

UNITED STATES BANKRUPTCY COURT

WESTERN

DISTRICT OF

TEXAS, SAN ANTONIO DIVISION

In re: Schlotsky's Real Estate, Inc.
(Name)

Debtor

Case No. 04-54507-LMC-11
(If known)

STATEMENT OF FINANCIAL AFFAIRS

This statement is to be completed by every debtor. Spouses filing a joint petition may file a single statement on which the information for both spouses is combined. If the case is filed under chapter 12 or chapter 13, a married debtor must furnish information for both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed. An individual debtor engaged in business as a sole proprietor, partner, family farmer, or self-employed professional, should provide the information requested on this statement concerning all such activities as well as the individual's personal affairs.

Questions 1-18 are to be completed by all debtors. Debtors that are or have been in business, as defined below, also must complete Questions 19-25. **If the answer to an applicable question is "None," mark the box labeled "None."** If additional space is needed for the answer to any question, use and attach a separate sheet properly identified with the case name, case number (if known), and the number of the question.

DEFINITIONS

"In business." A debtor is "in business" for the purpose of this form if the debtor is a corporation or partnership. An individual debtor is "in business" for the purpose of this form if the debtor is or has been, within the two years immediately preceding the filing of this bankruptcy case, any of the following: an officer, director, managing executive, or owner of 5 percent or more of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or self-employed.

"Insider." The term "insider" includes but is not limited to: relatives of the debtor; general partners of the debtor and their relatives; corporations of which the debtor is an officer, director, or person in control; officers, directors, and any owner of 5 percent or more of the voting or equity securities of a corporate debtor and their relatives; affiliates of the debtor and insiders of such affiliates; any managing agent of the debtor. 11 U.S.C. §101.

None

1. Income from employment or operation of business

State the gross amount of income the debtor has received from employment, trade, or profession, or from operation of the debtor's business from the beginning of this calendar year to the date this case was commenced. State also the gross amounts received during the **two years** immediately preceding this calendar year. (A debtor that maintains, or has maintained, financial records on the basis of a fiscal rather than a calendar year may report fiscal year income. Identify the beginning and ending dates of the debtor's fiscal year.) If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income of both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT

SOURCE (if more than one)

Jan 1 through Dec 31, 2002	\$16,019	Trade revenues
Jan 1 through Dec 31, 2003	\$ 4,056	Trade revenues
Jan 1 through Jun 30, 2004	\$ 700	Trade revenues

None

2. Income other than from employment or operation of business

State the amount of income received by the debtor other than from employment, trade, profession, or operation of the debtor's business during the **two years** immediately preceding the commencement of this case. Give particulars. If a joint petition is filed, state income for each spouse separately. (Married debtors filing under chapter 12 or chapter 13 must state income for each spouse whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

AMOUNT		SOURCE
Jan 1 through Dec 31, 2002	\$285,118	Interest Income
Jan 1 through Dec 31, 2003	\$172,721	Interest Income

None

3. Payments to creditors

a. List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within **90 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CREDITOR	DATES OF PAYMENTS	AMOUNT PAID	AMOUNT STILL OWING
SEE EXHIBIT 3a			

None

b. List all payments made within **one year** immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders. (Married debtors filing under chapter 12 or chapter 13 must include payments by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CREDITOR & RELATIONSHIP TO DEBTOR	DATE OF PAYMENT	AMOUNT PAID	AMOUNT STILL OWING
SEE EXHIBIT 3b			

None

4. Suits and administrative proceedings, executions, garnishments and attachments

a. List all suits and administrative proceedings to which the debtor is or was a party within **one year** immediately preceding the filing of this bankruptcy case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
SEE EXHIBIT 4			

None

b. Describe all property that has been attached, garnished or seized under any legal or equitable process within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF PERSON FOR WHOSE BENEFIT PROPERTY WAS SEIZED	DATE OF SEIZURE	DESCRIPTION & VALUE OF PROPERTY
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None

5. Repossessions, foreclosures and returns

List all property that has been repossessed by a creditor, sold at a foreclosure sale, transferred through a deed in lieu of foreclosure or returned to the seller, within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CREDITOR OR SELLER	DATE OF REPOSESSION, FORECLOSURE SALE, TRANSFER OR RETURN	DESCRIPTION & VALUE OF PROPERTY
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None

6. Assignments and receiverships

a. Describe any assignment of property for the benefit of creditors made within **120 days** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include any assignment by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF ASSIGNEE	DATE OF ASSIGNMENT	TERMS OF ASSIGNMENT OR SETTLEMENT
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None

b. List all property which has been in the hands of a custodian, receiver, or court-appointed official within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning property of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CUSTODIAN	NAME & LOCATION OF COURT CASE TITLE & NUMBER	DATE OF ORDER	DESCRIPTION & VALUE OF PROPERTY
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None

7. Gifts

List all gifts or charitable contributions made within **one year** immediately preceding the commencement of this case except ordinary and usual gifts to family members aggregating less than \$200 in value per individual family member and charitable contributions aggregating less than \$100 per recipient. (Married debtors filing under chapter 12 or chapter 13 must include gifts or contributions by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF PERSON OR ORGANIZATION	RELATIONSHIP TO DEBTOR, IF ANY	DATE OF GIFT	DESCRIPTION & VALUE OF GIFT
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None

8. Losses

List all losses from fire, theft, other casualty or gambling within **one year** immediately preceding the commencement of this case **or since the commencement of this case**. (Married debtors filing under chapter 12 or chapter 13 must include losses by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

DESCRIPTION & VALUE OF PROPERTY	DESCRIPTION OF CIRCUMSTANCES &, IF LOSS WAS COVERED IN WHOLE OR IN PART BY INSURANCE, GIVE PARTICULARS	DATE OF LOSS
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None

9. Payments related to debt counseling or bankruptcy

List all payments made or property transferred by or on behalf of the debtor to any persons, including attorneys, for consultation concerning debt consolidation, relief under the bankruptcy law or preparation of a petition in bankruptcy within **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF PAYEE	DATE OF PAYMENT, NAME OF PAYOR IF OTHER THAN DEBTOR	AMOUNT OF MONEY OR DESCRIPTION AND VALUE OF PROPERTY
Haynes and Boone, LLP 901 Main Street, Suite 3100 Dallas, TX 75203-3789	As Approved By The Court	\$197,227.91 Pre-Petition Fees \$ 72,772.09 Retainer
BWK Trinity Capital Securities LLC 11755 Wilshire Blvd., Suite 2450 Los Angeles, CA 90025	Various	\$436,500 Pre-Petition Fees

None

10. Other transfers

List all other property, other than property transferred in the ordinary course of the business or financial affairs of the debtor, transferred either absolutely or as security within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include transfers by either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF TRANSFEREE, RELATIONSHIP TO DEBTOR	DATE	DESCRIBE PROPERTY TRANSFERRED & VALUE RECEIVED
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None

11. Closed financial accounts

List all financial accounts and instruments held in the name of the debtor or for the benefit of the debtor which were closed, sold, or otherwise transferred within **one year** immediately preceding the commencement of this case. Include checking, savings, or other financial accounts, certificates of deposit, or other instruments; shares and share accounts held in banks, credit unions, pension funds, cooperatives, associations, brokerage houses and other financial institutions. (Married debtors filing under chapter 12 or chapter 13 must include information concerning accounts or instruments held by or for either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF INSTITUTION	TYPE & NUMBER OF ACCOUNT & AMOUNT OF FINAL BALANCE	AMOUNT & DATE OF SALE OR CLOSING
Wells Fargo Bank P.O. Box 63020 San Francisco, CA 94163	Checking Acct. No. 409-1215517 Final Bal - \$0	October 2003

None

12. Safe deposit boxes

List each safe deposit or other box or depository in which the debtor has or had securities, cash, or other valuables within **one year** immediately preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include boxes or depositories of either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME AND ADDRESS OF BANK OR OTHER DEPOSITORY	NAMES AND ADDRESSES OF THOSE WITH ACCESS TO BOX OR DEPOSITORY	DESCRIPTION OF CONTENTS	DATE OF TRANSFER OR SURRENDER, IF ANY
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None

13. Setoffs

List all setoffs made by any creditor, including a bank, against a debt or deposit of the debtor within **90 days** preceding the commencement of this case. (Married debtors filing under chapter 12 or chapter 13 must include information concerning either or both spouses whether or not a joint petition is filed, unless the spouses are separated and a joint petition is not filed.)

NAME & ADDRESS OF CREDITOR	DATE OF SETOFF	AMOUNT OF SETOFF
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None

14. Property held for another person

List all property owned by another person that the debtor holds or controls.

NAME & ADDRESS OF OWNER	DESCRIPTION & VALUE OF PROPERTY	LOCATION OF PROPERTY
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None

15. Prior address of debtor

If the debtor has moved within the **two years** immediately preceding the commencement of this case, list all premises which the debtor occupied during that period and vacated prior to the commencement of this case. If a joint petition is filed, report also any separate address of either spouse.

ADDRESS	NAME USED	DATES OF OCCUPANCY
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Debtor's corporate office has remained at 203 Colorado, Austin, Texas for the prior two years

None

16. Spouses and Former Spouses

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 **six-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.

NAME

17. Environmental Information

For the purpose of this question, the following definitions apply:

"Environmental Law" means any federal, state, or local statute or regulation regulating pollution, contamination, releases of hazardous or toxic substances, wastes or material into the air, land, soil, surface water, groundwater, or other medium, including, but not limited to, statutes or regulations regulating the cleanup of these substances, wastes, or material.

"Site" means any location, facility, or property as defined under any Environmental Law, whether or not presently or formerly owned or operated by the debtor, including, but not limited to, disposal sites.

"Hazardous Material" means anything defined as a hazardous waste, hazardous substance, toxic substance, hazardous material, pollutant, or contaminant or similar term under an Environmental Law.

None

a. List the name and address of every site for which the debtor has received notice in writing by a governmental unit that it may be liable or potentially liable under or in violation of an Environmental Law. Indicate the governmental unit, the date of the notice, and if known, the Environmental Law:

SITE NAME AND ADDRESS	NAMES AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

b. List the name and address of every site for which the debtor provided notice to a governmental unit of a release of Hazardous Material. Indicate the governmental unit to which the notice was sent and the date of the notice.

SITE NAME AND ADDRESS	NAMES AND ADDRESS OF GOVERNMENTAL UNIT	DATE OF NOTICE	ENVIRONMENTAL LAW
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None

c. List all judicial or administrative proceedings, including settlements or orders, under any Environmental Law with respect to which the debtor is or was a party. Indicate the name and address of the governmental unit that is or was a party to the proceeding, and the docket number.

NAMES AND ADDRESS OF GOVERNMENTAL UNIT	DOCKET NUMBER	STATUS OR DISPOSITION
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None

18. Nature, location and name of business

a. If the debtor is an individual, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was an officer, director, partner, or managing executive of a corporation, partnership, sole proprietorship, or was a self-employed professional within the **six years** immediately preceding the commencement of this case, or in which the debtor owned 5 percent or more of the voting or equity securities within the **six years** immediately preceding the commencement of this case.

If the debtor is a partnership, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting or equity securities, within the **six years** immediately preceding the commencement of this case.

If the debtor is a corporation, list the names, addresses, taxpayer identification numbers, nature of the businesses, and beginning and ending dates of all businesses in which the debtor was a partner or owned 5 percent or more of the voting securities within the **six years** immediately preceding the commencement of this case.

NAME	TAXPAYER I.D. NUMBER	ADDRESS	NATURE OF BUSINESS	BEGINNING & ENDING DATES
Bee Cave/Westbank, Ltd.	74-2634539	203 Colorado Street Austin, TX 78701	Commercial Property Owner and Lessee	April 10, 1992 – Current
SREI Turnkey Development, LLC	74-2822415	203 Colorado Street Austin, TX 78701	Restaurant Real Property Development	1995 - 2000

None

b. Identify any business listed in response to subdivision a., above, that is "single asset real estate" as defined in 11 U.S.C. § 101.

NAME	ADDRESS
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The following questions are to be completed by every debtor that is a corporation or partnership and by any individual debtor who is or has been, within the **six years** immediately preceding the commencement of this case, any of the following: an officer, director, managing executive, or owner of more than 5 percent of the voting or equity securities of a corporation; a partner, other than a limited partner, of a partnership; a sole proprietor or otherwise self-employed.

(An individual or joint debtor should complete this portion of the statement **only** if the debtor is or has been in business, as defined above, within the six years immediately preceding the commencement of this case. A debtor who has not been in business within those six years should go directly to the signature page.)

None

19. Books, records and financial statements

a. List all bookkeepers and accountants who within the **two years** immediately preceding the filing of this bankruptcy case kept or supervised the keeping of books of account and records of the debtor.

NAME & ADDRESS	DATES SERVICE RENDERED
Matt Osburn 203 Colorado Suite 600 Austin, TX 78701	July 1996 to current

None

b. List all firms or individuals who within the **two years** immediately preceding the filing of this bankruptcy case have audited the books of account and records, or prepared a financial statement of the debtor.

NAME	ADDRESS	DATES SERVICE RENDERED
Grant Thornton	Bank One Center, Suite 500 1717 Main Street Dallas, TX 75201	2002 and 2003

None

c. List all firms or individuals who at the time of the commencement of this case were in possession of the books of account and records of the debtor. If any of the books of account and records are not available, explain.

NAME	ADDRESS
Matt Osburn	203 Colorado Suite 600 Austin, TX 78701

None

d. List all financial institutions, creditors and other parties, including mercantile and trade agencies, to whom a financial statement was issued within the **two years** immediately preceding the commencement of this case by the debtor.

NAME AND ADDRESS	DATE ISSUED
Schlotsky's, Inc., debtor's parent corporation, is a publicly traded company on the NASDAQ National Market. Debtor is unable to list all parties that may have acquired or been issued a financial statement. However, the following is a general representation of interested parties that may have received copies of the Debtor's financial statements on a periodic basis: <ul style="list-style-type: none">➤ Various banking institutions➤ Various state taxing authorities➤ Interested investors➤ Members of board of directors➤ Debtor's counsel➤ Debtor's accounting and financial consultants➤ Selected vendors➤ Secured creditors	Various

None

20. Inventories

a. List the dates of the last two inventories taken of your property, the name of the person who supervised the taking of each inventory, and the dollar amount and basis of each inventory.

DATE OF INVENTORY	INVENTORY SUPERVISOR	DOLLAR AMOUNT OF INVENTORY (Specify cost, market or other basis)
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None

b. List the name and address of the person having possession of the records of each of the two inventories reported in a., above.

DATE OF INVENTORY	NAME & ADDRESSES OF CUSTODIAN OF INVENTORY RECORDS
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None

21. Current Partners, Officers, Directors and Shareholders

a. If the debtor is a partnership, list the nature and percentage of partnership interest of each member of the partnership.

NAME & ADDRESS	NATURE OF INTEREST	PERCENTAGE OF INTEREST
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None

b. If the debtor is a corporation, list all officers and directors of the corporation, and each stockholder who directly or indirectly owns, controls, or holds 5 percent or more of the voting or equity securities of the corporation.

NAME & ADDRESS	TITLE	NATURE & PERCENTAGE OF STOCK OWNERSHIP
SEE EXHIBIT 21b		

None

22. Former partners, officers, directors and shareholders

a. If the debtor is a partnership, list each member who withdrew from the partnership within **one year** immediately preceding the commencement of this case.

NAME	ADDRESS	DATE OF WITHDRAWAL
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None

b. If the debtor is a corporation, list all officers, or directors whose relationship with the corporation terminated within **one year** immediately preceding the commencement of this case.

NAME & ADDRESS	TITLE	DATE OF TERMINATION
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SEE EXHIBIT 22b

None

23. Withdrawals from a partnership or distributions by a corporation

If the debtor is a partnership or corporation, list all withdrawals or distributions credited or given to an insider, including compensation in any form, bonuses, loans, stock redemptions, options exercised and any other prerequisite during **one year** immediately preceding the commencement of this case.

NAME & ADDRESS OF RECIPIENT RELATIONSHIP TO DEBTOR	DATE & PURPOSE OF WITHDRAWAL	AMOUNT OF MONEY OR DESCRIPTION & VALUE OF PROPERTY
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SEE EXHIBIT 3b

None

24. Tax Consolidation Group

If the debtor is a corporation, list the name and federal taxpayer identification number of the parent corporation of any consolidated group for tax purposes of which the debtor has been a member at any time within the **six year period** immediately preceding the commencement of the case.

NAME OF PARENT CORPORATION	TAXPAYER IDENTIFICATION NUMBER
Schlotsky's, Inc.	74-2654208

None

25. Pension Funds

If the debtor is not an individual, list the name and federal taxpayer identification number of any pension fund to which the debtor, as an employer, has been responsible for contributing at any time within the **six year period** immediately preceding the commencement of the case.

NAME OF PENSION FUND	TAXPAYER IDENTIFICATION NUMBER
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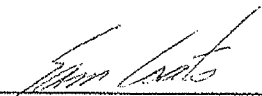


[If completed on behalf of a partnership or corporation]

I, declare under penalty of perjury that I have read the answers contained in the foregoing statement of financial affairs and any attachments thereto and that they are true and correct to the best of my knowledge, information and belief.

Date: September 16, 2004

Signature:



David Samuel Coats, President

[An individual signing on behalf of a partnership or corporation must indicate position or relationship to debtor.]

13 continuation sheets attached

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

The business of the Debtor is complex. While every effort has been made to make this Statement accurate and complete, unintentional errors or omissions may exist. In the event that errors or omissions are discovered, this Statement will be supplemented or amended, as appropriate.

Schlotsky's Real Estate, Inc.
Case No: 04-54507-LMC
Statement of Financial Affairs
Exhibit 3a

3a. List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within 90 days immediately preceding the commencement of this case.

<u>Payee</u>	<u>Address</u>	<u>Check Date</u>	<u>Amount Paid</u>	<u>Amount Still Owing</u>
AMERICAN BANK OF COMMERCE	P.O. BOX 2027 AUSTIN, TX 78768	6/1/2004	12,070.25	
		7/1/2004	12,070.25	
			<u>24,140.50</u>	<u>0.00</u>
ANNE BLEAKLEY WILLIAMS	2805 DENA DRIVE SAN ANGELO, TX 76904	6/1/2004	3,500.00	
			<u>3,500.00</u>	<u>3,500.00</u>
BATTLEGROUND PARTNERS LLC	P.O. BOX 35166 GREENSBORO, NC 27425	6/1/2004	6,416.28	
			<u>6,416.28</u>	<u>0.00</u>
BROWN NOLTEMEYER COMPANY	122 N PETERSON AVE. LOUISVILLE, KY 40206	6/1/2004	6,549.65	
			<u>6,549.65</u>	<u>11,666.66</u>
BUTZEL LONG	150 WEST JEFFERSON SUITE 900 DETROIT, MI 48226-4430	5/27/2004	1,355.72	
			<u>1,355.72</u>	<u>0.00</u>
CARL E. LEVI, CITY TREASURER	ROOM 210 COURTHOUSE CHATTANOOGA, TN 37402	5/28/2004	10,763.13	
			<u>10,763.13</u>	<u>0.00</u>

Schlotsky's Real Estate, Inc.
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<u>Payee</u>	<u>Address</u>	<u>Check Date</u>	<u>Amount Paid</u>	<u>Amount Still Owing</u>
CCB	GUILFORD CENTRAL LENDING P.O. BOX 30014 DURHAM, NC 27702	6/1/2004	6,067.00	
			<u>6,067.00</u>	<u>6,067.00</u>
CCL CONSULTANTS, INC.	2200 PARK CENTRAL BLVD. N. SUITE 100 POMPANO BEACH, FL 33064	5/6/2004	4,750.00	
			<u>4,750.00</u>	<u>0.00</u>
CIT SMALL BUSINESS LENDING CORP	1 CIT DRIVE LIVINGSTON, NJ 07039	6/1/2004	3,978.84	
			<u>3,978.84</u>	<u>324,000.00</u>
COMMERCIAL NET LEASE	ATTN: VICE PRESIDENT OF OPER 450 SOUTH ORANGE AVE., #900 ORLANDO, FL 32801	6/1/2004	8,145.93	
		6/1/2004	8,512.76	
			<u>16,658.69</u>	<u>16,658.69</u>
DAISY W. MADISON, CITY TREASURER	ROOM 102 101 EAST 11TH STREET CHATTANOOGA, TN 37402-4284	5/28/2004	9,096.22	
			<u>9,096.22</u>	<u>0.00</u>
FIRST VOLUNTEER BANK OF TENNES	728 BROAD STREET CHATTANOOGA, TN 37402	6/1/2004	3,093.29	
			<u>3,093.29</u>	<u>604,688.00</u>

Schlotsky's Real Estate, Inc.
Case No: 04-54507-LMC
Statement of Financial Affairs
Exhibit 3a

3a. List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within 90 days immediately preceding the commencement of this case.

<u>Payee</u>	<u>Address</u>	<u>Check Date</u>	<u>Amount Paid</u>	<u>Amount Still Owing</u>
GE CAPITAL FRANCHISE FINANCE CORP	17207 NORTH PERIMETER DR. SCOTTSDALE, AZ 85255-5402	5/26/2004	10,334.16	
		6/1/2004	8,984.45	
		6/21/2004	3,262.22	
			22,580.83	0.00
IRVIN OR ELAINE STEINBERG	1804 TYLER LANE LOUISVILLE, KY 40205	6/1/2004	9,098.48	
			9,098.48	9,098.48
LIM'S PROPERTY GROUP	2317 W. UNIVERSITY DR. A1 DENTON, TX 76201	5/27/2004	3,403.76	
			3,403.76	0.00
MARICOPA COUNTY TREASURER	P.O. BOX 78574 PHOENIX, AZ 85062-8574	5/28/2004	5,453.12	
			5,453.12	0.00
MET CENTER PROPERTY OWNERS ASSOC	611 W. 15TH STREET AUSTIN, TX 78701	5/20/2004	2,391.49	
			2,391.49	0.00
THIRD & COLORADO, LP	BOX 684707 AUSTIN, TX 78768	6/1/2004	2,710.00	
		7/1/2004	2,710.00	
			5,420.00	0.00

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3a. List all payments on loans, installment purchases of goods or services, and other debts, aggregating more than \$600 to any creditor, made within 90 days immediately preceding the commencement of this case.

<u>Payee</u>	<u>Address</u>	<u>Check Date</u>	<u>Amount Paid</u>	<u>Amount Still Owing</u>
USRP FUNDING 2002-A, L.P.	12240 INWOOD ROAD SUITE 300 DALLAS, TX 75244			
		6/1/2004	7,849.49	
			<u>7,849.49</u>	<u>7,849.49</u>
			<u><u>7,849.49</u></u>	<u><u>7,849.49</u></u>
		GRAND TOTAL	<u><u>152,566.49</u></u>	

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS (SAN ANTONIO DIVISION)

SCHLOTZSKY'S REAL ESTATE, INC..
CASE NO. 04-54507-LMC-11

STATEMENT OF FINANCIAL AFFAIRS

3b. Payments made within one year immediately preceding the commencement of this case to or for the benefit of creditors who are or were insiders.

Name & Address of Creditor & Relationship to Debtor	Check Date	Description	Amount Paid	Amount Still Owing
Kolinek, Linda 1804 Dayflower Trace Cedar Park, TX 78613	8/8/2003	Expense Reimbursement	<u>5,325.68</u> 5,325.68	<u>0.00</u>
Former Employee, Relative of Darrell Kolinek, Officer of SI				
Leady, Vickie G. 5112 Jacobs Creek Court Austin, TX 78749 Assistant Secretary	7/22/2004	Expense Reimbursement	<u>153.01</u> 153.01	<u>0.00</u>
			5,478.69	

SCHLOTZSKY'S, INC. ET AL

Case No. 04-54504

4. Suits and administrative proceedings, executions, garnishments and attachments

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Jeff Johnson and Carol Johnson v. Schlotzsky's Inc., Schlotzsky's Franchisor LLC and Schlotzsky's Franchise Operations LLC Cause No. A04CA498LY	Suit for Damages, Entry of Consent Judgment and Appointment of Receiver	U.S. District Court for the Western District of Texas, Austin Division	Pending
Jeff and Carol Johnson v. Schlotzsky's, Inc. and John C. Wooley, Intervenor; GN1-03380	Counterclaim for breach of contract in action filed by SI	53rd Judicial District Court of Travis County, Texas (PLUS Jeff Johnson's appeal to 3rd Ct. of Appeals)	Pending
Thomas Development Corp. v. Schlotzsky's, Inc. Cause No. GN402305	Suit for Declaratory Judgment, Temporary and Permanent Injunctive Relief and TRO	53rd District Ct of Travis Co. Texas	Pending
Douglas G. Thomas & Carolyn J. Thomas v. Schlotzsky's, Inc. Cause No. GN400442	Collection on FF&E loan guarantees (Pond Enterprises, Inc. and R-Deli, Inc.)	261st District Court of Travis Co. TX	Pending
John and Jeffrey Wooley vs. Schlotzsky's Franchisor, LLC Cause No. GN402261	Suit for Declaratory Judgment, Temporary and Permanent Injunctive Relief and TRO	98th Judicial District Court of Travis County, Texas	Pending
GE Capital Small Business Finance Corporation v. Schlotzsky's, Inc. Cause No. 04-1949-III	Suit for Money Judgment on guarantee of Hillwertz Enterprises, Inc. (SBA Loan)	Chancery Court for Davidson County, TN, 20 th Judicial District	Nonsuit
Standard Federal Bank v. Schlotzsky's, Inc. Case No. 1:01-CV-753	Writs of Garnishment vs Kitchen Enterprises, Inc. and Quality First, Inc.	U.S. District Court for the Western District of Michigan	Pending
Standard Federal Bank v. Schlotzsky's, Inc. Case No. 1:01-CV-753	Judgment obtained in contract dispute case	U.S. District Court for the Western District of Michigan	Judgment
CIT Small Business Lending Corp. v. Abra Enterprises, Inc. d/b/a Schlotzsky's Deli, Betty Pilaski, Arthur E. Pilaski, Schlotzsky's Real Estate, Inc., Schlotzsky's, Inc., W. Jackson & Sons Construction Co., and BRV Construction Services, Inc. Cause No. GN 401730	Notice of Filing of Foreign Judgment	98th Judicial District Court of Travis County, TX	Pending
CIT Small Business Lending Corp. v. Abra Enterprises, Inc. d/b/a Schlotzsky's Deli, Betty Pilaski, Arthur E. Pilaski, Schlotzsky's Real Estate, Inc. and Schlotzsky's, Inc., W. Jackson and Sons Construction Co. and BRV Construction Services, Inc. Cause No. 01-021968	Foreclosure petition (lender liability)	Circuit Court in and for the 17th Judicial District for Broward County FL	Judgment obtained; Pilaskis discharged from bankruptcy 2/20/04, retaining possible claim vs SI but no money to pursue

SCHLOTZSKY'S, INC. ET AL
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4. Suits and administrative proceedings, executions, garnishments and attachments

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Carlson-Koosman, Inc. v. WassNco, Inc. a/k/a Wassonco, Inc. and a/k/a WassoNco, Inc and Robert M. Wasson, individually and Deborah Ann Wasson, individually, and State of Minnesota, Minnesota Department of Revenue v. Schlotzsky's, Inc. Cause No. CT 03-009878	Third Party Suit (breach of contract, unjust enrichment, Minnesota Franchise Act violations)	4th Judicial District Court of Hennepin Co., MN	Pending
Leander Independent School District, et al v. Schlotzsky's Restaurants, Inc. a/k/a Schlotzsky's Deli Cause No. 04-379-T26	Property Tax Suit	26th Judicial District Court of Williamson Co, TX	Pending
Universal Linen Service v. Schlotzsky's Restaurants, Inc. Cause No. 04-C-1818	Collection action against zee (SRI improperly named)	Jefferson County District Court, Jefferson Co. (Louisville) KY	Will be dismissed vs. SRI
Gauthier v. 3K's Buns, LLC, Schlotzsky's, Inc., David/Michelle Kittleson, Ted/Brenda Kittleson, and Michael/Kathy Kusch Cause No. 04-CV-205	Collection on Lease Guaranty	Circuit Court, Branch 3, Brown County, WI	Pending
Sterling Enterprises, Inc. v. Schlotzsky's, Inc. Cause No. 1:04-CV-0336-RLY-WTL	Breach of contract (purchase agmt re Area Developer Agreements)	U.S. District Court Southern District of Indiana, Indianapolis Division (removed from Marion Count Superior Court)	Pending
Yvonne Norris v. Kimco Realty Corporation, Kimco Woodforest L.P., Kimco Woodforest 655 Inc., Woodforest Shopping Center, Schlotzsky's #1557, Schlotzsky's Franchisor, LLP, Schlotzsky's Inc., Schlotzsky's, Schlotzsky's at 421 Uvalde, Houston, Texas, and All Others Responsible Cause No. 2003-67575	Personal Injury	234th Judicial District Court of Harris County, TX	Pending against franchisee
Angelina County, on behalf of itself and Lufkin ISD, City of Lufkin and Angelina Hospital District v. Triple H. Deli, Inc., a Texas Corporation, Schlotzsky's Real Estate, Inc., a Texas Corporation (Lienholder), and General Electric Capital Business Asset Funding Corporation, a Delaware Corporation (Lienholder) Cause No. TX-6338	Suit for property taxes	District Court, Angelina County, Texas	Pending
DeGroote, Estate of Walter Lee, et al, v. Linens & Things, et al (incl. Schlotzsky's Deli-Villa LaJolla Drive) Civil No. 03-CV-1587	ADA – wheelchair access	U.S.D.C., Southern District of California	Pending against franchisee
Robert Provenzano v. Schlotzsky's, Inc. and Pond Enterprises Cause No. 271947	Personal Injury	County Court at Law 2, Travis County, Texas	Pending
US Restaurant Properties Operating LP v. Schlotzsky's Inc. Cause No. 04-5858-D	Breach of contract	Dallas County District Court, D-95th Judicial District, Dallas, TX	Pending

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4. Suits and administrative proceedings, executions, garnishments and attachments

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
U.S. Restaurant Properties, Inc., et al v. Schlotzsky's, Inc. Cause No. 03-01758-B	Breach of contract	B-44thth Judicial District Court of Dallas County, Texas	Pending
Schlotzsky's, Inc. v. Christopher P. Nolan a/k/a terminatorzbn and pestcontrolus, Claude Vargo a/k/a soxrateez, Patrick Conroy a/k/a managementwatch, John Doe 5 a/k/a sammy4037, and Criste Corporation GN1-03380	Business disparagement; contract dispute	53rd Judicial District Court of Travis County, Texas (PLUS Jeff Johnson's appeal to 3rd Ct. of Appeals) (including 6/21/04 Counterclaim by Jeff and Carol Johnson)	Pending
Robert Coshott v. Schlotzsky's, Inc. Cause No. GN1-02279 (Court's January 21, 2004 ruling on election of remedies is on appeal to 3 rd Court of Appeals, Austin, TX – No 03-04-00297-CV)	Master licensee dispute	200 th Judicial District Court of Travis County Texas	Pending
Robert Coshott v. Schlotzsky's, Inc.	Master License Dispute	ICC International Court of Arbitration	Notice of intent to file
Robert Coshott v. Schlotzsky's, Inc. Case No. 12-838/JNK	Master licensee dispute	International Chamber of Commerce, International Court of Arbitration	Dismissed without prejudice on June 4, 2004
Dae W. Kim, DWK Enterprises, Inc. and Aecon International, Inc. vs. John Wooley, Schlotzsky's, Inc., Schlotzsky's Franchising Limited Partnership, and Schlotzsky's National Advertising Marketing Fund Cause No. 2001-CJ-13672, (John Wooley dismissed)	Franchise dispute	73rd Judicial District Court of Bexar County, Texas	Pending
Travis County, City of Austin, Austin Independent School District and Austin Community College v. MRO N Cross, Inc., First American Bank, Bury & Partners, Redlee, Inc. and Schlotzsky's Restaurants, Inc. Cause No. GV3-00824	Suit for property taxes	353 rd Judicial District Court of Travis County, Texas	Dismissed
Fandango Productions, LLC v. Schlotzsky's Inc. Cause No. 03-8423	Collection suit	Superior Court, District of Columbia	Settled
Southwestern Bell Yellow Pages, Inc. v. SI Cause No. 41374	Collections	Justice Court of Travis County, TX, Precinct 2	Pending
Columbia Regency Retail Partners LLC v. Ronald D. Sapp, et al. Cause No. 03-A-1196-2	3 rd Party RFP	State Court, Cobb County, GA	Dismissed
Allstate Insurance Co. v. Claude Vargo & Schlotzsky's, Inc. Cause No. 1:02-CV-2173	Insurance coverage dispute	United States District Court, Northern District of Georgia, Atlanta Division	Settled
Kimberly Garland v. Schlotzsky's, Inc., Schenk & Associates, John Wooley, Darrell Kolinek, Kelly Arnold, Joyce Cates, Brian Wieters, David Gerstner and Jeffrey Noeldner Cause No. 01-CV 2377	Franchise dispute	United States District Court for the District of Minnesota	Settled

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4. Suits and administrative proceedings, executions, garnishments and attachments

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Russell Kesterson and Steven Schmidt v. Schlotzsky's, Inc., Ron Lynch, Debra Lynch, et al. Civil No. CV-2002-02-1158	Franchisee Dispute	Superior Court of the State of Arizona, County of Maricopa, AZ	Pending but stayed, likely to be dismissed for want of prosecution (plaintiffs have not pursued arbitration as ordered by court in 2002)
Schlotzsky's, Inc. v. Earl R. Kirchner and Marilyn L. Kirchner Cause No. A02 CA 746SS	Franchise dispute; collection case	U.S. District Court for the Western District of Texas, Austin Division	Settled
Diana Maxwell v. Steven and Linda Franklin, Schlotzsky's Deli, Schlotzsky's, Inc., et al Cause No. 2002-4513	Personal injury dispute	Superior Court of the State of Arizona, County of Pima	Pending against franchisee
McKinney Independent School District / City of McKinney / Collin County / Collin County CCD v. Charles E. Reed Enterprises, Inc., Schlotzsky's Real Estate, Inc., et al Cause No. 366-759-03	Tax suit	Collin County District Court, Collin County, TX	Concluded
Schlotzsky's, Inc. v. Saghi Davoodi; Parto Enterprises, Inc., Kourosh Davoodi, & Cyrus Parto Cause No. 03-3783 SVW JTLx	Breach of contract, trademark infringement and nonpayment of royalties	U.S. District Court, Central District of California	Settled
Schlotzsky's, Inc. v. Joseph R. Pederson Cause No. A-03-CA-116 JN	Collections case	U.S. District Court for the Western District of Texas, Austin Division	Concluded
State of California, Employment Development Dept. v. Schlotzsky's, Inc. (re: Fox Marketing Corp.) Cause No. 47310461	Notice of levy on employment taxes (owed by Fox Marketing)	Employment Development Department, State of California	Dismissed
Schlotzsky's Restaurants, Inc. v. USRP Funding Cause No. 2001-A, L.P., 03-002985-CV-CCL1	Declaratory judgment re: lease termination	Brazos County District Court at Law No. 1, Brazos County, TX	Dismissed
U.S. Restaurant Properties, Inc., et al v. Schlotzsky's, Inc Cause No. 03-00965	Suite on a lease guaranty	298 th Judicial District Court of Dallas County, Texas	Settled
Ward's Fruit & Produce v. Schlotzsky's Restaurants, Inc. Cause No. 03-CV-017992	Collection suit	District Court Division-Small Claims, Wake County, N.C.	Settled
Ward's Fruit & Produce v. Schlotzsky's Restaurants, Inc. Cause No. 03-CV-017994	Collection suit	District Court Division-Small Claims, Wake County, N.C.	Settled
Travis County, City of Austin, Austin Independent School District and Austin Community College v. MRO N Cross, Inc., First American Bank, Bury & Partners, Redlee, Inc. and Schlotzsky's Restaurants, Inc. (in rem), Cause No. GV3-00824	Property Tax Suit	353 rd Judicial District Court of Travis County, Texas	Dismissed

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4. Suits and administrative proceedings, executions, garnishments and attachments

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
General Electric Capital Business Asset Funding Corporation v. Patrick J. Griffiths, Joan G. Griffiths, Lake Buns, Inc., Buns, Inc. Schlotzsky's Real Estate, Inc., The Randall Acorn Owners Association, and All Unknown Owners and Non-Record Claimants Case No. 03-CH-624	SREI was formerly shown as secured party on Financing Stmt	19 th Judicial Circuit Court of McHenry County, IL	Settled
Texas Disposal Systems v. Schlotzsky's Deli/John C. Wooley, Case No. 067680	Collections Suit	Travis County Small Claims Court, Precinct 5, Travis County, TX	Dismissed
James Wright and John D. Wright v. Schlotzsky's, Inc. and Schlotzsky's Real Estate, Inc. Case No. 02-74931-CK	Third Party Suit	Circuit Court for Genesee County, MI	Settled
Schlotzsky's, Inc. and Schlotzsky's Real Estate, Inc. v. John D. Wright and James Wright Case No. 03-CV-70244	Suit on a guaranty	U.S. District Court for the Eastern District of Michigan, Southern (Flint) Division	Settled
New Florida Markets, Ltd. and Deli Keys, Ltd. v. Schlotzsky's, Inc., Schlotzsky's Franchising Limited Partnership, Schlotzsky's Franchisor LLC, Schlotzsky's Franchise Operations LLC, Schlotzsky's N.A.M.F., Inc. and Schlotzsky's N.A.M.F. Funding LLC Case No. 70-114-00456-03	Arbitration over Area Developer Claims	American Arbitration Association	Settled
New Florida Markets, Ltd. and Deli Keys, Ltd. v. Schlotzsky's, Inc., Schlotzsky's Franchising Limited Partnership, Schlotzsky's Franchisor LLC, Schlotzsky's Franchise Operations LLC, Schlotzsky's N.A.M.F., Inc. and Schlotzsky's N.A.M.F. Funding LLC Case No. 04-16303 (Circuit Court No. 32)	Suit to enforce settlement (contract)	11 th Judicial Circuit in and for Dade County, Florida, General Civil Division, Circuit Court No. 32	Motion to Dismiss NAMF entities is pending; case is pending
Sherman Acquisition, LP v. Nathan Pfaff Case No. 03C27149	Garnishment	County Court of El Paso County, Colorado	SI was improperly served, no longer a party (franchisees were then served and are making payments)
State of Texas, County of Bexar, et al v. Jacobson Restaurant Group, LLC Cause No. 2002-CA1-4254	Tax Suit	73 rd Judicial District Court of Bexar County, Texas	Dismissed 8/13/03
J.W. Robinson Architects v. Schlotzsky's, Inc., Schlotzsky's Real Estate, Inc., Richard Higgins, personally and d/b/a Western Deli Shops, Inc., Schlotzsky's Deli and John Does 1-10 Cause No. 000900053	Contract dispute	Third Judicial District Court of Salt Lake County, Utah	Dismissed
Schlotzsky's, Inc. v. Joseph R. Pedersen, CA No. A-03-CA-116 JN	Collections case	United States District Court for the Western District of Texas, Austin Division	Dismissed

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4. Suits and administrative proceedings, executions, garnishments and attachments

CAPTION OF SUIT & CASE NUMBER	NATURE OF PROCEEDING	COURT OR AGENCY AND LOCATION	STATUS OR DISPOSITION
Quality Streamline Management Services v. Schlotzsky's, Inc. Case No. CV03-03999RB	Suit over Unsolicited Faxes	South Mesa/ Gilbert Justice Court, State of Arizona, County of Maricopa	Dismissed
Quality Streamline Management Services v. Schlotzsky's, Inc. Case No. CV03-04006RB	Suit over Unsolicited Faxes	South Mesa/ Gilbert Justice Court, State of Arizona, County of Maricopa	Dismissed
Will Talley, Jr. v. Schlotzsky's Restaurants, Inc. Charge No. 131-2003-02304	Racial discrimination case	United States Equal Employment Opportunity Commission in Jackson, MS	Dismissed
Mary Sturdivant v. Schlotzsky's, Inc. Charge No. 360-2004-00651	Sexual discrimination and violation of FLSA (overtime pay)	United States Equal Employment Opportunity Commission in San Antonio, TX	Settled
Capital One Bank v. Sandra Gilbreath, Schlotzsky's Restaurants, Inc. garnishee Civil Action No. 03-GC-034051	Writ of Garnishment	State Court, Fulton County GA	Garnishment released 9/03
Jerome D. Lippman d/b/a Bonded Collections v. Laura Sellman and Tracy Sellman, Schlotzsky's, Inc. garnishee Case No. 92-004778	Writ of Garnishment	Pima County AZ Consolidated Justice Court	Garnishment satisfied 4/04
BP Acquisition d/b/a Bix Produce v. Schlotzsky's Restaurants, Inc. Case No. SO-03-1292	Collection Suit	10 th Judicial District, Washington County, MN Collection Court	Settled 9/03
Action Collection Service, Inc. v. Sonia Espinoza 536-01-1938, Schlotzsky's Deli, Garnishee Cause No. 03-0909319-CV	Writ of Garnishment	3 rd District Court of Salt Lake City, UT	Pending (but Ms. Espinoza is no longer an employee of Schlotzsky's Restaurants, Inc.)

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS (SAN ANTONIO DIVISION)

SCHLOTZSKY'S REAL ESTATE, INC..
CASE NO. 04-54507-LMC-11

STATEMENT OF FINANCIAL AFFAIRS

21b. Current Partners, Officers, Directors and Shareholders

NAME & ADDRESS	TITLE	NATURE & PERCENTAGE OF STOCK OWNERSHIP
David Samuel Coats 203 Colorado Austin, TX 78701	President Director	0%
Brandt Rydell 203 Colorado Austin, TX 78701	Vice President	0%
Darrell R. King 203 Colorado Austin, TX 78701	Secretary Director	0%
Matthew D. Osburn 203 Colorado Austin, TX 78701	Treasurer Controller	0%
Vickie G. Leady 203 Colorado Austin, TX 78701	Assistant Secretary	0%
Gary Cadenhead McCombs School of Business The University of Texas at Austin 1 University Station B6300 Austin, TX 78712-0120	Director	0%
Schlotzsky's, Inc. 203 Colorado Austin, TX 78701	Affiliate	100%

UNITED STATES BANKRUPTCY COURT
WESTERN DISTRICT OF TEXAS (SAN ANTONIO DIVISION)

SCHLOTZSKY'S REAL ESTATE, INC..
CASE NO. 04-54507-LMC-11

STATEMENT OF FINANCIAL AFFAIRS

22b. List all officers, or directors whose relationship with the corporation terminated within one year immediately preceding the commencement of this case.

NAME & ADDRESS	TITLE	DATE OF TERMINATION
John C. Wooley 2705 Westlake Drive Austin, TX 78746	President	06/17/04
Jeffrey J. Wooley 3003 Copper Mount Cove Austin, TX 78746	Senior Vice President Secretary	06/17/04
Rick Valade 9201 Eddy Cove Austin, TX 78735	Executive Vice President Treasurer	09/30/03