

**UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF OKLAHOMA**

)	
)	
In re:)	Chapter 11
)	
EATERIES, INC., <i>et al.</i> ¹)	Case No. 17-11444-SAH
)	
Debtors.)	Jointly Administered

DEBTORS' PERIODIC REPORT PURSUANT TO FED. R. BANK. P. 2015.3

COME NOW Eateries, Inc. and GRP of Zanesville, LLC (collectively "Debtors") and hereby file their Periodic Report regarding value, operations and profitability of entities in which the Estate of Eateries, Inc. holds a substantial or controlling interest.

Respectfully submitted,

s/ Lysbeth George
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and

¹ The affiliated Debtors are Eateries, Inc. and GRP of Zanesville, LLC, Case No. 17-11445-SAH.

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COUNSEL FOR DEBTORS

CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 19th day of October, 2017, I caused the foregoing document to be transmitted to the Clerk of the Court for electronic filing and transmittal of a Notice of Electronic Filing to all ECF registrants in this case.

s/ Lysbeth George

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF OKLAHOMA**

In re:)	
)	Chapter 11
EATERIES, INC., <i>et al.</i> ¹)	Case No. 17-11444-SAH
Debtors.)	(Jointly Administered)

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND
PROFITABILITY OF ENTITIES IN WHICH THE ESTATE OF EATERIES, INC.
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of September 24, 2017, on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of Eateries, Inc. holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Status of Subsidiary
GRP Management MO, LLC	100%	Management service company with annual management fee income from one franchise location; No material value
GRP of Port Huron, LLC	100%	Entity ceased operations July 23, 2016; No material assets remaining
GRP of Zanesville, LLC	100%	Entity ceased operations September 12, 2017; No material assets remaining
S&B Adrian Ops, LLC	100%	Entity ceased operations March 29, 2017; No material assets remaining
S&B Butler Ops, LLC	100%	Non-operating entity with no assets or other activity

The entities listed above are all wholly owned subsidiaries of Eateries, Inc. (“Subsidiaries”). The operations of the Subsidiaries are recorded in the books and records of the Debtor in the ordinary course of business on a consolidated basis. Working capital is managed on

¹ The affiliated Debtors are Eateries, Inc. and GRP of Zanesville, LLC, Case Nos. 17-11444 and 17-11445.

a combined basis in order to achieve efficiencies of scale. The Debtor does not prepare separate financial statements for these entities due to the cost versus benefit. However, the primary long term assets have been separately identified and valued as set forth on Exhibit A. The assets, liabilities, income and expense related to these Subsidiaries were reported as part of the Schedules and Statement of Financial Affairs for Eateries, Inc. Therefore, certain financial statements (balance sheet, statement of cash flows and a statement of changes in shareholders' or partners' equity for all Subsidiaries and statement of income for GRP Management MO, LLC and S&B Butler Ops, LLC) are not prepared in the ordinary course for these Subsidiaries. Exhibit A for disclosure regarding the valuation estimate for the Subsidiaries is not applicable as the entities do not have any material assets. Exhibit B contains a statement of income for each of the Subsidiaries excluding GRP Management MO, LLC and S&B Butler Ops, LLC. Exhibit C contains a description of the Subsidiaries business operations.

The undersigned, having reviewed the above listing of entities in which the estate of Eateries, Inc. holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

Date: 10/18/2017



Signature of Authorized Individual

William C. Liedtke III
Name of Authorized Individual

Vice President
Title of Authorized Individual

Exhibit A
Valuation Estimate

The operations of the Subsidiaries are recorded in the books and records of the Debtor in the ordinary course of business on a consolidated basis. Working capital is managed on a combined basis in order to achieve efficiencies of scale. The Debtor does not prepare separate financial statements for these entities due to the cost versus benefit. The assets, liabilities, income and expense related to these Subsidiaries were reported as part of the Schedules and Statement of Financial Affairs for Eateries, Inc. The Debtor represents that there have been no formal or third-party valuations completed on the Subsidiaries in the past two years. However, the Debtor has estimated the value of the assets of the Subsidiaries in consultation with D. R. Payne & Associates, Inc. (“DRPA”) as financial advisor and has determined that the entities do not have any material assets remaining.

Exhibit B-1
Statement of Income (Loss) for GRP of Port Huron, LLC²

	Fiscal Year Ending December 25, 2016
FOOD SALES	\$291,615
ALCOHOL SALES	100,901
TOTAL SALES	392,516
FOOD COSTS	96,300
ALCOHOL COSTS	28,922
TOTAL COST OF SALES	125,222
GROSS PROFIT	267,294
HOURLY FOH	29,880
HOURLY BOH	42,914
HOURLY MANAGEMENT	8,151
MANAGEMENT LABOR	47,019
VACATION PAY - HOURLY	1,895
EMPLOYEE INSURANCE	4,545
TAXES AND BENEFITS	23,047
TOTAL PAYROLL EXPENSE	157,451
PRIME COST	282,673
SUPPLIES	13,836
EXPENDABLE EQUIPMENT	2,111
EQUIPMENT RENTAL	3,459
MAINTENANCE AND CLEANING	20,476
CREDIT CARD DISCOUNT	4,476
LAUNDRY AND UNIFORMS	2,101
COMPS AND PROMOS	31,057
MISCELLANEOUS EXPENSE	(30,607)
MARKETING AND ADVERTISING	7,952
CONTROLLABLE EXPENSES	54,861
CONTROLLABLE PROFIT	54,982
MANAGEMENT BONUS	1,963
INSURANCE - PROP & CASUALTY	8,835
TAXES LICENSES AND FEES	1,747
UTILITIES	38,576
RENT	18,015
NON - CONTROLLABLE EXPENSES	69,136
TOTAL OPERATING EXPENSES	123,997
EBITDA	(14,154)
DEPRECIATION AND AMORTIZATION	12,979
GAIN/LOSS ON SALE	77,206
TOTAL OTHER EXPENSES	90,185
NET PROFIT (LOSS)	(104,339)

² GRP of Port Huron, LLC ceased operations on July 23, 2016.

Exhibit B-2
Statement of Income (Loss) for GRP of Zanesville, LLC³

	Current Fiscal Year through September 24, 2017	Fiscal Year Ending December 25, 2016
FOOD SALES	\$535,180	\$830,445
ALCOHOL SALES	70,981	104,104
TOTAL SALES	606,161	934,549
FOOD COSTS	159,823	242,545
ALCOHOL COSTS	21,365	29,381
TOTAL COST OF SALES	181,188	271,926
GROSS PROFIT	424,973	662,623
HOURLY LABOR - FOH	50,065	78,404
HOURLY LABOR - BOH	67,438	96,143
HOURLY SUPERVISOR LABOR	10,658	16,978
MANAGEMENT LABOR	79,441	90,288
VACATION PAY - HOURLY	4,227	2,005
EMPLOYEE INSURANCE	3,252	4,209
TAXES AND BENEFITS	25,053	31,668
TOTAL PAYROLL EXPENSE	240,134	319,695
PRIME COST	421,322	591,621
SUPPLIES	13,643	22,834
EXPENDABLE EQUIPMENT	1,573	2,276
EQUIPMENT RENTAL	4,684	6,079
SOFTWARE COSTS		859
MAINTENANCE AND CLEANING	27,774	35,172
CREDIT CARD DISCOUNT	7,374	12,096
LAUNDRY AND UNIFORMS	3,278	4,769
COMPS AND PROMOS	33,735	52,351
MISCELLANEOUS EXPENSE	(1,693)	(1,468)
MARKETING AND ADVERTISING	4,655	12,975
CONTROLLABLE EXPENSES	95,023	147,943
CONTROLLABLE PROFIT	89,816	194,985
MANAGEMENT BONUS	2,490	7,584
INSURANCE - PROP & CASUALTY	1,382	7,883
TAXES LICENSES AND FEES	3,725	3,762
UTILITIES	53,882	73,872
RENT	29,899	44,104
NON - CONTROLLABLE EXPENSES	91,378	137,205
TOTAL OPERATING EXPENSES	186,401	285,148
EBITDA	(1,562)	57,780
DEPRECIATION AND AMORTIZATION	10,332	14,077
GAIN/LOSS ON SALE	27,456	
TOTAL OTHER EXPENSES	37,788	14,077
NET PROFIT (LOSS)	(39,350)	43,703

³ GRP of Zanesville, LLC ceased operations on September 12, 2017.

Exhibit B-3
Statement of Income (Loss) for S&B Adrian Ops, LLC⁴

	Current Fiscal Year through September 24, 2017	Fiscal Year Ending December 25, 2016
FOOD SALES	\$212,822	\$1,001,994
ALCOHOL SALES	50,730	188,896
TOTAL SALES	263,552	1,190,890
FOOD COSTS	73,058	313,698
ALCOHOL COSTS	17,453	55,657
TOTAL COST OF SALES	90,511	369,355
GROSS PROFIT	173,041	821,535
HOURLY LABOR - FOH	21,934	108,887
TIP SHARE	1,150	(902)
HOURLY LABOR - BOH	34,750	173,657
HOURLY SUPERVISOR LABOR	5,131	21,057
MANAGEMENT LABOR	35,131	87,548
VACATION PAY - HOURLY	1,015	2,531
EMPLOYEE INSURANCE	2,969	5,515
TAXES AND BENEFITS	17,011	69,635
TOTAL PAYROLL EXPENSE	119,091	467,928
PRIME COST	209,602	837,283
SUPPLIES	6,476	33,711
EXPENDABLE EQUIPMENT	786	7,147
EQUIPMENT RENTAL	2,047	4,800
SOFTWARE COSTS	514	2,629
MAINTENANCE AND CLEANING	10,300	39,835
CREDIT CARD DISCOUNT	3,557	16,393
LAUNDRY AND UNIFORMS	1,149	3,650
COMPS AND PROMOS	10,674	81,796
BANK FEES		57
MISCELLANEOUS EXPENSE	(3,128)	8,407
TRAVEL AND ENTERTAINMENT		2,577
MARKETING AND ADVERTISING	3,362	20,033
CONTROLLABLE EXPENSES	35,737	221,035
CONTROLLABLE PROFIT	18,213	132,572
MANAGEMENT BONUS		5,955
INSURANCE - PROP & CASUALTY	3,420	10,435
TAXES LICENSES AND FEES	1,125	4,650
UTILITIES	19,421	67,873
RENT	20,817	94,709
NON - CONTROLLABLE EXPENSES	44,783	183,622
TOTAL OPERATING EXPENSES	80,520	404,657
EBITDA	(26,570)	(51,050)
DEPRECIATION AND AMORTIZATION	8,710	27,557
GAIN/LOSS ON SALE	65,960	6,201
PREOPENING EXPENSES	(2,118)	66,676
PREOPENING LABOR		55,367
TOTAL OTHER EXPENSES	72,552	155,801
NET PROFIT (LOSS)	(99,122)	(206,851)

⁴ S&B Adrian Ops, LLC ceased operations on March 29, 2017.

Exhibit C
Description of Operations

GRP Management MO, LLC is a management service company with annual management fee income from the franchised Branson, MO restaurant location. GRP Management MO, LLC holds the operations and management agreement with GRP of Branson, LLC dba Garfield's Restaurant & Pub located at 1221 Branson Landing Blvd., Branson, MO. GRP of Port Huron, LLC ("Port Huron") previously did business as Garfield's Restaurant & Pub located at 4350 24th Avenue, Fort Gratiot, MI. The Port Huron location ceased operations on July 23, 2016. GRP of Zanesville, LLC ("Zanesville") previously did business as Garfield's Restaurant & Pub located at 3575 Maple Avenue, Zanesville, OH. The Zanesville location ceased operations on September 12, 2017. S&B Adrian Ops, LLC ("S&B Adrian") previously did business as S&B Burgers located at 1357 S Main, Adrian, MI. The S&B Adrian location ceased operations on March 29, 2017. S&B Butler Ops, LLC ("S&B Butler") is a non-operating entity with no assets or other business activities.