

**IN THE UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE**

In re:	)	Chapter 11
	)	
DRUG FAIR GROUP, INC., <u>et al.</u> <sup>1</sup>	)	Case No. 09-10897 (BLS)
	)	
Debtors.	)	Jointly Administered
	)	

**GLOBAL NOTES AND STATEMENT OF LIMITATIONS,  
METHODOLOGY AND DISCLAIMER REGARDING  
DEBTORS' SCHEDULES AND STATEMENTS**

The *Schedules of Assets and Liabilities* and *Statements of Financial Affairs* (the “Schedules” and “Statements,” respectively) filed by the above-referenced debtors and debtors in possession (each a “Debtor” and, collectively, the “Debtors”), in the United States Bankruptcy Court for the District of Delaware (the “Bankruptcy Court”), were prepared by the Debtors’ management, with the assistance of the Debtors’ personnel and bankruptcy professionals, pursuant to 11 U.S.C. § 521<sup>2</sup> and Federal Rule of Bankruptcy Procedure 1007 and are unaudited. While the Debtors’ management has made reasonable efforts to ensure that the Schedules and Statements are accurate and complete, based upon information that was available to them at the time of preparation, inadvertent errors or omissions may have occurred. The Schedules and Statements remain subject to further review and verification by the Debtors. Subsequent information may result in material changes to the Schedules and Statements. Moreover, because the Schedules and Statements contain unaudited information which is subject to further review and potential adjustment, there can be no assurance that these Schedules and Statements are complete. The Debtors reserve all rights to amend the Schedules and Statements from time to time, in all respects, as may be necessary or appropriate, including, but not limited to, the right to dispute or otherwise assert offsets or defenses to any claim reflected on the Schedules and Statements as to amount, liability, or classification, or to otherwise subsequently designate any claim as “disputed,” “contingent” or “unliquidated.”

Furthermore, nothing contained in the Schedules and Statements shall constitute a waiver of rights with respect to the Debtors’ chapter 11 cases and specifically with respect to any issues involving substantive consolidation, equitable subordination, or causes of action arising under the provisions of Chapter 5 of the Bankruptcy Code and other relevant non-bankruptcy laws to recover assets or avoid transfers. These Global Notes and Statement of Limitations,

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<sup>1</sup> The Debtors in these cases, together with the last four digits of the federal tax identification number of each Debtor, are Drug Fair Group, Inc. f/k/a Community Distributors, Inc. (3660) and CDI Group, Inc. (9976).

<sup>2</sup> Unless otherwise stated herein, section references are to 11 U.S.C. § 101, *et seq.* (the “Bankruptcy Code”).

Methodology and Disclaimer Regarding Debtors' Schedules and Statements ("Global Notes") are incorporated by reference in, and comprise an integral part of the Schedules and Statements and should be referred to and reviewed in connection with any review of the Schedules and Statements.

The Debtors reserve the right to dispute, or to assert offset or defenses to, any claim reflected on the Schedules and Statements as to amount, liability or classification. The Debtors also reserve all rights with respect to the values, amounts and characterizations of the assets and liabilities listed in the Schedules and Statements.

Any failure to designate a claim listed on the Schedules and Statements as "disputed," "contingent" or "unliquidated" does not constitute an admission by the Debtors that such amount is not "disputed," "contingent" or "unliquidated." The Debtors reserve the right to dispute, or to assert setoff rights, counterclaims or defenses to, any claim reflected on the Schedules as to amount liability or classification, or to otherwise subsequently designate any claim as "disputed," "contingent" or "unliquidated." Additionally, the dollar amounts of claims listed may be exclusive of contingent and additional unliquidated amounts. Further, the claims of individual creditors for, among other things, goods, services, or taxes are listed as the amounts entered on the Debtors' books and records and may not reflect credits or allowances due from such creditors to the Debtors. The Debtors reserve all of their rights with respect to any such credits and allowances.

1. Case. On March 18, 2009 (the "Petition Date"), each Debtor filed a voluntary petition for relief under Chapter 11 of the Bankruptcy Code in the Bankruptcy Court. Unless otherwise indicated, the information provided is as of the close of business on the Petition Date.

2. Joint Administration. Pursuant to an order entered March 20, 2009 [Docket No. 37], the Debtors' respective Chapter 11 cases are jointly administered under the case name and caption set forth above. Notwithstanding the joint administration of the Debtors' cases, each Debtor has filed its own Schedules and Statements.

3. Basis of Presentation. The Schedules and Statements reflect the separate assets and liabilities of each individual Debtor. The Schedules and Statements do not purport to represent financial statements prepared in accordance with U.S. Generally Accepted Accounting Principles ("GAAP"). Unless otherwise noted, each asset is shown on the basis of the book value of the asset in the Debtors' accounting books and records, rather than the current market values of such interest in property.

4. Amendments. While reasonable efforts were made to file complete and accurate Schedules and Statements, inadvertent errors or omissions may exist. The Debtors thus each reserve the right to amend the Schedules and Statements and/or supplement in all respects at any time as may be necessary or appropriate, including without limitation, (a) to assert offsets or defenses to any claim, (b) to amend the amount, liability, or classification of any claim, or (c) to otherwise designate any claim as contingent, unliquidated or disputed.

5. Estimates and Assumptions. The preparation of the Schedules and Statements required the Debtors to make estimates and assumptions with respect to the reported amounts of assets and liabilities, the value of contingent assets and liabilities on the date of the Schedules and Statements and the reported amounts of revenues and expenses during the applicable reporting periods. Actual results could differ from those estimates.

6. Prepetition v. Postpetition. The Debtors have allocated liabilities between the prepetition and postpetition periods based upon information from research conducted in connection with the preparation of the Schedules and Statements. As additional information becomes available and further research is conducted, the identification of liabilities as prepetition or postpetition may change.

7. Causes of Action. The Debtors, despite their efforts, may not have listed all of their causes of action against third parties as assets in the Schedules and Statements. The Debtors reserve all of their rights with respect to any causes of action they may have, whether or not listed as assets in the Schedules and Statements, and neither these Global Notes nor the Schedules and Statements shall be deemed a waiver of any such causes of action, including, but not limited to, equitable subordination, causes of action arising under Chapter 5 of the Bankruptcy Code and any other causes of action arising in these Chapter 11 cases or under applicable non-bankruptcy law.

8. Insiders. Where the Schedules or Statements require information concerning officers, directors or insiders, included therein are each of the Debtor's (a) directors (or persons in similar positions) and (b) employees that are, or were during the relevant period, officers (or persons in control). Employees may have been included in this disclosure for informational purposes only and are not necessarily "insiders" as defined in § 101(31) or as otherwise defined by applicable law, including without limitation, any state or federal securities law. The listing of a party as an insider is not intended to be nor should it be construed as a legal characterization of such party as an insider, nor should it be construed as an admission that such party is an insider, all such rights, claims and defenses being expressly reserved.

9. Employee Claims. Certain of the Schedules and Statements may list creditors and set forth Debtors' estimate of claims of creditors as of the Petition Date. The Bankruptcy Court entered a first day order (the "Employee Wage Order") granting the authority to the Debtors to pay prepetition and postpetition employee wages, salaries, and certain other benefits and other obligations, subject to limitations set forth in the Employee Wage Order. Pursuant to the Employee Wage Order, the Debtors believe that all employee claims for wages have either been satisfied, or are in the process of being satisfied. Accordingly, claims for wages have not been included in the Schedules and Statements. The Debtors further believe that all employee claims for vacation and paid time off ("PTO") accrued more than 180 days prior to the Petition Date and thus are not entitled to priority under the Bankruptcy Code. The Debtors continued to honor their vacation and PTO policy subsequent to the Petition Date, which required the employees to either use such vacation or PTO time or forfeit such vacation or PTO time prior to March 31 of each year, which policy year was extended until the close of the sale of substantially all of the

Debtors assets. As many employees have opted to utilize the vacation and PTO time during this extended plan year, reporting the amount as of the Petition Date or as of the date of the Schedules and Statements would be misleading and difficult to determine and are thus listed as undetermined. Moreover, as the Debtors' vacation policy provided for the forfeiture of any vacation time not taken, the Debtors believe that employees will ultimately not possess any claims for vacation pay.

10. Recharacterization. The Debtors have made reasonable efforts to characterize, classify, categorize or designate the claims, assets, executory contracts, unexpired leases and other items reported in the Schedules and Statements correctly. However, the Debtors may have improperly characterized, classified, categorized or designated certain items. Thus, the Debtors reserve their right to recharacterize, reclassify, recategorize or redesignate items reported in the Schedules and Statement at a later time as necessary or appropriate as additional information becomes available, including, but not limited to, whether contracts listed herein were executory as of the Petition Date or remain executory postpetition.

11. Totals. All totals that are included in the Schedules and Statements represent total of all the known amounts included on the Schedules and Statements.

12. Excluded Assets and Liabilities. The Debtors may have excluded certain assets and liabilities from the Schedules and Statements such as goodwill, accrued liabilities, accrued payables, and assets with a net book value of zero.

13. Workers Compensation. The Debtors' workers compensation claims are generally administered by their insurance carriers and claims thereunder that have not risen to the level of a suit being filed have been omitted.

14. Categories or Labels Use in Schedules and Statements. Information requested by the Schedules and Statements requires the Debtors to make judgments regarding the appropriate category in which information should be presented or how certain parties, claims or other data should be labeled. The Debtors' decisions regarding the category or label to use is based on the best information available as of the filing of these Schedules and Statements and within the time constraints imposed. The Debtors reserve the right to modify, change or delete any information in the Schedules and Statements by amendment, including to the extent some information currently presented should be moved to a different category or labeled in a different way.

15. Summary of Significant Reporting Policies and Practices. The following conventions were adopted by the Debtors in preparing the Schedules and Statements:

- a. Fair Market Value; Book Value. For the preparation of these Schedules and Statements, it would be prohibitively expensive, unduly burdensome and time-consuming to obtain current market valuations of all of the Debtors' property interests on a debtor-by-debtor basis. Accordingly, each asset and liability of each Debtor is shown on the basis of the net book value of the asset or liability in accordance with the Debtors' accounting or tax books and records as of the

Petition Date. As applicable, assets that have been fully depreciated or were expensed for accounting purposes have no net book value. Unless otherwise noted, the Schedules reflect the net book value of the liabilities as listed in the Debtors' books and records, and are not based upon any estimate of their current market values, which may not correspond to book value. For this reason, amounts ultimately realized may vary from net book value and such variances may be material. Unless otherwise indicated, all amounts are listed as of the Petition Date.

- b. Leased Real and Personal Property. In the ordinary course of its business, the Debtors lease real and personal property, including furniture, fixtures and equipment, from certain third-party lessors. Nothing in the Schedules or Statements is or shall be construed as an admission or determination as to legal status of any lease (*e.g.*, as a true lease or financing arrangement), and the Debtors reserve all rights with respect to such issues.
- c. Claims. The Schedules and Statements generally identify parties holding claims existing as of the Petition Date. The Bankruptcy Court, however, has authorized the Debtors to continue certain prepetition practices and make payments in respect of certain prepetition claims. Accordingly, certain of the claims identified in the Schedules and Statements may already have been paid.
- d. Disputed, Contingent and Unliquidated Claims. The Debtors may designate certain claims on Schedules D, E and F as disputed, contingent and/or unliquidated, as applicable. Any failure to designate a claim on the Schedules and Statements as disputed, contingent and/or unliquidated does not constitute an admission that such claim is not disputed, contingent and/or unliquidated, as applicable. The Debtors reserve the right to dispute, or assert offsets or defenses to, any claim reflected on the Schedules and Statements as to amount, liability or status.

16. Summary of Significant "Schedules" Conventions. The following conventions were adopted by the Debtors in preparation of the Schedules:

- a. Schedule B. The Debtors have reflected the values of certain intangible items on Schedule D as undetermined (items 23 and 24). These items by their nature are difficult to ascribe value to and any value that the Debtors would have listed thereon would have been misleading. Furthermore, the Debtors commenced a process to dispose of all of their assets prepetition and have continued such disposition effort postpetition, which process will ultimately determine the value of all of the Debtors' assets. The Debtors reserve their right to dispute, characterize, or recharacterize any attribution of such sales value relating to such assets.

- b. Schedule D. Except as otherwise agreed pursuant to a stipulation or order entered by the Bankruptcy Court, the Debtors reserve their rights to dispute or challenge the validity, priority, perfection or immunity from avoidance of any lien purported to be granted or perfected in any specific asset to a secured creditor listed on Schedule D of any Debtor. Moreover, except as otherwise agreed pursuant to a stipulation or order entered by the Bankruptcy Court, the Debtors reserve all rights to dispute or challenge the secured nature of any such creditor's claim or the characterization of the structure of any such transaction or any document or instrument (including without limitation, any intercompany agreement) related to such creditor's claim. In certain instances, a Debtor may be a co-obligor or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule D of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided in Schedule D are intended only to be a summary, and reference should be made to the applicable loan agreements and related documents for a complete description of any collateral and corresponding liens or security interests. Nothing in the Global Notes or the Schedules and Statements shall be deemed a modification or interpretation of the terms of such agreements.

The Debtors have not included on Schedule D any creditor who may assert an interest in property of the estate by way of setoff rights, deposits posted by or on behalf of a Debtor or inchoate statutory lien rights. Any such creditors may, however, be listed on Schedule F.

The Debtors have included certain items on Schedule D that are characterized on their books as capitalized leases. The Debtors have not undertaken a review of each of these obligations to determine if they are properly secured and perfected interests. The inclusion of an agreement on this schedule and nothing else contained herein shall be construed as an admission as to the validity of any security interest nor should be construed as a waiver of the Debtors' rights to recharacterize or reclassify any such lease or contract.

- b. Schedule E. The Bankruptcy Court entered a first day order (the "Employee Wage Order") granting the authority to the Debtors to pay prepetition and postpetition employee wages, salaries, and certain other benefits and other obligations, subject to limitations set forth in the Employee Wage Order. Pursuant to the Employee Wage Order, the Debtors believe that all employee claims for wages have either been satisfied, or are in the process of being satisfied. Accordingly, claims for wages have not been included in the Schedules and Statements. The Debtors further believe that all employee claims for vacation and paid time off ("PTO") accrued more than 180 days prior to the Petition Date and thus are not entitled to priority under the Bankruptcy Code. The Debtors continued to honor their vacation and PTO policy subsequent to the Petition Date, which required the employees to either use such vacation or PTO time or forfeit such vacation or PTO time prior to

March 31 of each year, which policy year was extended until the close of the sale of substantially all of the Debtors assets. As many employees have opted to utilize the vacation and PTO time during this extended plan year, reporting the amount as of the Petition Date or as of the date of the Schedules and Statements would be misleading and difficult to determine and are thus listed as undetermined on Schedule F. Moreover, as the Debtors' vacation policy provided for the forfeiture of any vacation time not taken, the Debtors believe that employees will ultimately not possess any claims for vacation pay.

Certain of the tax claims may be subject to ongoing audits or adjustments and the Debtors are otherwise unable to determine with certainty the amount of many, if not all, of the claims listed on Schedule E. Therefore, the Debtors have listed all such claims as undetermined in amount, pending final resolution of ongoing audits and other outstanding issues. The Debtors reserve their rights to dispute or challenge whether such claims are entitled to priority.

The listing of any claim on Schedule E does not constitute an admission by the Debtors that such claim is entitled to priority treatment under 11 U.S.C. § 507. Such claims remain subject to further review and verification.

- c. Schedule F. Creditors Holding Unsecured Non-Priority Claims. Schedule F does not include certain deferred charges, deferred liabilities, or general reserves. Such amounts are general estimates of liabilities and do not represent specific claims as of the Petition Date.

The claims listed in Schedule F arose or were incurred on various dates. In certain instances, the date on which a claim arose is an open issue of fact. While commercially reasonable efforts have been made, determining the date upon which each claim in Schedule F was incurred or arose would be unduly burdensome and cost prohibitive and, therefore, the Debtors do not list a date for each claim listed on Schedule F. Schedule F contains information regarding potential, pending, and closed litigation involving the Debtors. In certain instances, the Debtor that is the subject of the litigation is unclear or undetermined. However, to the extent litigation involving a particular Debtor has been identified, such information is contained in the Schedule for that Debtor.

In certain instances, a Debtor may be a co-obligor, co-mortgagor, or guarantor with respect to scheduled claims of other Debtors, and no claim set forth on Schedule F of any Debtor is intended to acknowledge claims of creditors that are otherwise satisfied or discharged by other entities. The descriptions provided in Schedule F are intended only to be a summary. Nothing in the Global Notes or the Schedules and Statements shall be deemed to be a modification or interpretation of the terms of such agreements. The claims of individual creditors for, among other things, merchandise, goods, services or taxes are listed at the amounts listed on the

Debtors' books and records and may not reflect credits or allowances due from such creditor. The Debtors reserve all of their rights respecting such credits or allowances. The dollar amounts listed may be exclusive of contingent and unliquidated amounts. The Debtors expressly incorporate by reference into Schedule F all parties to pending and potential pending litigation listed in the Debtors' Statements as contingent, unliquidated, and disputed claims to the extent not already listed on Schedule F. All parties to executory contracts, including those listed on Schedule G, are holders of contingent and unliquidated unsecured claims arising from (i) obligations under those executory contracts and/or (ii) rejection damages in the event that such executory contract is rejected. Not all such claims are duplicated on Schedule F.

- d. Schedule G. While reasonable efforts have been made to ensure the accuracy of Schedule G, inadvertent errors, omissions or over-inclusions may have occurred. Listing a contract or lease on Schedule G does not constitute an admission that such contract or lease is an executory contract or unexpired lease or that such contract or lease was in effect on the Petition Date or is valid or enforceable. Any and all of the Debtors' rights, claims and causes of action with respect to the contracts and agreements listed on Schedule G are hereby reserved. In addition, the Debtors may have entered into various other types of agreements in the ordinary course of business, such as supplemental agreements, amendments/letter agreements and confidentiality agreements. Such documents may not be set forth in Schedule G. The Debtors reserve all of their rights to dispute or challenge the characterization of the structure of any transaction or any document or instrument related to a creditor's claim (including, but not limited to, whether the transaction, document or instrument is a true lease or financing arrangement). Omission of a contract or lease from Schedule G does not constitute an admission that such omitted contract or lease is not an executory contract or unexpired lease. The Debtors' rights under the Bankruptcy Code with respect to any such omitted contracts or leases are not impaired by the omission.

17. Summary of Significant "Statement" Conventions. The following conventions were adopted by the Debtors in preparation of the Statements:

- a. Statement 3b. In the list of payments under question 3b, the Debtors have not included payments for wages, compensation or expenses made to employees in the ordinary course of business.
- b. Statement 3c. The Debtors have included all cash payments to insiders within 12 months before the petition date. The term "Expense Reimbursement" on the response to Question 3(c) refers to reimbursable payments made on account of business expenses incurred, such as travel expenses. These "Expense Reimbursements" do not represent additional compensation to any insider. Moreover, the inclusion of a party on the response to Question 3(c) shall not be



construed as an admission that such party is an insider and the Debtors reserve all rights to recharacterize or dispute such classification.

- c. Statement 4. The Debtors continue to have certain insured liabilities administered through their insurance carriers and continue to pay such claims in the ordinary course of business. The Debtors have reported all such known actions that have risen to the level of litigation, but have not reported all such actions that have risen only to the level of contact with the insurance carrier.
- d. Statement 9. The Debtors have only listed the payments made on the Drug Fair Group, Inc. Statements because the payments were made by Drug Fair Group, Inc. However, the payments were made on behalf of both Debtors in these cases.
- e. Statement 19(d). In addition to the parties listed on Schedule 19(d), the Debtors may have provided financial statements to numerous landlords in January 2009 in connection with attempts to renegotiate their leases. The financial statements were provided through DJM Asset Management LLC who was engaged for the renegotiation effort. The Debtors do not possess the records as to which parties received such financial statements through this process.

18. General Disclaimer. While those members of management responsible for the preparation of the Schedules and Statements have made a reasonable effort to ensure that the Schedules and Statements are accurate and complete based on information known to them at the time of preparation after reasonable inquiries, inadvertent errors may exist or the subsequent receipt of information may result in material changes in financial and other data contained in the Schedules and Statements that may warrant amendment of the same. Moreover, because the Schedules and Statements contain unaudited information that is subject to further review and potential adjustment, there can be no assurance that the Schedules and Statements are complete or accurate. To the extent that there are any differences between the Schedules and Statement and these Global Notes, the Global Notes shall control.

# UNITED STATES BANKRUPTCY COURT

## DISTRICT OF DELAWARE

In re CDI GROUP, INC.

Debtor

Case No. 09-10898

Chapter 11

### SUMMARY OF SCHEDULES

Indicate as to each schedule whether that schedule is attached and state the number of pages in each. Report the totals from Schedules A, B, D, E, F, I, and J in the boxes provided. Add the amounts from Schedules A and B to determine the total amount of the debtor's assets. Add the amounts from Schedules D, E, and F to determine the total amount of the debtor's liabilities.

NAME OF SCHEDULE	ATTACHED (YES/NO)	NO. OF SHEETS	ASSETS	LIABILITIES	OTHER
A - Real Property	Yes	1			
B - Personal Property	Yes	4			
C - Property Claimed As Exempt	No				
D - Creditors Holding Secured Claims	Yes	1			
E - Creditors Holding Unsecured Priority Claims	Yes	3			
F - Creditors Holding Unsecured Nonpriority Claims	Yes	1		\$21,117,215.40	
G - Executory Contracts and Unexpired Leases	Yes	1			
H - Codebtors	Yes	1			
I - Current Income of Individual Debtor(s)	No				
J - Current Expenditures of Individual Debtor(s)	No				
TOTAL		12		\$21,117,215.40	

In re CDI GROUP, INC.

Case No. 09-10898

Debtor (if known)

SCHEDULE A - REAL PROPERTY

Except as directed below, list all real property in which the debtor has any legal, equitable, or future interest, including all property owned as a cotenant, community property, or in which the debtor has a life estate. Include any property in which the debtor holds rights and powers exercisable for the debtor’s own benefit. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an “H,” “W,” “J,” or “C” in the column labeled “Husband, Wife, Joint, or Community.” If the debtor holds no interest in real property, write “None” under “Description and Location of Property.”

Do not include interests in executory contracts and unexpired leases on this schedule. List them in Schedule G-Executory Contracts and Unexpired Leases.

If an entity claims to have a lien or hold a secured interest in any property, state the amount of the secured claim. See Schedule D. If no entity claims to hold a secured interest in the property, write “None” in the column labeled “Amount of Secured Claim.”

If the debtor is an individual or if a joint petition is filed, state the amount of any exemption claimed in the property only in Schedule C - Property Claimed as Exempt.

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITHOUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION	AMOUNT OF SECURED CLAIM
NONE				
Total				

(Report also on Summary of Schedules)

Debtor

(if known)

**SCHEDULE B - PERSONAL PROPERTY**

Except as directed below, list all personal property of the debtor of whatever kind. If the debtor has no property in one or more of the categories, place an "x" in the appropriate position in the column labeled "None." If additional space is needed in any category, attach a separate sheet properly identified with the case name, case number, and the number of the category. If the debtor is married, state whether the husband, wife, both, or the marital community own the property by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the debtor is an individual or a joint petition is filed, state the amount of any exemptions claimed only in Schedule C - Property Claimed as Exempt.

**Do not list interests in executory contracts and unexpired leases on this schedule. List them in Schedule G - Executory Contracts and Unexpired Leases.**

If the property is being held for the debtor by someone else, state that person's name and address under "Description and Location of Property." If the property is being held for a minor child, simply state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	H U S B A N D, W I F E, J O I N T, O R C O M M U N I T Y	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
1. CASH ON HAND.	X			
2. CHECKING, SAVINGS OR OTHER FINANCIAL ACCOUNTS, CERTIFICATES OF DEPOSIT, OR SHARES IN BANKS, SAVINGS AND LOAN, THRIFT, BUILDING AND LOAN, AND HOMESTEAD ASSOCIATIONS, OR CREDIT UNIONS, BROKERAGE HOUSES, OR COOPERATIVES.	X			
3. SECURITY DEPOSITS WITH PUBLIC UTILITIES, TELEPHONE COMPANIES, LANDLORDS, AND OTHERS.	X			
4. HOUSEHOLD GOODS AND FURNISHINGS, INCLUDING AUDIO, VIDEO, AND COMPUTER EQUIPMENT.	X			
5. BOOKS, PICTURES AND OTHER ART OBJECTS, ANTIQUES, STAMP, COIN, RECORD, TAPE, COMPACT DISC, AND OTHER COLLECTIONS OR COLLECTIBLES.	X			
6. WEARING APPAREL.	X			
7. FURS AND JEWELRY.	X			
8. FIREARMS AND SPORTS, PHOTOGRAPHIC, AND OTHER HOBBY EQUIPMENT.	X			

Debtor

(if known)

**SCHEDULE B - PERSONAL PROPERTY****(Continuation Sheet)**

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
9. INTERESTS IN INSURANCE POLICIES. NAME INSURANCE COMPANY OF EACH POLICY AND ITEMIZE SURRENDER OR REFUND VALUE OF EACH.	X			
10. ANNUITIES. ITEMIZE AND NAME EACH INSURER.	X			
11. INTERESTS IN AN EDUCATION IRA AS DEFINED IN 26 U.S.C. § 530(b)(1) OR UNDER A QUALIFIED STATE TUITION PLAN AS DEFINED IN 26 U.S.C. § 529(b)(1). GIVE PARTICULARS. (FILE SEPARATELY THE RECORD(S) OF ANY SUCH INTEREST(S). 11 U.S.C. § 521(c) RULE 1007(B))	X			
12. INTERESTS IN IRA, ERISA, KEOGH, OR OTHER PENSION OR PROFIT SHARING PLANS. ITEMIZE.	X			
13. STOCK AND INTERESTS IN INCORPORATED BUSINESSES. ITEMIZE.		INVESTMENT IN 100% OF THE EQUITY OF DRUG FAIR, INC.		UNDETERMINED
14. INTERESTS IN PARTNERSHIPS OR JOINT VENTURES. ITEMIZE.	X			
15. GOVERNMENT AND CORPORATE BONDS AND OTHER NEGOTIABLE AND NON-NEGOTIABLE INSTRUMENTS.	X			
16. ACCOUNTS RECEIVABLE.	X			
17. ALIMONY, MAINTENANCE, SUPPORT, AND PROPERTY SETTLEMENTS TO WHICH THE DEBTOR IS OR MAY BE ENTITLED. GIVE PARTICULARS.	X			
18. OTHER LIQUIDATED DEBTS OWING DEBTOR INCLUDING TAX REFUNDS. GIVE PARTICULARS.	X			
19. EQUITABLE OR FUTURE INTERESTS, LIFE ESTATES, AND RIGHTS OR POWERS EXERCISABLE FOR THE BENEFIT OF THE DEBTOR OTHER THAN THOSE LISTED IN SCHEDULE OF REAL PROPERTY.	X			

In re CDI GROUP, INC.Case No. 09-10898

Debtor

(if known)

**SCHEDULE B - PERSONAL PROPERTY****(Continuation Sheet)**

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
20. CONTINGENT AND NON-CONTINGENT INTERESTS IN ESTATE OF A DECEDENT, DEATH BENEFIT PLAN, LIFE INSURANCE POLICY, OR TRUST.	X			
21. OTHER CONTINGENT AND UNLIQUIDATED CLAIMS OF EVERY NATURE, INCLUDING TAX REFUNDS, COUNTERCLAIMS OF THE DEBTOR, AND RIGHTS TO SETOFF CLAIMS. GIVE ESTIMATED VALUE OF EACH.	X			
22. PATENTS, COPYRIGHTS, AND OTHER INTELLECTUAL PROPERTY. GIVE PARTICULARS.	X			
23. LICENSES, FRANCHISES, AND OTHER GENERAL INTANGIBLES. GIVE PARTICULARS.	X			
24. CUSTOMER LISTS OR OTHER COMPILATIONS CONTAINING PERSONALLY IDENTIFIABLE INFORMATION PROVIDED TO THE DEBTOR BY INDIVIDUALS IN CONNECTION WITH OBTAINING A PRODUCT OR SERVICE FROM THE DEBTOR PRIMARILY FOR PERSONAL, FAMILY, OR HOUSEHOLD PURPOSES.	X			
25. AUTOMOBILES, TRUCKS, TRAILERS, OTHER VEHICLES AND ACCESSORIES.	X			
26. BOATS, MOTORS, AND ACCESSORIES.	X			
27. AIRCRAFT AND ACCESSORIES.	X			
28. OFFICE EQUIPMENT, FURNISHINGS, AND SUPPLIES.	X			
29. MACHINERY, FIXTURES, EQUIPMENT AND SUPPLIES USED IN BUSINESS.	X			
30. INVENTORY.	X			
31. ANIMALS.	X			
32. CROPS - GROWING OR HARVESTED. GIVE PARTICULARS.	X			

In re CDI GROUP, INC.

Case No. 09-10898

Debtor (if known)

**SCHEDULE B - PERSONAL PROPERTY**

**(Continuation Sheet)**

TYPE OF PROPERTY	N O N E	DESCRIPTION AND LOCATION OF PROPERTY	HUSBAND, WIFE, JOINT, OR COMMUNITY	CURRENT VALUE OF DEBTOR'S INTEREST IN PROPERTY, WITH- OUT DEDUCTING ANY SECURED CLAIM OR EXEMPTION
33. FARMING EQUIPMENT AND IMPLEMENTS.	X			
34. FARM SUPPLIES, CHEMICALS, AND FEED.	X			
35. OTHER PERSONAL PROPERTY OF ANY KIND NOT ALREADY LISTED. ITEMIZE.	X			
Total				\$0.00

(Include amounts from any continuation  
sheets attached. Report total also on  
Summary of Schedules.)

SCHEDULE D - CREDITORS HOLDING SECURED CLAIMS

State the name, mailing address, including zip code, and last four digits of any account number of all entities holding claims secured by property of the debtor as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. List creditors holding all types of secured interests such as judgment liens, garnishments, statutory liens, mortgages, deeds of trust, and other security interests.

List creditors in alphabetical order to the extent practicable. If a minor child is the creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). If all secured creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H – Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Total the columns labeled "Amount of Claim Without Deducting Value of Collateral" and "Unsecured Portion, if Any" in the boxes labeled "Total(s)" on the last sheet of the completed schedule. Report the total from the column labeled "Amount of Claim Without Deducting Value of Collateral" also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report the total from the column labeled "Unsecured Portion, if Any" on the Statistical Summary of Certain Liabilities and Related Data.

☒ Check this box if debtor has no creditors holding secured claims to report on this Schedule D.

CREDITOR'S NAME AND MAILING ADDRESS INCLUDING ZIP CODE AND AN ACCOUNT NUMBER <i>(See Instructions Above.)</i>	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED, NATURE OF LIEN, AND DESCRIPTION AND VALUE OF PROPERTY SUBJECT TO LIEN	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM WITHOUT DEDUCTING VALUE OF COLLATERAL	UNSECURED PORTION, IF ANY
ACCOUNT NO.								
NONE			VALUE					



Debtor

(if known)

**SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS**

A complete list of claims entitled to priority, listed separately by type of priority, is to be set forth on the sheets provided. Only holders of unsecured claims entitled to priority should be listed in this schedule. In the boxes provided on the attached sheets, state the name, mailing address, including zip code, and last four digits of the account number, if any, of all entities holding priority claims against the debtor or the property of the debtor, as of the date of the filing of the petition. Use a separate continuation sheet for each type of priority and label each with the type of priority.

The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H-Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community." If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of claims listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all claims listed on this Schedule E in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules.

Report the total of amounts entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule. Individual debtors with primarily consumer debts report this total also on the Statistical Summary of Certain Liabilities and Related Data.

Report the total of amounts not entitled to priority listed on each sheet in the box labeled "Subtotals" on each sheet. Report the total of all amounts not entitled to priority listed on this Schedule E in the box labeled "Totals" on the last sheet of the completed schedule.

☒ Check this box if debtor has no creditors holding unsecured priority claims to report on this Schedule E.

TYPES OF PRIORITY CLAIMS (Check the appropriate box(es) below if claims in that category are listed on the attached sheets)

☐ **Domestic Support Obligations**

Claims for domestic support that are owed to or recoverable by a spouse, former spouse, or child of the debtor, or the parent, legal guardian, or responsible relative of such a child, or a governmental unit to whom such a domestic support claim has been assigned to the extent provided in 11 U.S.C. § 507(a)(1).

☐ **Extensions of credit in an involuntary case**

Claims arising in the ordinary course of the debtor's business or financial affairs after the commencement of the case but before the earlier of the appointment of a trustee or the order for relief. 11 U.S.C. § 507(a)(3).

☐ **Wages, salaries, and commissions**

Wages, salaries, and commissions, including vacation, severance, and sick leave pay owing to employees and commissions owing to qualifying independent sales representatives up to \$10,950\* per person earned within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(4).

☐ **Contributions to employee benefit plans**

Money owed to employee benefit plans for services rendered within 180 days immediately preceding the filing of the original petition, or the cessation of business, whichever occurred first, to the extent provided in 11 U.S.C. § 507(a)(5).

In re **CDI GROUP, INC.**

Case No. 09-10898

Debtor

(if known)

☐ **Certain farmers and fishermen**

Claims of certain farmers and fishermen, up to \$5,400\* per farmer or fisherman, against the debtor, as provided in 11 U.S.C. § 507(a)(6).

☐ **Deposits by individuals**

Claims of individuals up to \$2,425\* for deposits for the purchase, lease, or rental of property or services for personal, family, or household use, that were not delivered or provided. 11 U.S.C. § 507(a)(7).

☐ **Taxes and Certain Other Debts Owed to Governmental Units**

Taxes, customs duties, and penalties owing to federal, state, and local governmental units as set forth in 11 U.S.C. § 507(a)(8).

☐ **Commitments to Maintain the Capital of an Insured Depository Institution**

Claims based on commitments to the FDIC, RTC, Director of the Office of Thrift Supervision, Comptroller of the Currency, or Board of Governors of the Federal Reserve System, or their predecessors or successors, to maintain the capital of an insured depository institution. 11 U.S.C. § 507 (a)(9).

☐ **Claims for Death or Personal Injury While Debtor Was Intoxicated**

Claims for death or personal injury resulting from the operation of a motor vehicle or vessel while the debtor was intoxicated from using alcohol, a drug, or another substance. 11 U.S.C. § 507(a)(10).

\* Amounts are subject to adjustment on April 1, 2010, and every three years thereafter with respect to cases commenced on or after the date of adjustment.

SCHEDULE E - CREDITORS HOLDING UNSECURED PRIORITY CLAIMS

(Continuation Sheet)

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER  (See instructions above.)	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM	AMOUNT ENTITLED TO PRIORITY	AMOUNT NOT ENTITLED TO PRIORITY, IF ANY
ACCOUNT NO.									
NONE									

Subtotal			
Total			
Totals			

Debtor

(if known)

**SCHEDULE F - CREDITORS HOLDING UNSECURED NONPRIORITY CLAIMS**

State the name, mailing address, including zip code, and last four digits of any account number, of all entities holding unsecured claims without priority against the debtor or the property of the debtor, as of the date of filing of the petition. The complete account number of any account the debtor has with the creditor is useful to the trustee and the creditor and may be provided if the debtor chooses to do so. If a minor child is a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m). Do not include claims listed in Schedules D and E. If all creditors will not fit on this page, use the continuation sheet provided.

If any entity other than a spouse in a joint case may be jointly liable on a claim, place an "X" in the column labeled "Codebtor," include the entity on the appropriate schedule of creditors, and complete Schedule H - Codebtors. If a joint petition is filed, state whether the husband, wife, both of them, or the marital community may be liable on each claim by placing an "H," "W," "J," or "C" in the column labeled "Husband, Wife, Joint, or Community."

If the claim is contingent, place an "X" in the column labeled "Contingent." If the claim is unliquidated, place an "X" in the column labeled "Unliquidated." If the claim is disputed, place an "X" in the column labeled "Disputed." (You may need to place an "X" in more than one of these three columns.)

Report the total of all claims listed on this schedule in the box labeled "Total" on the last sheet of the completed schedule. Report this total also on the Summary of Schedules and, if the debtor is an individual with primarily consumer debts, report this total also on the Statistical Summary of Certain Liabilities and Related Data.

☐ Check this box if debtor has no creditors holding unsecured nonpriority claims to report on this Schedule F.

CREDITOR'S NAME, MAILING ADDRESS INCLUDING ZIP CODE, AND ACCOUNT NUMBER  (See instructions above.)	CODEBTOR	HUSBAND, WIFE, JOINT, OR COMMUNITY	DATE CLAIM WAS INCURRED AND CONSIDERATION FOR CLAIM. IF CLAIM IS SUBJECT TO SETOFF, SO STATE.	CONTINGENT	UNLIQUIDATED	DISPUTED	AMOUNT OF CLAIM
ACCOUNT NO.							
FORTRESS CREDIT OPPORTUNITIES 1345 AVENUE OF THE AMERICAS, 46TH FL NEW YORK, NY 10105	X		GUARANTEE OF SECURED TERM LOAN DATED 9/30/04	X	X		\$21,117,215.40

Subtotal

\$21,117,215.40

Total

\$21,117,215.40

In re **CDI GROUP, INC.**

Case No. 09-10898

Debtor

(if known)

## **SCHEDULE G - EXECUTORY CONTRACTS AND UNEXPIRED LEASES**

Describe all executory contracts of any nature and all unexpired leases of real or personal property. Include any timeshare interests. State nature of debtor's interest in contract, i.e., "Purchaser," "Agent," etc. State whether debtor is the lessor or lessee of a lease. Provide the names and complete mailing addresses of all other parties to each lease or contract described. If a minor child is a party to one of the leases or contracts, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☒ Check this box if debtor has no executory contracts or unexpired leases.

NAME AND MAILING ADDRESS, INCLUDING ZIP CODE, OF OTHER PARTIES TO LEASE OR CONTRACT.	DESCRIPTION OF CONTRACT OR LEASE AND NATURE OF DEBTOR'S INTEREST. STATE WHETHER LEASE IS FOR NONRESIDENTIAL REAL PROPERTY. STATE CONTRACT NUMBER OF ANY GOVERNMENT CONTRACT.
NONE	

In re **CDI GROUP, INC.**

Case No. 09-10898

Debtor

(if known)

## SCHEDULE H - CODEBTORS

Provide the information requested concerning any person or entity, other than a spouse in a joint case, that is also liable on any debts listed by the debtor in the schedules of creditors. Include all guarantors and co-signers. If the debtor resides or resided in a community property state, commonwealth, or territory (including Alaska, Arizona, California, Idaho, Louisiana, Nevada, New Mexico, Puerto Rico, Texas, Washington, or Wisconsin) within the eight-year period immediately preceding the commencement of the case, identify the name of the debtor's spouse and of any former spouse who resides or resided with the debtor in the community property state, commonwealth, or territory. Include all names used by the nondebtor spouse during the eight years immediately preceding the commencement of this case. If a minor child is a codebtor or a creditor, state the child's initials and the name and address of the child's parent or guardian, such as "A.B., a minor child, by John Doe, guardian." Do not disclose the child's name. See, 11 U.S.C. §112 and Fed. R. Bankr. P. 1007(m).

☐ Check this box if debtor has no codebtors.

NAME AND ADDRESS OF CODEBTOR	NAME AND ADDRESS OF CREDITOR
DRUG FAIR GROUP, INC. 800 COTTONTAIL LANE SOMERSET, NJ 08873	FORTRESS CREDIT OPPORTUNITIES 1345 AVENUE OF THE AMERICAS, 46TH FL NEW YORK, NY 10105

In re CDI GROUP, INC.

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(if known)

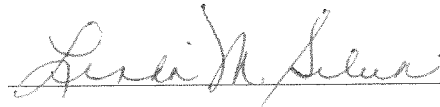
## DECLARATION CONCERNING DEBTOR'S SCHEDULES

### DECLARATION UNDER PENALTY OF PERJURY ON BEHALF OF A CORPORATION

I, Linda M. Siluk, the Chief Financial Officer, Secretary, and Treasurer of CDI Group, Inc., declare under penalty of perjury that I have read the foregoing summary and schedules and that they are true and correct to the best of my knowledge, information, and belief.

Date May 6, 2009

Signature



Linda M. Siluk

[Print or type name of individual signing on behalf of debtor.]

Chief Financial Officer, Secretary, and Treasurer

[Indicate position or relationship to debtor]

Penalty for making a false statement: Fine of up to \$500,000 or imprisonment for up to 5 years, or both. 18 U.S.C. § 152 and 3571.