

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of report (Date of earliest event reported): January 20, 2021

TUESDAY MORNING CORPORATION

(Exact name of registrant as specified in charter)

Delaware
(State or other jurisdiction of incorporation)

0-19658
(Commission File Number)

75-2398532
(IRS Employer Identification No.)

6250 LBJ Freeway
Dallas, Texas
(Address of principal executive offices)

75240
(Zip Code)

(972) 387-3562
(Registrant's telephone number, including area code)

Not applicable
(Former name or former address, if changed since last report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

| Title of each class | Trading Symbol(s) | Name of each exchange on which registered |
|--|-------------------|---|
| Common Stock, par value \$0.01 per share | TUEM | OTCQX |

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 7.01. Regulation FD Disclosure.

On January 20, 2021, the Company and certain of its direct and indirect subsidiaries (collectively with the Company, the “Debtors”) filed with the Bankruptcy Court for the Northern District of Texas, Dallas Division (the “Bankruptcy Court”), Case No. 20-31476-HDH-11, their monthly operating report for the period beginning December 1, 2020 and ending December 31, 2020 (the “Monthly Operating Report”). The Monthly Operating Report is attached hereto as Exhibit 99.1 and is incorporated herein by reference. The Debtors emerged from bankruptcy on December 31, 2020, and this will be the final monthly operating report filed by the Company. This Current Report on Form 8-K (including the exhibit hereto) (this “Form 8-K”) will not be deemed an admission as to the materiality of any information disclosed herein.

The Monthly Operating Report and other documents filed with the Bankruptcy Court are available for inspection at <https://dm.epiq11.com/case/tuesdaymorning/info>. Documents and other information available on such website are not part of this Form 8-K and are not deemed to be incorporated by reference in this Form 8-K.

The information furnished in this Item 7.01 of this Current Report on Form 8-K and the Monthly Operating Report attached hereto as Exhibit 99.1 shall not be deemed “filed” for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of such section, and shall not be deemed to be incorporated by reference into the filings of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Cautionary Statement Regarding the Monthly Operating Report

The Company cautions investors and potential investors not to place undue reliance upon the information contained in the Monthly Operating Report, which was not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. The Monthly Operating Report is limited in scope, covers a limited time period and has been prepared solely for the purpose of complying with the monthly reporting requirements of the Bankruptcy Court. The Monthly Operating Report was not audited or reviewed by independent accountants, was not prepared in accordance with generally accepted accounting principles, is in a format prescribed by applicable bankruptcy laws or rules, and is subject to future adjustment and reconciliation. There can be no assurance that, from the perspective of an investor or potential investor in the Company’s securities, the Monthly Operating Report is complete. Results set forth in the Monthly Operating Report should not be viewed as indicative of future results.

Cautionary Notice Regarding Forward-Looking Statements

This Current Report on Form 8-K contains forward-looking statements within the meaning of the federal securities laws that are based on management’s current expectations, estimates and projections. These forward-looking statements are subject to risks and uncertainties that could cause the Company’s actual results to differ materially from the expectations expressed in the Company’s forward-looking statements. These risks, uncertainties and events also include, but are not limited to, the following: the challenges that we might face as a result of our emergence from bankruptcy; the Company’s ability to complete its proposed rights offering; the effects and length of the novel coronavirus pandemic; changes in economic and political conditions which may adversely affect consumer spending; our ability to identify and respond to changes in consumer trends and preferences; our ability to mitigate reductions of customer traffic in shopping centers where our stores are located; our ability to continuously attract buying opportunities for off-price merchandise and anticipate consumer demand; our ability to obtain merchandise on varying payment terms; our ability to successfully manage our inventory balances profitably; our ability to effectively manage our supply chain operations; loss of, disruption in operations of, or increased costs in the operation of our distribution center facility; unplanned loss or departure of one or more members of our senior management or other key management; increased or new competition; our ability to maintain and protect our information technology systems and technologies and related improvements to support our growth; increases in fuel prices and changes in transportation industry regulations or conditions; increases in the cost or a disruption in the flow of our imported products; changes in federal tax policy including tariffs; the success of our marketing, advertising and promotional efforts; our ability to attract, train and retain quality employees in appropriate numbers, including key employees and management; increased variability due to seasonal and quarterly fluctuations; our ability to protect the security of information about our business and our customers, suppliers, business partners and employees; our ability to comply with existing, changing and new government regulations; our ability to manage risk to our corporate reputation from our customers, employees and other third parties; our ability to manage litigation risks from our customers, employees and other third parties; our ability to manage the risk associated with product liability claims and product recalls; the impact of adverse local conditions, natural disasters or other events; our ability to manage the negative effects of inventory shrinkage; our ability to manage unexpected costs related to our insurance programs; increased costs or exposure to fraud or theft resulting from payment card industry related risks and regulations; our ability to maintain an effective system of internal controls over financial reporting; impacts from the delisting of our common stock from the Nasdaq Stock Market; and the other factors listed in the Company’s filings with the Securities and Exchange Commission.

Except as may be required by law, the Company disclaims any obligation to update any forward-looking statements to reflect events or circumstances after the date on which the statements were made or to reflect the occurrence of unanticipated events. Investors are cautioned not to place undue reliance on any forward-looking statements.

Item 9.01. Financial Statements and Exhibits.

(d) *Exhibits.*

[99.1 Monthly Operating Report](#)

104 Cover Page Interactive Data File (formatted as inline XBRL and contained in Exhibit 101)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

TUESDAY MORNING CORPORATION

Date: January 20, 2021

By: /s/ Bridgett C. Zeterberg
Bridgett C. Zeterberg
Executive Vice President Human Resources,
General Counsel and Corporate Secretary

Monthly Operating Report
CASH BASIS

CASE NAME: Tuesday Morning Corporation, *et al.*
CASE NUMBER: 20-31476 (Jointly Administered)
JUDGE: Harlin DeWayne Hale

UNITED STATES BANKRUPTCY COURT
NORTHERN & EASTERN DISTRICTS OF TEXAS

REGION 6

MONTHLY OPERATING REPORT

MONTH ENDING: December 2020 *Note 1*
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

STACIE SHIRLEY
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

EVP, Chief Financial Officer
TITLE

STACIE SHIRLEY
PRINTED NAME OF RESPONSIBLE PARTY

January 20, 2021
DATE

PREPARER:

JASON MUSKOVICH
ORIGINAL SIGNATURE OF PREPARER

Director - AlixPartners, LLP
TITLE

JASON MUSKOVICH
PRINTED NAME OF PREPARER

January 20, 2021
DATE

On December 23, 2020, the Court entered an order [Docket No. 1913] confirming the Debtors' Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 1633]. The Effective Date of the Plan occurred on December 31, 2020 [Docket No. 1934].

Note 1: This report covers the period from December 1 through December 31, 2020 unless otherwise noted.

Notes to the Monthly Operating Report

This Monthly Operating Report ("MOR") is unaudited and has been prepared solely for the purpose of complying with the obligations of the above-captioned debtors and debtors in possession (the "Debtors") to provide monthly operating reports during these Chapter 11 Cases. The Debtors have prepared this monthly operating report using the best information presently available to them, which has been collected, maintained, and prepared in accordance with their historical accounting practices. This monthly operating report is, thus, true and accurate to the best of the Debtors' knowledge, information, and belief based on currently available data.

This MOR includes activity from the following Debtors and related Case Numbers:

| Debtor | Case Number |
|------------------------------------|--------------------|
| Tuesday Morning Corporation (LEAD) | 20-31476 |
| TMI Holdings, Inc. | 20-31477 |
| Tuesday Morning, Inc. | 20-31478 |
| Friday Morning, LLC | 20-31479 |
| Days of the Week, Inc. | 20-31480 |
| Nights of the Week, Inc. | 20-31481 |
| Tuesday Morning Partners, Ltd. | 20-31482 |

Background: On May 27, 2020 (the "Petition Date"), each of the Debtors filed with the Court their respective voluntary petitions for relief under chapter 11 of Title 11 of the Bankruptcy Code, commencing the above-captioned chapter 11 cases. The Debtors continue to operate their businesses and manage their properties as debtors-in-possession pursuant to sections 1107(a) and 1108 of the Bankruptcy Code. On May 28, 2020, the Court entered an order authorizing the joint administration of these chapter 11 cases [Dkt. 66].

Plan Confirmation and Effective Date: On December 23, 2020, the Court entered an order [Docket No. 1913] confirming the Debtors' Second Amended Joint Plan of Reorganization Pursuant to Chapter 11 of the Bankruptcy Code [Docket No. 1633]. The Effective Date of the Plan occurred on December 31, 2020 [Docket No. 1934].

Notes:

The Debtors prepared this MOR relying primarily upon the information set forth in their books and records. Consequently, certain transactions that are not identified in the normal course of business in the Debtors' books and records may not be included in this MOR. Nevertheless, in preparing this MOR, the Debtors made best efforts to supplement the information set forth in their books and records with additional information concerning transactions that may not have been included therein.

Except as relates to Cash Receipts and Disbursements information presented on Page 1 and Page 1A of the attached MOR, information herein has been prepared on a consolidated basis for the Debtors.

The financial information contained herein is unaudited, limited in scope, covers a limited time period, and has been prepared solely for the purpose of complying with the monthly reporting requirements for Chapter 11 debtors as required by the United States Bankruptcy Court for the Northern District of Texas (the "Bankruptcy Court"). The financial information is in a format intended to meet the requirements of the Bankruptcy Court and the Office of the United States Trustee for the Northern District of Texas, Dallas Division (the "U.S. Trustee").

As discussed below, this MOR is not prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). This MOR does not include all of the information and footnotes required by GAAP.

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

No assurance can be given as to the value, if any, that may be ascribed to the Debtors' various pre-petition liabilities and other securities. Accordingly, the Debtors urge that caution be exercised with respect to existing and future investments in any of these securities or claims against the Debtors.

Reservation of Rights: Given the complexity of the Debtors' financial affairs, inadvertent errors, omissions or over-inclusions may have occurred. Accordingly, the Debtors hereby reserve all of their rights to dispute the validity, status, enforceability, or nature of any claim amount, representation, or other statement in this MOR and reserve the right to amend or supplement this MOR, if necessary.

Additional Information: For more information related to these Chapter 11 Cases, court filings and claims information please refer to the Restructuring website at <https://dm.epiq11.com/case/tuesdaymorning/info>.

**Monthly Operating Report
CASH BASIS-1**

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

| CASH RECEIPTS AND DISBURSEMENTS | OCT 1 to 31 | NOV 1 to 30 | DEC 1 to 31 | TOTAL |
|--|-----------------|----------------|----------------|-----------------|
| 1. CASH - BEGINNING OF MONTH | \$ 48,904,040 | \$ 24,546,517 | \$ 21,799,957 | \$ 48,904,040 |
| RECEIPTS | | | | |
| 2. CASH SALES ¹ | \$ 47,768,218 | \$ 64,477,256 | \$ 84,141,983 | \$ 196,387,457 |
| 3. ACCOUNTS RECEIVABLE COLLECTIONS | - | - | - | - |
| 4. LOANS AND ADVANCES ² | 87,300,000 | 73,500,000 | 93,500,000 | 254,300,000 |
| 5. SALE OF ASSETS | - | 374,580 | - | 374,580 |
| 6. LEASE & RENTAL INCOME | - | - | - | - |
| 7. WAGES | - | - | - | - |
| 8. OTHER (SEE MONTHLY DETAIL) | 17,967,973 | 4,681,049 | 10,149,424 | 32,798,445 |
| 9. TOTAL RECEIPTS | \$ 153,036,191 | \$ 143,032,885 | \$ 187,791,407 | \$ 483,860,482 |
| DISBURSEMENTS | | | | |
| 10. NET PAYROLL | \$ 10,682,262 | \$ 13,594,480 | \$ 12,435,316 | \$ 36,712,058 |
| 11. PAYROLL TAXES PAID ³ | - | - | - | - |
| 12. SALES, USE & OTHER TAXES PAID | 4,058,833 | 4,314,544 | 5,811,782 | 14,185,159 |
| 13. INVENTORY PURCHASES | 37,041,327 | 33,917,984 | 31,363,127 | 102,322,438 |
| 14. MORTGAGE PAYMENTS | - | - | - | - |
| 15. OTHER SECURED NOTE PAYMENTS ² | 87,409,345 | 73,540,154 | 93,538,885 | 254,488,384 |
| 16. RENTAL & LEASE PAYMENTS ⁴ | 9,837,059 | 5,762,317 | 8,794,822 | 24,394,198 |
| 17. UTILITIES | 1,295,911 | 1,126,853 | 1,287,630 | 3,710,395 |
| 18. INSURANCE | 263,066 | 181,326 | 524,987 | 969,379 |
| 19. VEHICLE EXPENSES ⁵ | 5,973,169 | 7,036,247 | 7,516,871 | 20,526,287 |
| 20. TRAVEL | 24,224 | 41,788 | 76,112 | 142,124 |
| 21. ENTERTAINMENT | - | - | - | - |
| 22. REPAIRS & MAINTENANCE | 1,158,615 | 1,008,629 | 2,140,551 | 4,307,794 |
| 23. SUPPLIES | 737,769 | 790,189 | 980,988 | 2,508,947 |
| 24. ADVERTISING | 512,060 | 766,086 | 1,064,900 | 2,343,046 |
| 25. HOUSEHOLD EXPENSES | - | - | - | - |
| 26. CHARITABLE CONTRIBUTIONS | - | - | - | - |
| 27. GIFTS | - | - | - | - |
| 28. OTHER (ORDINARY COURSE PROFESSIONALS) | 497,528 | 438,342 | 617,055 | 1,552,926 |
| 29. TOTAL ORDINARY DISBURSEMENTS | \$ 159,491,170 | \$ 142,518,938 | \$ 166,153,027 | \$ 468,163,135 |
| REORGANIZATION EXPENSES | | | | |
| 30. PROFESSIONAL FEES | \$ 2,476,452 | \$ 3,260,506 | \$ 5,631,178 | \$ 11,368,137 |
| 31. U.S. TRUSTEE FEES | 501,625 | - | - | 501,625.0 |
| 32. OTHER (SEE MONTHLY DETAIL) | 14,924,467 | - | 14,397,270 | 29,321,737 |
| 33. TOTAL REORGANIZATION EXPENSES ⁶ | \$ 17,902,544 | \$ 3,260,506 | \$ 20,028,448 | \$ 41,191,499 |
| 34. TOTAL DISBURSEMENTS | \$ 177,393,714 | \$ 145,779,445 | \$ 186,181,475 | \$ 509,354,633 |
| 35. NET CASH FLOW | \$ (24,357,523) | \$ (2,746,560) | \$ 1,609,932 | \$ (25,494,151) |
| 36. CASH - END OF MONTH | \$ 24,546,517 | \$ 21,799,957 | \$ 23,409,889 | \$ 23,409,889 |

NOTES:

¹ Includes all cash and credit card in-store sales.

² Includes all borrowings or repayments against Pre-Petition ABL and Post-Petition DIP. In accordance with conditions required for Plan Confirmation, the Debtors repaid the outstanding balance of \$100,000 on their Pre-Petition ABL on December 31, 2020.

³ Included in Net Payroll disbursements item #10

⁴ December disbursements include cure payments related to the assumption of Real Property leases for on-going locations.

⁵ Represents freight disbursements

⁶ December amount includes payments to restructuring professionals, payment of exit financing and closing fees and funding of unpaid pre-petition professional fee escrow as required as a condition of emergence under the Plan.

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

| 34. TOTAL DISBURSEMENTS | | | TMI | | Friday Morning, LLC | Days of the Week, Inc. | Nights of the Week, Inc. | TMP | |
|--|-----------------------------|--------------------|-----------------------|--------------------------------|---------------------|------------------------|--------------------------|----------------|----------------|
| | Tuesday Morning Corporation | TMI Holdings, Inc. | Tuesday Morning, Inc. | Tuesday Morning Partners, Ltd. | | | | TOTAL | |
| CYQ4/M1 - OCT 1 - 31, 2020 | \$ - | \$ - | \$ 120,938,772 | \$ - | \$ - | \$ - | \$ - | \$ 56,454,942 | \$ 177,393,714 |
| CYQ4/M2 - NOV 1 - 30, 2020 | - | - | 106,814,083 | - | - | - | - | 38,965,362 | 145,779,445 |
| CYQ4/M3 - DEC 1 - 31, 2020 | - | - | 149,035,493 | - | - | - | - | 37,145,982 | 186,181,475 |
| TOTAL DISBURSEMENTS - CALENDAR Q4 2020 | \$ - | \$ - | \$ 376,788,347 | \$ - | \$ - | \$ - | \$ - | \$ 132,566,286 | \$ 509,354,633 |
| QUARTERLY FEES DUE | \$ 325.00 | \$ 325.00 | \$ 250,000.00 | \$ 325.00 | \$ 325.00 | \$ 325.00 | \$ 325.00 | \$ 250,000.00 | \$ 501,625.00 |

| Quarterly Disbursement Minimum | Quarterly Disbursement Maximum | Applicable Quarterly Fee |
|--------------------------------|--------------------------------|--------------------------|
| \$ - | \$ - | \$ 325.00 |
| \$ 0.01 | \$ 14,999.99 | \$ 325.00 |
| \$ 15,000.00 | \$ 74,999.99 | \$ 650.00 |
| \$ 75,000.00 | \$ 149,999.99 | \$ 975.00 |
| \$ 150,000.00 | \$ 224,999.99 | \$ 1,625.00 |
| \$ 225,000.00 | \$ 299,999.99 | \$ 1,950.00 |
| \$ 300,000.00 | \$ 999,999.99 | \$ 4,875.00 |
| \$ 1,000,000.00 | \$ 24,999,999.99 | 1% |
| \$ 25,000,000.00 | | \$ 250,000.00 |

Monthly Operating Report

CASH BASIS-1

CONSOLIDATING DISBURSEMENTS BY LEGAL ENTITY - OCT 1 TO 31, 2020

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

| | OCTOBER 1 TO 31, 2020 BY LEGAL ENTITY | | | | | | | OCT 1 - 31 TOTAL |
|--|---------------------------------------|-----------------------|--------------------------|------------------------|---------------------------|-----------------------------|--------------------------------------|---------------------|
| | TMI | | | | | | TMP | |
| | Tuesday Morning Corporation | TMI Holdings, Inc. | Tuesday Morning, Inc. | Friday Morning, LLC | Days of the Week, Inc. | Nights of the Week, Inc. | Tuesday Morning Partners, Ltd. | |
| CASH RECEIPTS AND DISBURSEMENTS | | | | | | | | |
| 1. CASH - BEGINNING OF MONTH | \$ - | \$ - | \$ 48,904,040 | \$ - | \$ - | \$ - | \$ - | \$ 48,904,040 |
| RECEIPTS | | | | | | | | |
| 2. CASH SALES ¹ | \$ - | \$ - | \$ 47,768,218 | \$ - | \$ - | \$ - | \$ - | \$ 47,768,218 |
| 3. ACCOUNTS RECEIVABLE COLLECTIONS | - | - | - | - | - | - | - | - |
| 4. LOANS AND ADVANCES ² | - | - | 87,300,000 | - | - | - | - | 87,300,000 |
| 5. SALE OF ASSETS | - | - | - | - | - | - | - | - |
| 6. LEASE & RENTAL INCOME | - | - | - | - | - | - | - | - |
| 7. WAGES | - | - | - | - | - | - | - | - |
| 8. OTHER (SEE BELOW) | \$ - | \$ - | \$ 3,467,973 | \$ - | \$ - | \$ - | \$ 14,500,000 | \$ 17,967,973 |
| 8a. SALES TAXES COLLECTED | - | - | 3,467,973 | - | - | - | - | 3,467,973 |
| 8b. GOB SALES PROCEEDS | - | - | - | - | - | - | - | - |
| 8c. POR EARNEST MONEY DEPOSITS | - | - | - | - | - | - | 14,500,000 | 14,500,000 |
| 8d. EXCESS EXIT FINANCING PROCEEDS | - | - | - | - | - | - | - | - |
| 9. TOTAL RECEIPTS | \$ - | \$ - | \$ 138,536,191 | \$ - | \$ - | \$ - | \$ 14,500,000 | \$ 153,036,191 |
| DISBURSEMENTS | | | | | | | | |
| 10. NET PAYROLL | \$ - | \$ - | \$ 8,047,443 | \$ - | \$ - | \$ - | \$ 2,634,819 | \$ 10,682,262 |
| 11. PAYROLL TAXES PAID ³ | - | - | - | - | - | - | - | - |
| 12. SALES, USE & OTHER TAXES PAID | - | - | 4,058,833 | - | - | - | - | 4,058,833 |
| 13. INVENTORY PURCHASES | - | - | - | - | - | - | 37,041,327 | 37,041,327 |
| 14. MORTGAGE PAYMENTS | - | - | - | - | - | - | - | - |
| 15. OTHER SECURED NOTE PAYMENTS ² | - | - | 87,409,345 | - | - | - | - | 87,409,345 |
| 16. RENTAL & LEASE PAYMENTS | - | - | 9,516,293 | - | - | - | 320,765 | 9,837,059 |
| 17. UTILITIES | - | - | 1,268,045 | - | - | - | 27,866 | 1,295,911 |
| 18. INSURANCE | - | - | 263,066 | - | - | - | - | 263,066 |
| 19. VEHICLE EXPENSES ⁴ | - | - | 4,920,061 | - | - | - | 1,053,108 | 5,973,169 |
| 20. TRAVEL | - | - | 24,224 | - | - | - | - | 24,224 |
| 21. ENTERTAINMENT | - | - | - | - | - | - | - | - |
| 22. REPAIRS & MAINTENANCE | - | - | 1,156,374 | - | - | - | 2,241 | 1,158,615 |
| 23. SUPPLIES | - | - | 287,420 | - | - | - | 450,349 | 737,769 |
| 24. ADVERTISING | - | - | 512,060 | - | - | - | - | 512,060 |
| 25. HOUSEHOLD EXPENSES | - | - | - | - | - | - | - | - |
| 26. CHARITABLE CONTRIBUTIONS | - | - | - | - | - | - | - | - |
| 27. GIFTS | - | - | - | - | - | - | - | - |
| 28. OTHER (ORDINARY COURSE PROFESSIONALS) | - | - | 497,528 | - | - | - | - | 497,528 |
| 29. TOTAL ORDINARY DISBURSEMENTS | \$ - | \$ - | \$ 117,960,695 | \$ - | \$ - | \$ - | \$ 41,530,475 | \$ 159,491,170 |
| REORGANIZATION EXPENSES | | | | | | | | |
| 30. PROFESSIONAL FEES | \$ - | \$ - | \$ 2,476,452 | \$ - | \$ - | \$ - | \$ - | \$ 2,476,452 |
| 31. U.S. TRUSTEE FEES | - | - | 501,625 | - | - | - | - | 501,625 |
| 32. OTHER (SEE BELOW) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,924,467 | \$ 14,924,467 |
| 32a. PRE-PETITION TRADE ORDER PAYMENTS | - | - | - | - | - | - | - | - |
| 32b. UTILITIES ESCROW DEPOSITS | - | - | - | - | - | - | - | - |
| 32c. POR EARNEST DEPOSITS RELEASED | - | - | - | - | - | - | 14,500,000 | 14,500,000 |
| 32d. AUTHORIZED KERP PAYMENTS | - | - | - | - | - | - | 424,467 | 424,467 |
| 32e. OTHER EMERGENCE ITEMS | - | - | - | - | - | - | - | - |
| 32f. RESTRUCTURING PROFESSIONAL ESCROW | - | - | - | - | - | - | - | - |
| 33. TOTAL REORGANIZATION EXPENSES | \$ - | \$ - | \$ 2,978,077 | \$ - | \$ - | \$ - | \$ 14,924,467 | \$ 17,902,544 |
| 34. TOTAL DISBURSEMENTS | \$ - | \$ - | \$ 120,938,772 | \$ - | \$ - | \$ - | \$ 56,454,942 | \$ 177,393,714 |
| 35. NET CASH FLOW | \$ - | \$ - | \$ 17,597,419 | \$ - | \$ - | \$ - | \$ (41,954,942) | \$ (24,357,523) |
| 36. CASH - END OF MONTH | \$ - | \$ - | \$ 66,501,459 | \$ - | \$ - | \$ - | \$ (41,954,942) | \$ 24,546,517 |

NOTES:

¹ Includes all cash and credit card in-store sales.

² Includes all borrowings or repayments against Pre-Petition ABL and Post-Petition DIP. In accordance with conditions required for Plan Confirmation, the Debtors repaid the outstanding balance of \$100,000 on their Pre-Petition ABL on December 31, 2020.

³ Included in Net Payroll disbursements item #10

⁴ Represents freight disbursements

Monthly Operating Report

CASH BASIS-1

CASE NAME: Tuesday Morning Corporation, et al.

CONSOLIDATING DISBURSEMENTS BY LEGAL ENTITY - NOV 1 TO 30, 2020

CASE NUMBER: 20-31476 (Jointly Administered)

| CASH RECEIPTS AND DISBURSEMENTS | NOVEMBER 1 - 30, 2020 BY LEGAL ENTITY | | | | | | | | NOV 1 - 30 TOTAL |
|--|---------------------------------------|--------------------|-----------------------|---------------------|------------------------|--------------------------|--------------------------------|------|------------------|
| | Tuesday Morning Corporation | TMI Holdings, Inc. | TMI | | | | Tuesday Morning Partners, Ltd. | | |
| | | | Tuesday Morning, Inc. | Friday Morning, LLC | Days of the Week, Inc. | Nights of the Week, Inc. | | | |
| 1. CASH - BEGINNING OF MONTH | \$ - | \$ - | \$ 24,546,517 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 24,546,517 |
| RECEIPTS | | | | | | | | | |
| 2. CASH SALES ¹ | \$ - | \$ - | \$ 64,477,256 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 64,477,256 |
| 3. ACCOUNTS RECEIVABLE COLLECTIONS | - | - | - | - | - | - | - | - | - |
| 4. LOANS AND ADVANCES ² | - | - | 73,500,000 | - | - | - | - | - | 73,500,000 |
| 5. SALE OF ASSETS ³ | - | - | 374,580 | - | - | - | - | - | 374,580 |
| 6. LEASE & RENTAL INCOME | - | - | - | - | - | - | - | - | - |
| 7. WAGES | - | - | - | - | - | - | - | - | - |
| 8. OTHER (SEE BELOW) | \$ - | \$ - | \$ 4,681,049 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 4,681,049 |
| 8a. SALES TAXES COLLECTED | - | - | 4,681,049 | - | - | - | - | - | 4,681,049 |
| 8b. GOB SALES PROCEEDS | - | - | - | - | - | - | - | - | - |
| 8c. POR EARNEST MONEY DEPOSITS | - | - | - | - | - | - | - | - | - |
| 8d. EXCESS EXIT FINANCING PROCEEDS | - | - | - | - | - | - | - | - | - |
| 9. TOTAL RECEIPTS | \$ - | \$ - | \$ 143,032,885 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 143,032,885 |
| DISBURSEMENTS | | | | | | | | | |
| 10. NET PAYROLL | \$ - | \$ - | \$ 9,722,209 | \$ - | \$ - | \$ - | \$ 3,872,270 | \$ - | \$ 13,594,480 |
| 11. PAYROLL TAXES PAID ⁴ | - | - | - | - | - | - | - | - | - |
| 12. SALES, USE & OTHER TAXES PAID | - | - | 4,314,544 | - | - | - | - | - | 4,314,544 |
| 13. INVENTORY PURCHASES | - | - | 1,000,948 | - | - | - | 32,917,036 | - | 33,917,984 |
| 14. MORTGAGE PAYMENTS | - | - | - | - | - | - | - | - | - |
| 15. OTHER SECURED NOTE PAYMENTS ² | - | - | 73,540,154 | - | - | - | - | - | 73,540,154 |
| 16. RENTAL & LEASE PAYMENTS | - | - | 5,736,292 | - | - | - | 26,025 | - | 5,762,317 |
| 17. UTILITIES | - | - | 1,126,294 | - | - | - | 560 | - | 1,126,853 |
| 18. INSURANCE | - | - | 181,326 | - | - | - | - | - | 181,326 |
| 19. VEHICLE EXPENSES ⁵ | - | - | 5,478,625 | - | - | - | 1,557,621 | - | 7,036,247 |
| 20. TRAVEL | - | - | 41,788 | - | - | - | - | - | 41,788 |
| 21. ENTERTAINMENT | - | - | - | - | - | - | - | - | - |
| 22. REPAIRS & MAINTENANCE | - | - | 948,949 | - | - | - | 59,680 | - | 1,008,629 |
| 23. SUPPLIES | - | - | 258,019 | - | - | - | 532,170 | - | 790,189 |
| 24. ADVERTISING | - | - | 766,086 | - | - | - | - | - | 766,086 |
| 25. HOUSEHOLD EXPENSES | - | - | - | - | - | - | - | - | - |
| 26. CHARITABLE CONTRIBUTIONS | - | - | - | - | - | - | - | - | - |
| 27. GIFTS | - | - | - | - | - | - | - | - | - |
| 28. OTHER (ORDINARY COURSE PROFESSIONALS) | - | - | 438,342 | - | - | - | - | - | 438,342 |
| 29. TOTAL ORDINARY DISBURSEMENTS | \$ - | \$ - | \$ 103,553,576 | \$ - | \$ - | \$ - | \$ 38,965,362 | \$ - | \$ 142,518,938 |
| REORGANIZATION EXPENSES | | | | | | | | | |
| 30. PROFESSIONAL FEES | \$ - | \$ - | \$ 3,260,506 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,260,506 |
| 31. U.S. TRUSTEE FEES | - | - | - | - | - | - | - | - | - |
| 32. OTHER (SEE BELOW) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 32a. PRE-PETITION TRADE ORDER PAYMENTS | - | - | - | - | - | - | - | - | - |
| 32b. UTILITIES ESCROW DEPOSITS | - | - | - | - | - | - | - | - | - |
| 32c. POR EARNEST DEPOSITS RELEASED | - | - | - | - | - | - | - | - | - |
| 32d. AUTHORIZED KERP PAYMENTS | - | - | - | - | - | - | - | - | - |
| 32e. OTHER EMERGENCY ITEMS | - | - | - | - | - | - | - | - | - |
| 32f. RESTRUCTURING PROFESSIONAL ESCROW | - | - | - | - | - | - | - | - | - |
| 33. TOTAL REORGANIZATION EXPENSES | \$ - | \$ - | \$ 3,260,506 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 3,260,506 |
| 34. TOTAL DISBURSEMENTS | \$ - | \$ - | \$ 106,814,083 | \$ - | \$ - | \$ - | \$ 38,965,362 | \$ - | \$ 145,779,445 |
| 35. NET CASH FLOW | \$ - | \$ - | \$ 36,218,802 | \$ - | \$ - | \$ - | \$ (38,965,362) | \$ - | \$ (2,746,560) |
| 36. CASH - END OF MONTH | \$ - | \$ - | \$ 60,765,319 | \$ - | \$ - | \$ - | \$ (38,965,362) | \$ - | \$ 21,799,957 |

NOTES:

¹ Includes all cash and credit card in-store sales.

² Includes all borrowings or repayments against Pre-Petition ABL and Post-Petition DIP. In accordance with conditions required for Plan Confirmation, the Debtors repaid the outstanding balance of \$100,000 on their Pre-Petition ABL on December 31, 2020.

³ Represents receipt of final payment from sale of certain fixed assets in Phoenix distribution center approved in August 2020. Refer to Final Order on dkt 740 for details.

⁴ Included in Net Payroll disbursements item #10

⁵ Represents freight disbursements

Monthly Operating Report

CASH BASIS-1

CONSOLIDATING DISBURSEMENTS BY LEGAL ENTITY - DEC 1 TO 31, 2020

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

| CASH RECEIPTS AND DISBURSEMENTS | DECEMBER 1 - 31, 2020 BY LEGAL ENTITY | | | | | | | DEC 1 - 31 TOTAL | |
|---|---------------------------------------|--------------------|-----------------------|------|---------------------|------------------------|--------------------------|------------------|------------------------------------|
| | Tuesday Morning Corporation | TMI Holdings, Inc. | TMI | | Friday Morning, LLC | Days of the Week, Inc. | Nights of the Week, Inc. | | TMP Tuesday Morning Partners, Ltd. |
| | | | Tuesday Morning, Inc. | | | | | | |
| 1. CASH - BEGINNING OF MONTH | \$ - | \$ - | \$ 21,799,957 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 21,799,957 |
| RECEIPTS | | | | | | | | | |
| 2. CASH SALES 1 | \$ - | \$ - | \$ 84,141,983 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 84,141,983 |
| 3. ACCOUNTS RECEIVABLE COLLECTIONS | - | - | - | - | - | - | - | - | - |
| 4. LOANS AND ADVANCES 2 | - | - | 93,500,000 | - | - | - | - | - | 93,500,000 |
| 5. SALE OF ASSETS | - | - | - | - | - | - | - | - | - |
| 6. LEASE & RENTAL INCOME | - | - | - | - | - | - | - | - | - |
| 7. WAGES | - | - | - | - | - | - | - | - | - |
| 8. OTHER (SEE BELOW) | \$ - | \$ - | \$ 10,149,424 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 10,149,424 |
| 8a. SALES TAXES COLLECTED | - | - | 6,108,708 | - | - | - | - | - | 6,108,708 |
| 8b. GOB SALES PROCEEDS | - | - | - | - | - | - | - | - | - |
| 8c. POR EARNEST MONEY DEPOSITS | - | - | - | - | - | - | - | - | - |
| 8d. EXCESS EXIT FINANCING PROCEEDS | - | - | 4,040,716 | - | - | - | - | - | 4,040,716 |
| 9. TOTAL RECEIPTS | \$ - | \$ - | \$ 187,791,407 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 187,791,407 |
| DISBURSEMENTS | | | | | | | | | |
| 10. NET PAYROLL | \$ - | \$ - | \$ 8,874,071 | \$ - | \$ - | \$ - | \$ 3,561,245 | \$ - | \$ 12,435,316 |
| 11. PAYROLL TAXES PAID 3 | - | - | - | - | - | - | - | - | - |
| 12. SALES, USE & OTHER TAXES PAID | - | - | 5,811,782 | - | - | - | - | - | 5,811,782 |
| 13. INVENTORY PURCHASES | - | - | 34,938 | - | - | - | 31,328,189 | - | 31,363,127 |
| 14. MORTGAGE PAYMENTS | - | - | - | - | - | - | - | - | - |
| 15. OTHER SECURED NOTE PAYMENTS 2 | - | - | 93,538,885 | - | - | - | - | - | 93,538,885 |
| 16. RENTAL & LEASE PAYMENTS 4 | - | - | 8,735,047 | - | - | - | 59,775 | - | 8,794,822 |
| 17. UTILITIES | - | - | 1,284,194 | - | - | - | 3,436 | - | 1,287,630 |
| 18. INSURANCE | - | - | 524,987 | - | - | - | - | - | 524,987 |
| 19. VEHICLE EXPENSES 5 | - | - | 6,330,255 | - | - | - | 1,186,616 | - | 7,516,871 |
| 20. TRAVEL | - | - | 76,112 | - | - | - | - | - | 76,112 |
| 21. ENTERTAINMENT | - | - | - | - | - | - | - | - | - |
| 22. REPAIRS & MAINTENANCE | - | - | 1,563,359 | - | - | - | 577,192 | - | 2,140,551 |
| 23. SUPPLIES | - | - | 551,458 | - | - | - | 429,530 | - | 980,988 |
| 24. ADVERTISING | - | - | 1,064,900 | - | - | - | - | - | 1,064,900 |
| 25. HOUSEHOLD EXPENSES | - | - | - | - | - | - | - | - | - |
| 26. CHARITABLE CONTRIBUTIONS | - | - | - | - | - | - | - | - | - |
| 27. GIFTS | - | - | - | - | - | - | - | - | - |
| 28. OTHER (ORDINARY COURSE PROFESSIONALS) | - | - | 617,055 | - | - | - | - | - | 617,055 |
| 29. TOTAL ORDINARY DISBURSEMENTS | \$ - | \$ - | \$ 129,007,045 | \$ - | \$ - | \$ - | \$ 37,145,982 | \$ - | \$ 166,153,027 |
| REORGANIZATION EXPENSES | | | | | | | | | |
| 30. PROFESSIONAL FEES | \$ - | \$ - | \$ 5,631,178 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,631,178 |
| 31. U.S. TRUSTEE FEES | - | - | - | - | - | - | - | - | - |
| 32. OTHER (SEE BELOW) | \$ - | \$ - | \$ 14,397,270 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 14,397,270 |
| 32a. PRE-PETITION TRADE ORDER PAYMENTS | - | - | - | - | - | - | - | - | - |
| 32b. UTILITIES ESCROW DEPOSITS | - | - | - | - | - | - | - | - | - |
| 32c. POR EARNEST DEPOSITS RELEASED | - | - | - | - | - | - | - | - | - |
| 32d. AUTHORIZED KERF PAYMENTS | - | - | - | - | - | - | - | - | - |
| 32e. OTHER EMERGENCE ITEMS | - | - | 1,207,619 | - | - | - | - | - | 1,207,619 |
| 32f. RESTRUCTURING PROFESSIONAL ESCROW | - | - | 13,189,651 | - | - | - | - | - | 13,189,651 |
| 33. TOTAL REORGANIZATION EXPENSES | \$ - | \$ - | \$ 20,028,448 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 20,028,448 |
| 34. TOTAL DISBURSEMENTS | \$ - | \$ - | \$ 149,035,493 | \$ - | \$ - | \$ - | \$ 37,145,982 | \$ - | \$ 186,181,475 |
| 35. NET CASH FLOW | \$ - | \$ - | \$ 38,755,914 | \$ - | \$ - | \$ - | \$ (37,145,982) | \$ - | \$ 1,609,932 |
| 36. CASH - END OF MONTH | \$ - | \$ - | \$ 60,555,871 | \$ - | \$ - | \$ - | \$ (37,145,982) | \$ - | \$ 23,409,889 |

NOTES:

¹ Includes all cash and credit card in-store sales.

² Includes all borrowings or repayments against Pre-Petition ABL and Post-Petition DIP. In accordance with conditions required for Plan Confirmation, the Debtors repaid the outstanding balance of \$100,000 on their Pre-Petition ABL on December 31, 2020.

³ Included in Net Payroll disbursements item #10

⁴ Includes cure payments related to the assumption of Real Property leases for on-going locations.

⁵ Represents freight disbursements

**Monthly Operating Report
CASH BASIS-2**

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

BANK RECONCILIATIONS

| | <u>Acct #1</u> | <u>Acct #2</u> | <u>Acct #3</u> | <u>TOTAL</u> |
|---------------------------------------|---|----------------|----------------|----------------|
| A. BANK: | SEE FOLLOWING SCHEDULE OF ACCOUNTS | | | |
| B. ACCOUNT NUMBER: | | | | |
| C. PURPOSE (TYPE): | | | | |
| 1. BALANCE PER BANK STATEMENT | | | | \$ 29,482,775 |
| 2. ADD:TOTAL DEPOSITS NOT CREDITED | | | | \$ - |
| 3. SUBTRACT:OUTSTANDING CHECKS | | | | \$ (6,072,886) |
| 4. OTHER RECONCILING ITEMS | | | | \$ - |
| 5. MONTH END BALANCE PER BOOKS | \$ - | \$ - | \$ - | \$ 23,409,889 |
| 6. NUMBER OF LAST CHECK WRITTEN | | | | |

INVESTMENT ACCOUNTS

| <u>BANK, ACCOUNT NAME & NUMBER</u> | <u>DATE OF PURCHASE</u> | <u>TYPE OF INSTRUMENT</u> | <u>PURCHASE PRICE</u> | <u>CURRENT VALUE</u> |
|--|-------------------------|---------------------------|-----------------------|----------------------|
| 7. | | | | |
| 8. | | | | |
| 9. | | | | |
| 10. | | | | |
| 11. TOTAL INVESTMENTS | | | \$ - | \$ - |

CASH

| | |
|--------------------------------------|---------------|
| 12. CURRENCY ON HAND | \$ - |
| 13. TOTAL CASH - END OF MONTH | \$ 23,409,889 |

Monthly Operating Report
CASH BASIS-2A
SCHEDULE OF DEBTOR BANK ACCOUNTS

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

| Bank | GL | Nature of Account | Account Number | Balance as of December 31, 2020 |
|-----------------------------------|------|--|----------------|---------------------------------------|
| Wells Fargo | 1013 | TMI - AP - NACHA ACH | xxx3007 | \$ - |
| Wells Fargo | 1013 | TMP - AP - NACHA ACH | xxx3015 | - |
| Wells Fargo | 1015 | TMI - Property Tax | xxx4381 | - |
| Wells Fargo | 1018 | TMI - Sale Tax II | xxx3495 | 70,497 |
| Wells Fargo | 1020 | TMI Main Disbursement | xxx7526 | 3,067,600 |
| Wells Fargo | 1025 | Friday Morning, Inc. | xxx1036 | - |
| Wells Fargo | 1025 | TMI - Main Cash Concentration | xxx5063 | 1,422,510 |
| Wells Fargo | 1025 | TMP - Main | xxx0097 | 6,289,537 |
| Bank of America | 1025 | TMP - DP Payments | xxx5718 | - |
| Wells Fargo | 1032 | TMI - Visa/MC | xxx8307 | - |
| Wells Fargo | 1033 | TMI - Discover | xxx8299 | - |
| Wells Fargo | 1034 | TMI - American Express | xxx7708 | - |
| Community First National | 1045 | Store #863 Depository Account | xxx9812 | 19 |
| People Bank | 1045 | Store #984 Depository Account | xxx1340 | 38 |
| Hancock Bank | 1045 | Store #598 Depository Account | xxx0914 | 75 |
| BBVA/Compass Bank | 1045 | Stores Depository Account | xxx9325 | 17,090 |
| Fifth Third Bank | 1045 | Stores Depository Account | xxx5683 | 4,091 |
| Regions Bank | 1045 | Stores Depository Account | xxx0300 | 45,470 |
| Chase Bank | 1045 | Stores Depository Account | xxx3000 | 31,385 |
| PNC Bank | 1045 | Stores Depository Account | xxx0704 | 3,266 |
| Wells Fargo | 1045 | Stores Depository Account | xxx4140 | - |
| Wells Fargo | 1045 | Stores Depository Account | xxx4488 | - |
| Bank of America | 1045 | Stores Depository Account | xxx1681 | 13,549 |
| BB&T Bank | 1045 | Stores Depository Account | xxx5675 | 9,625 |
| BancFirst Bank | 1045 | Store #481 Depository Account | xxx6246 | 1,376 |
| International Bank of Commerce | 1045 | Stores #953,#1017, #1077 & #1191 Depository Account | xxx4877 | 1,637 |
| Citizens Bank | 1045 | Stores Depository Account | xxx5872 | 200 |
| US Bank | 1045 | Stores Depository Account | xxx1357 | 2,745 |
| Key Bank | 1045 | Stores Depository Account | xxx4743 | 2,160 |
| Wells Fargo | 1056 | TMI - ADP - PR Tax & Garnishment | xxx5892 | 525,480 |
| Wells Fargo | 1056 | TMP - ADP - PR Tax & Garnishment | xxx5792 | 26,041 |
| Wells Fargo | 1062 | TMI - Postage | xxx2195 | 28,778 |
| Wells Fargo | 1070 | TMI - Workers Comp | xxx3193 | 31,203 |
| Wells Fargo | 1082 | TMI - UHC Medical | xxx0415 | 292,033 |
| Wells Fargo | 1091 | TMI - CIGNA Dental/STD | xxx6906 | 151,709 |
| Wells Fargo | 1094 | TMI - Tax Saver - FSA | xxx1184 | - |
| JPMorgan Chase Bank | 1099 | Cash Holding Account | xxx7366 | 17,444,661 |
| Wells Fargo | 1100 | Wells Fargo Brokerage Services | xxx6142 | - |
| | | | | <u>\$ 29,482,775</u> |

Note 1: Excludes individual store depository accounts, which are swept into Intermediate Store Depository Accounts included above. For more information, see the Debtors' Cash Management Motion [Dkt 10]

Note 2: Book to bank reconciliation of each of the Debtors' bank accounts are performed in the ordinary course of business on a monthly basis. Additional support for each of these accounts is available for review on request by the Office of the US Trustee.

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

ASSETS OF THE ESTATE

| SCHEDULE "A" | | | | | |
|--------------------------|--|-----------------------|-----------------------|-----------------------|-----------------------|
| REAL PROPERTY | | SCHEDULE | | | |
| | | AMOUNT | 31-Oct-20 | 30-Nov-20 | 31-Dec-20 |
| 1. | HQ AND DISTRIBUTION CENTER (<i>AT NBV</i>) | \$ 22,293,977 | \$ 19,192,896 | \$ 19,077,506 | \$ 100 |
| 2. | | | | | |
| 3. | | | | | |
| 4. | OTHER (ATTACH LIST) | | | | |
| 5. | TOTAL REAL PROPERTY ASSETS | \$ 22,293,977 | \$ 19,192,896 | \$ 19,077,506 | \$ 100 |
| SCHEDULE "B" | | | | | |
| PERSONAL PROPERTY | | | | | |
| 1. | CASH ON HAND | \$ 580,900 | \$ 415,900 | \$ 415,900 | \$ 416,200 |
| 2. | CHECKING, SAVINGS, ETC. | \$ 16,047,077 | \$ 24,546,517 | \$ 21,799,957 | \$ 23,409,889 |
| 3. | SECURITY DEPOSITS | \$ 806,583 | \$ 892,291 | \$ 892,223 | \$ 892,385 |
| 4. | HOUSEHOLD GOODS | | | | |
| 5. | BOOKS, PICTURES, ART | | | | |
| 6. | WEARING APPAREL | | | | |
| 7. | FURS AND JEWELRY | | | | |
| 8. | FIREARMS & SPORTS EQUIPMENT | | | | |
| 9. | INSURANCE POLICIES | | | | |
| 10. | ANNUITIES | | | | |
| 11. | EDUCATION | | | | |
| 12. | RETIREMENT & PROFIT SHARING | | | | |
| 13. | STOCKS | | | | |
| 14. | PARTNERSHIPS & JOINT VENTURES | | | | |
| 15. | GOVERNMENT & CORPORATE BONDS | | | | |
| 16. | ACCOUNTS RECEIVABLE | \$ 889,577 | \$ 953,266 | \$ 894,820 | \$ 1,769,678 |
| 17. | ALIMONY | | | | |
| 18. | OTHER LIQUIDATED DEBTS | | | | |
| 19. | EQUITABLE INTERESTS | | | | |
| 20. | CONTINGENT INTERESTS | | | | |
| 21. | OTHER CLAIMS | \$ 5,374,800 | \$ 11,295,884 | \$ 11,562,240 | \$ 19,372,607 |
| 22. | PATENTS & COPYRIGHTS ¹ | \$ - | \$ - | \$ - | \$ - |
| 23. | LICENSES & FRANCHISES ¹ | \$ - | \$ - | \$ - | \$ - |
| 24. | CUSTOMER LISTS ¹ | \$ - | \$ - | \$ - | \$ - |
| 25. | AUTOS, TRUCKS & OTHER VEHICLES | \$ 23,943 | \$ 783 | \$ 391 | \$ - |
| 26. | BOATS & MOTORS | | | | |
| 27. | AIRCRAFT | | | | |
| 28. | OFFICE EQUIPMENT | \$ 15,234,482 | \$ 7,890,130 | \$ 7,524,244 | \$ 7,819,138 |
| 29. | MACHINERY, FIXTURES & EQUIPMENT | \$ 65,973,947 | \$ 35,905,749 | \$ 35,403,570 | \$ 34,018,929 |
| 30. | INVENTORY | \$ 217,542,264 | \$ 127,001,428 | \$ 131,138,153 | \$ 114,423,688 |
| 31. | ANIMALS | | | | |
| 32. | CROPS | | | | |
| 33. | FARMING EQUIPMENT | | | | |
| 34. | FARM SUPPLIES | | | | |
| 35. | OTHER (ATTACH LIST) | | | | |
| 36. | TOTAL PERSONAL PROPERTY ASSETS | \$ 322,473,572 | \$ 208,901,948 | \$ 209,631,498 | \$ 202,122,514 |
| 37. | TOTAL ASSETS | \$ 344,767,549 | \$ 228,094,844 | \$ 228,709,004 | \$ 202,122,614 |

¹ Value of intellectual property and intangibles is excluded as Undetermined,

² Non Cash Right of Use Assets related to Leased Properties are not included above.

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

MONTH: December

LIABILITIES OF THE ESTATE

| PREPETITION LIABILITIES | SCHEDULE AMOUNT | PAYMENTS |
|------------------------------------|----------------------------|-----------------|
| 1. SECURED ¹ | \$ 39,210,220 | \$ 39,210,220 |
| 2. PRIORITY ² | \$ - | |
| 3. UNSECURED ^{3, 4} | \$ 107,241,762 | \$ 9,818,610 |
| 4. OTHER (ATTACH LIST) | | |
| 5. TOTAL PREPETITION LIABILITIES | \$ 146,451,982 | \$ 49,028,830 |

| POSTPETITION LIABILITIES | DATE INCURRED | AMOUNT OWED | DUE DATE | AMOUNT PAST DUE |
|--|--------------------------|------------------------|---------------------|----------------------------|
| 1. FEDERAL INCOME TAXES | | | | |
| 2. FICA/MEDICARE | | | | |
| 3. STATE TAXES | | | | |
| 4. REAL ESTATE TAXES | | | | |
| 5. OTHER TAXES (ATTACH LIST) | | | | |
| 6. TOTAL TAXES | Various | \$ - | Various | \$ - |
| OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS) | | | | |
| 7. | | | | |
| 8. Total Post-Petition Accounts Payable | Various | \$ 12,604,717 | Various | \$ - |
| 9. | | | | |
| 10. | | | | |
| 11. | | | | |
| 12. | | | | |
| 13. | | | | |
| 14. | | | | |
| 15. | | | | |
| 16. | | | | |
| 17. | | | | |
| 18. | | | | |
| 19. (IF ADDITIONAL ATTACH LIST) | | | | |
| 20. TOTAL OF LINES 7 - 19 | | \$ 12,604,717 | | \$ - |
| 21. TOTAL POSTPETITION LIABILITIES | | \$ 12,604,717 | | \$ - |

¹ In accordance with conditions required for Plan Confirmation, the Debtors repaid the outstanding balance of \$100,000 on their Pre-Petition ABL on December 31, 2020.

² The Debtors did not list any Priority liabilities in their Schedules of Assets and Liabilities. Debtors received authority to make payments on account of Pre-Petition Wages and related employee benefits and certain Pre-Petition Taxes Because the authority granted is sufficient to satisfy all known such liabilities, the Debtors do not believe that they have exposure to Priority Claim Liabilities.

³ Payments against unsecured liabilities represent payments made under authority granted in the Debtors' Trade Order to certain foreign vendors, shippers and warehousemen and miscellaneous lien claimants.

⁴ Includes cure payments related to Real Property and Other Contracts assumed under Debtors' Plan of Reorganization made on 12/31/2020.

**Monthly Operating Report
CASH BASIS-4A**

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

MONTH: December

ACCOUNTS RECEIVABLE AGING

| | SCHEDULE AMOUNT | MONTH | MONTH | MONTH |
|------------------------------------|--------------------|------------------|-------|-------|
| 1. 0 - 30 | | | | |
| 2. 31 - 60 | | See Note 1 Below | | |
| 3. 61 - 90 | | | | |
| 4. 91 + | | | | |
| 5. TOTAL ACCOUNTS RECEIVABLE | \$ - | \$ - | \$ - | \$ - |
| 6. AMOUNT CONSIDERED UNCOLLECTIBLE | | | | |
| 7. ACCOUNTS RECEIVABLE (NET) | \$ - | \$ - | \$ - | \$ - |

**AGING OF POSTPETITION TAXES
AND PAYABLES**

| | 0 - 30 DAYS | 31-60 DAYS | 90+ DAYS | Total |
|------------------------|----------------|---------------|-------------|---------------|
| TAXES PAYABLE | | | | |
| 1. FEDERAL | | | | \$ - |
| 2. STATE | | | | \$ - |
| 3. LOCAL | | | | \$ - |
| 4. OTHER (ATTACH LIST) | | | | \$ - |
| 5. TOTAL TAXES PAYABLE | \$ - | \$ - | \$ - | \$ - |
| 6. ACCOUNTS PAYABLE | \$ 12,604,717 | \$ - | \$ - | \$ 12,604,717 |

STATUS OF POSTPETITION TAXES

| | BEGINNING TAX LIABILITY | AMOUNT WITHHELD OR ACCRUED | AMOUNT PAID | ENDING TAX LIABILITY |
|-------------------------|-------------------------------|----------------------------------|----------------|----------------------------|
| FEDERAL | | | | |
| 1. WITHHOLDING | | | | \$ - |
| 2. FICA-EMPLOYEE | | | | \$ - |
| 3. FICA-EMPLOYER | | | | \$ - |
| 4. UNEMPLOYMENT | | | | \$ - |
| 5. INCOME | | | | \$ - |
| 6. OTHER (ATTACH LIST) | | | | \$ - |
| 7. TOTAL FEDERAL TAXES | \$ - | \$ - | \$ - | \$ - |
| STATE AND LOCAL | | | | |
| 8. WITHHOLDING | | | | \$ - |
| 9. SALES | | | | \$ - |
| 10. EXCISE | | | | \$ - |
| 11. UNEMPLOYMENT | | | | \$ - |
| 12. REAL PROPERTY | | | | \$ - |
| 13. PERSONAL PROPERTY | | | | \$ - |
| 14. OTHER (ATTACH LIST) | | | | \$ - |
| 15. TOTAL STATE & LOCAL | \$ - | \$ - | \$ - | \$ - |
| 16. TOTAL TAXES | \$ - | \$ - | \$ - | \$ - |

NOTE: The Debtors were granted authority under their Tax Order [Dkt 97] to pay certain pre-petition taxes in the ordinary course of business. To the best of Debtors' information and belief, Debtors are current and remain current in their payment of all taxes included in the tables above.

¹ Debtors' sales are conducted in real-time in-store. The Debtors do not offer credit to customers and therefore do not have material Accounts Receivable at any time. Book A/R, if any, relates primarily to reimbursements due from landlords for tenant improvement allowances authorized under certain real property leases

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

MONTH: December

PAYMENTS TO INSIDERS AND PROFESSIONALS

| INSIDERS | | | |
|----------------------------------|-----------------|-------------|----------------|
| NAME | TYPE OF PAYMENT | AMOUNT PAID | TTL PD TO DATE |
| ***] | ***] | ***] | ***] |
| ***] | ***] | ***] | ***] |
| SEE CERTIFICATION 1 BELOW | | | |
| ***] | ***] | ***] | ***] |
| ***] | ***] | ***] | ***] |
| TOTAL PAYMENTS TO INSIDERS | | ***] | ***] |

| PROFESSIONALS | | | | | |
|---|---|-----------------|-------------|------------------|----------------------------|
| NAME | DATE OF COURT ORDER AUTHORIZING PAYMENT | AMOUNT APPROVED | AMOUNT PAID | TTL PAID TO DATE | TOTAL INCURRED & UNPAID |
| 1. Haynes & Boone | | | \$ 466,707 | \$ 3,060,876 | \$ 2,166,241 |
| 2. Squire Patton Boggs | | | 42,793 | 91,836 | 52,000 |
| 3. AlixPartners | | | 1,337,958 | 5,338,457 | 1,436,064 |
| 4. Stifel / Miller Buckfire | | | 120,000 | 1,244,048 | 6,047,810 |
| 5. Vinson & Elkins | | | 1,339,754 | 2,542,912 | - |
| 6. Berkley Research Group | | | 331,590 | 964,190 | - |
| 7. Montgomery McCracken Walker & Rhoads | | | 229,998 | 1,558,721 | 410,487 |
| 8. BDO | | | 381,987 | 1,352,312 | 266,095 |
| 9. Munsch Hardt | | | 59,081 | 316,134 | 113,398 |
| 10. Great American Group | Dkt 197 - 6/9/2020 | | - | 1,995,889 | - |
| 11. A&G Realty Partners | Dkt 139 - 6/2/2020 | | - | 1,728,308 | - |
| 12. Epiq Systems | Dkt 100 - 5/29/2020 | | 469,725 | 1,324,006 | 130,000 |
| 13. Merrill Communications | | | 7,707 | 38,788 | - |
| 14. Willkie Farr & Gallagher | | | 40,000 | 332,888 | - |
| 15. Pachulski Stang Ziehl & Jones | | | 444,347 | 444,347 | 859,438 |
| 16 PJ Solomon | | | 359,532 | 359,532 | 837,157 |
| 17 Piper Sandler | | | - | - | 1,623,676 |
| TOTAL PAYMENTS TO PROFESSIONALS | | | \$ - | \$ 22,693,241 | \$ 13,942,365 ¹ |

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

| NAME OF CREDITOR | SCHEDULED MONTHLY PAYMENTS DUE | AMOUNTS PAID DURING MONTH | TOTAL UNPAID POST-PETITION |
|----------------------------------|--------------------------------|---------------------------|----------------------------|
| ***] | ***] | ***] | ***] |
| ***] | ***] | ***] | ***] |
| SEE CERTIFICATION 2 BELOW | | | |
| ***] | ***] | ***] | ***] |
| ***] | ***] | ***] | ***] |
| 6. TOTAL | ***] | ***] | ***] |

CERTIFICATION 1 - PAYMENTS TO INSIDERS

I, STACIE SHIRLEY, hereby certify that only customary wages have been paid to insiders during this reporting period. There have been no bonuses, loans or other amounts paid aside from ordinary course compensation

CERTIFICATION 2 - POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE & ADEQUATE PROTECTION PAYMENTS

I, STACIE SHIRLEY, hereby certify that to the best of my knowledge Debtors are current on any and all Post-Petition amounts due on account of Secured Notes, Leases Payable and Adequate Protection Payments

¹ Per conditions of emergence, Debtors funded an escrow account for the remaining, unpaid balances of professional fees on 12/30/2020.

**Monthly Operating Report
CASH BASIS-6
2020**

CASE NAME: Tuesday Morning Corporation, et al.

CASE NUMBER: 20-31476 (Jointly Administered)

MONTH: December

| QUESTIONNAIRE | YES | NO |
|--|-----------------|----|
| 1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD? | X See Note 1 | |
| 2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT? | | X |
| 3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES? | | X |
| 4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD? | Y See Note 2 | |
| 5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY? | Y See Note 3 | |
| 6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE? | | X |
| 7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE? | | X |
| 8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE? | | X |
| 9. ARE ANY OTHER POSTPETITION TAXES PAST DUE? | | X |
| 10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT? | | X |
| 11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD? | Y See Note 4 | |
| 12. ARE ANY WAGE PAYMENTS PAST DUE? | | X |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES"; PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

Note 1: In connection with the Confirmed Plan of Reorganization, the Debtors closed a sale-leaseback transaction for their Dallas headquarters and distribution facility on 12/31/2020. See dkt 1633 for details of this transaction.

Note 2: Debtors have made certain payments on Pre-Petition items only where authorized under and in compliance with various orders of the Court including Insurance [dkt 108], Taxes [dkt 97], Wages [dkt 69], Cash Management [dkt 68], Trade [dkt 330]. These disbursements are included on relevant pages within this Monthly Operating Report. Further, the Debtors paid the \$100,000 outstanding amount on their pre-petition ABL on December 31, 2020.

Note 3: Debtors have received Post-Petition Financing in accordance with their Motion to Obtain Post-Petition Financing [dkt 19 and dkt 90] and the Interim and Final Orders, thereto [dkt 67 and dkt 331, respectively]

These disbursements are included on relevant pages within this Monthly Operating Report. These facilities terminated upon the Debtors' emergence from Chapter 11 on 12/31/2020 and Debtors' entered into Exit Financing as more fully described in the Confirmed Plan of Reorganization [dkt 1633].

Note 4: Debtors have made certain payments on Pre-Petition Taxes only where authorized under and in compliance with related orders of the Court with respect to Tax obligations [dkt 97] These disbursements are included on relevant pages within this Monthly Operating Report.

| INSURANCE | YES | NO |
|--|------------|----|
| 1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT? | X | |
| 2. ARE ALL PREMIUM PAYMENTS PAID CURRENT? | X | |
| 3. PLEASE ITEMIZE POLICIES BELOW | See Note 5 | |

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

Note 5: Please refer to Debtors' Insurance Motion [dkt 11] for details of all of Debtors' Insurance Policies.

| INSTALLMENT PAYMENTS | | | |
|-------------------------|---------|----------------|----------------------------|
| TYPE OF POLICY | CARRIER | PERIOD COVERED | PAYMENT AMOUNT & FREQUENCY |
| | | | |
| SEE NOTE 5 ABOVE | | | |
| | | | |
| | | | |

