZ PHONE: 646-661-2226 JRODRIGUEZ@CFSTAFFING.COM	SERVICE AGREEMENT	D			$35,971.90

Debtor: RM Bakery, LLC Case Number (if known): 20-11422

	Name of creditor and complete mailing address, including zip code	Name, telephone number, and email address of creditor contact	Nature of the claim (for example, trade debts, bank loans, professional services, and government contracts)	Indicate if claim is contingent, unliquidated, or disputed	Amount of unsecured claim If the claim is fully unsecured, fill in only unsecured claim amount. If claim is partially secured, fill in total claim amount and deduction for value of collateral or setoff to calculate unsecured claim.		
					Total claim, if partially secured	Deduction for value of collateral or setoff	Unsecured claim
19	CHUBB INSURANCE 2155 WEST PINNACLE PEAK ROAD SUITE 205 PHOENIX, AZ 85027	CONTACT: CHRISTOPHER MORAN PHONE: 623-780-0428 CHRISTOPHER.MORAN@CHUBB.COM	AUDIT	CD			$35,198.00
20	NATIONAL LABOR RELATIONS BOARD 1015 HALF STREET SE WASHINGTON, DC 20570	CONTACT: DAVID S. HABENSTREIT PHONE: 202-273-0909	LAWSUIT	D			$29,152.63

SCHEDULE 2

RM BAKERY LLC

13-WEEK CASH FLOW FORECAST - RESTRUCTURING

	Forecast {1}												13 Week Total
Week Commencing	Week 1 6/14/20	Week 2 6/21/20	Week 3 6/28/20	Week 4 7/5/20	Week 5 7/12/20	Week 6 7/19/20	Week 7 7/26/20	Week 8 8/2/20	Week 9 8/9/20	Week 10 8/16/20	Week 11 8/23/20	Week 12 8/30/20	Week 13 9/6/20	
Beginning Cash	$ 30,000	$ 10,858	$ 96,154	$ 73,248	$ 14,091	$ 7,099	$ 5,662	$ 79,394	$ 45,790	$ 47,946	$ 27,517	$ 14,201	$ 77,058	$ 30,000
Operating Cash Receipts	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 135,000	$ 1,755,000
Cash Disbursements														
Payroll:														
Payroll (including Employer Taxes)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (65,667)	$ (853,677)
Workers Compensation	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (4,000)	$ (52,000)
Consulting and other expenses	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (3,638)	$ (47,288)
Healthcare	$ -	$ (5,000)	$ -	$ -	$ -	$ (5,000)	$ -	$ -	$ -	$ (5,000)	$ -	$ -	$ -	$ (15,000)
Total Payroll	$ (73,305)	$ (78,305)	$ (73,305)	$ (73,305)	$ (73,305)	$ (78,305)	$ (73,305)	$ (73,305)	$ (73,305)	$ (78,305)	$ (73,305)	$ (73,305)	$ (73,305)	$ (967,965)
COGS Expenses:														
Ingredients & Raw Materials	$ (37,047)	$ (35,147)	$ (36,784)	$ (36,383)	$ (36,104)	$ (36,424)	$ (36,304)	$ (36,277)	$ (36,335)	$ (36,305)	$ (36,306)	$ (36,315)	$ (36,309)	$ (472,039)
Packaging	$ (9,454)	$ -	$ -	$ (9,454)	$ -	$ -	$ (9,454)	$ -	$ -	$ (9,454)	$ -	$ -	$ (9,454)	$ (47,269)
Outsourced Distribution Expenses	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (8,400)	$ (109,200)
Total COGS Expenses	$ (54,901)	$ (43,547)	$ (45,184)	$ (54,236)	$ (44,504)	$ (44,824)	$ (54,157)	$ (44,677)	$ (44,735)	$ (54,159)	$ (44,706)	$ (44,715)	$ (54,163)	$ (628,508)
Occupancy Expenses:														
Rent	$ (5,000)	$ -	$ (5,000)	$ (30,318)	$ -	$ -	$ -	$ (30,318)	$ -	$ -	$ -	$ (30,318)	$ -	$ (100,955)
RE Taxes	$ -	$ -	$ -	$ (16,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (16,000)
Utilities	$ -	$ -	$ (12,000)	$ -	$ -	$ -	$ (12,000)	$ -	$ -	$ -	$ (12,000)	$ -	$ -	$ (36,000)
Warehouse Expenses	$ (777)	$ (2,351)	$ (818)	$ (797)	$ (2,024)	$ (808)	$ (806)	$ (803)	$ (2,305)	$ (806)	$ (805)	$ (805)	$ (805)	$ (14,710)
Total Occupancy Expenses	$ (5,777)	$ (2,351)	$ (17,818)	$ (47,115)	$ (2,024)	$ (808)	$ (12,806)	$ (31,121)	$ (2,305)	$ (806)	$ (12,805)	$ (31,123)	$ (805)	$ (167,664)
Other Operating Expenses:														
Insurance	$ -	$ -	$ (3,500)	$ (2,000)	$ -	$ -	$ (3,500)	$ (2,000)	$ -	$ -	$ -	$ (5,500)	$ -	$ (16,500)
Capital Leases	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (3,000)	$ (39,000)
Miscellaneous	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (2,500)	$ (32,500)
Total Other Operating Expenses	$ (5,500)	$ (5,500)	$ (9,000)	$ (7,500)	$ (5,500)	$ (5,500)	$ (9,000)	$ (7,500)	$ (5,500)	$ (5,500)	$ (5,500)	$ (11,000)	$ (5,500)	$ (88,000)
Net Operating Cash Flow	$ (4,483)	$ 5,297	$ (10,306)	$ (47,157)	$ 9,667	$ 5,563	$ (14,269)	$ (21,604)	$ 9,155	$ (3,770)	$ (1,316)	$ (25,143)	$ 1,227	$ (97,137)
Restructuring Cost:														
IRS/NYS - Q4 & Q1 taxes	$ -	$ -	$ -	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (2,000)	$ (20,000)
Workers Comp Audit	$ (9,659)	$ -	$ -	$ -	$ (9,659)	$ -	$ -	$ -	$ -	$ (9,659)	$ -	$ -	$ -	$ (28,977)
Legal & Professional Fees	$ (5,000)	$ (5,000)	$ (12,600)	$ (10,000)	$ (5,000)	$ (5,000)	$ (10,000)	$ (10,000)	$ (5,000)	$ (5,000)	$ (10,000)	$ (10,000)	$ (5,000)	$ (97,600)
Utility Deposits	$ -	$ (15,000)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ (15,000)
Total Restructuring Cost	$ (14,659)	$ (20,000)	$ (12,600)	$ (12,000)	$ (16,659)	$ (7,000)	$ (12,000)	$ (12,000)	$ (7,000)	$ (16,659)	$ (12,000)	$ (12,000)	$ (7,000)	$ (161,577)
Net Cash Flow Before Financing	$ (19,142)	$ (14,703)	$ (22,906)	$ (59,157)	$ (6,992)	$ (1,437)	$ (26,269)	$ (33,604)	$ 2,155	$ (20,429)	$ (13,316)	$ (37,143)	$ (5,773)	$ (258,714)
DIP Financing:														
Borrowing / (Repayment)	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 300,000
Interest / Fees														$ -
Net DIP Financing	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ -	$ -	$ -	$ 100,000	$ -	$ 300,000
Net Cash Flow	$ (19,142)	$ 85,297	$ (22,906)	$ (59,157)	$ (6,992)	$ (1,437)	$ 73,731	$ (33,604)	$ 2,155	$ (20,429)	$ (13,316)	$ 62,857	$ (5,773)	$ 41,286
Ending Cash	$ 10,858	$ 96,154	$ 73,248	$ 14,091	$ 7,099	$ 5,662	$ 79,394	$ 45,790	$ 47,946	$ 27,517	$ 14,201	$ 77,058	$ 71,286	$ 71,286

Notes:

{1} assumes filing date of Jun 15, 2020

{2} consolidates cash flows of subsidiary entities

{3} does not include optional, discretionary capex of up to $100k during this period

{4} assumes interest and fees on DIP accrued - may be paid in cash