

**UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK**

In re: G+G Retail, Inc.
Debtor

Case No. 06-10152 (RRD)
Reporting Period: May 27, 2006

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month

Submit copy of report to any official committee appointed in the case.

	Form No.	Document Attached	Explanation Attached
REQUIRED DOCUMENTS			
Schedule of Cash Receipts and Disbursements	MOR-1	X	
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CONT)	X	X
Copies of bank statements		X	X
Cash disbursements journals		X	
Statement of Operations	MOR-2	X	
Balance Sheet	MOR-3	X	
Status of Postpetition Taxes	MOR-4		X
Copies of IRS Form 6123 or payment receipt			X
Copies of tax returns filed during reporting period			X
Summary of Unpaid Postpetition Debts	MOR-4	X	X
Listing of aged accounts payable		X	
Accounts Receivable Reconciliation and Aging	MOR-5		X
Debtor Questionnaire	MOR-5	X	

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

/s/Charles F. Kuoni

Signature of Authorized Individual*

Date: September 8, 2006

Charles F. Kuoni III
Printed Name of Authorized Individual

Chief Restructuring Officer
Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: G+G Retail, Inc.
Debtor

Case No. 06-10152 (RRD)
Reporting period: April 30, 2006 -
May 27, 2006

MONTHLY OPERATING REPORT

Cash Disbursements Journal –

As described in the Debtors Cash Management motion, the debtor maintains a zero balance disbursing account at Chase Bank through which all checks clear. Upon notification of a check clearing, the Debtor transfers funds from its main operating account to fund the presentment. Because of the volume of checks that the Debtor issues the Debtor has only listed disbursements by category and not the individual checks issued. Upon request the Debtor can provide a complete listing of checks and wires issued during the reporting period.

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

BANK ACCOUNTS					CURRENT MONTH		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH								
RECEIPTS								
CASH SALES	\$ -	\$ -	\$ -	\$ -		\$ -		
ACCOUNTS RECEIVABLE						\$ -		
LOANS AND ADVANCES								
SALE OF ASSETS				See Attached Schedule		\$ -		
OTHER (ATTACH LIST)								
TRANSFERS (FROM DIP ACCTS)						\$ -		
TOTAL RECEIPTS								
DISBURSEMENTS								
NET PAYROLL								
PAYROLL TAXES								
SALES, USE, & OTHER TAXES								
INVENTORY PURCHASES								
SECURED/ RENTAL/ LEASES								
INSURANCE								
ADMINISTRATIVE								
SELLING								
OTHER (ATTACH LIST)								
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)								
PROFESSIONAL FEES								
U.S. TRUSTEE QUARTERLY FEES								
COURT COSTS								
TOTAL DISBURSEMENTS								
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)								
CASH - END OF MONTH								

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

THE FOLLOWING SECTION MUST BE COMPLETED

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)		
TOTAL DISBURSEMENTS		\$
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS		\$
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)		\$
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES		\$

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Attached Schedule for A/C 020-919883

In re: G+G Retail, Inc.
Debtor

Case No. 06-10152 (RRD)

Reporting Period: May 27,
2006

G+G Retail Inc. Debtor IN Possession
Summary Receipts and Disbursements A/C 020-919883
Reporting Period Ending May 27th, 2006

Description	4/30-5/27 Amount
<i>Receipts -</i>	
Amount Deposited from Banco Popular	187,000.00
Amount Deposited from American Express	342,058.38
Balance Transfer from Custom Duty Bank Acct	4,574.09
Investment - Money from Market Mutual Fund Redemption	824,000.00
Bond	7,500,000.00
Miscellaneous Other	51,168.08
<i>Total Receipts</i>	<u>8,908,800.55</u>
<i>Disbursements -</i>	
Wires from MaxRave for payments made by G+G	270,803.32
Transfers for Payroll Account - Head Office	10,212.26
Transfers to Payroll Account - Ceridian Tax	7,091.35
Expense Payments (Transfer to A/C 615-777244)	40,662.53
Porte Advertising	26,382.35
Empire Fed Credit Union	615.00
Investment	50,000.00
Bond	7,572,927.11
Professional Fees	896,124.74
<i>Total Disbursements</i>	<u>8,874,818.66</u>

DISBURSEMENTS OF CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)	
Total Disbursement	8,874,818.66
Less:	
Investments	50,000.00
T-Bill Product	7,572,927.11
Disbursement for Benefit of MaxRave	328,769.46
Plus:	
Disbursement from A/C 615-777244	55,927.76
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	<u>979,049.85</u>

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Attached Schedule for A/C 615-777244

In re: G+G Retail, Inc.
Debtor

Case No. 06-10152 (RRD)
Reporting Period: May 27,
2006

G+G Retail Inc. Debtor IN Possession
Summary Receipts and Disbursements A/C 615-777244
Reporting Period Ending May 26th, 2006

Description	GL Amount
<i>Receipts -</i>	
Checks Received	40,662.53
<i>Total Receipts</i>	<u>40,662.53</u>
<i>Disbursements -</i>	
Expense Disbursements	51,283.11
To Post Bank Charges	4,644.65
<i>Total Disbursements</i>	<u>55,927.76</u>

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: G+G Retail, Inc.
Debtor

Case No. 06-10152 (RRD)
Reporting period: April 30, 2006 -
May 27, 2006

MONTHLY OPERATING REPORT

Bank Reconciliations –

The Debtor maintained hundreds of bank accounts in order for individual stores to deposit the daily receipts, as well as a main operating account at JP Morgan Chase (A/C 020-919883), a zero balance disbursing account at Chase (A/C 615-777244), and a Treasury Bill Investment Account (No. 36063634). The Debtor has provided bank reconciliation for the main operating account and the zero balance disbursing account. Bank reconciliations for the individual store accounts are available upon request.

BANK RECONCILIATIONS
Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
Note: Investment Account information will be submitted on a later date.

	Main Account A/C # 020-919883	Expense Payables A/C # 615-777244	Treasury Bill Investment A/C #36063634	#
BALANCE PER BOOKS	39,593.31	(669,178.59)	23,024,297.00	
BANK BALANCE	39,593.31	1,620.10	23,024,297.00	
(+) DEPOSITS IN TRANSIT (ATTACH LIST)	-	-		
(-) OUTSTANDING CHECKS (ATTACH LIST)	-	2,087,691.36		
OTHER (ATTACH EXPLANATION)	-	(2,758,490.05)		
ADJUSTED BANK BALANCE *	39,593.31	(669,178.59)	23,024,297.00	
* Adjusted bank balance must equal balance per books				
DEPOSITS IN TRANSIT	Date	Amount	Date	Amount
CHECKS OUTSTANDING Outstanding check list available upon request	Ck. #	Amount	Ch. #	Amount
				(2,087,691.36)

OTHER	
Employee Checks Reclassed to Payroll Acct - March	(24,740.64)
Miscellaneous Bank Service Fee - March	13,672.41
O/S Check Adjustment (including Voided Checks Still on O/S List)	(2,747,421.82)
Total Other	-
	(2,758,490.05)

Business Statement

Customer Service

Call ServiceLine at 935-9935 from
area codes 212, 516, 585, 718 and 914
1-800-935-9935 from all other area codes
24 hours a day, 7 days a week

Primary Account Number 020-919883
Number of Checks Enclosed: 0

G & G RETAIL INC. - DIP
ATTN: CHARLES KUONI
8501 WEST SIDE AVE.
NORTH BERGEN NJ 07047

C



Business Checking 020-919883

G & G RETAIL INC. - DIP

Summary		Number	Amount
Opening	Balance		\$5,611.42
Deposits	and Credits	34	\$8,908,800.55
Withdrawals	and Debits	35	\$8,874,818.66
Checks	Paid		\$0.00
Ending Balance			\$39,593.31

Deposits and Credits	Date	Description	Amount
	05/01	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060429 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000020119232 EED:060501 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06119	\$8,702.63
	05/01	Electronic Funds Transfer ORIG CO NAME:G G RETAIL MC ORIG ID:1223596083 DESC DATE: CO ENTRY DESCR:CASH C&D SEC:CCD TRACE#:021000027339065 EED:060501 IND ID:JP MORGAN CHASE IND NAME:G G RETAIL, INC.	\$9,000.00
	05/01	Electronic Funds Transfer ORIG CO NAME:G G RETAIL RAVE ORIG ID:1223596083 DESC DATE: CO ENTRY DESCR:CASH C&D SEC:CCD TRACE#:021000027339067 EED:060501 IND ID:JP MORGAN CHASE IND NAME:G G RETAIL, INC.	\$12,000.00
	05/01	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$15,000.00
	05/01	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060501 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000027339063 EED:060501 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06121	\$17,205.10
	05/02	Electronic Funds Transfer ORIG CO NAME:G G RETAIL MC ORIG ID:1223596083 DESC DATE: CO ENTRY DESCR:CASH C&D SEC:CCD TRACE#:021000028633509 EED:060502 IND ID:JP MORGAN CHASE IND NAME:G G RETAIL, INC.	\$15,000.00

You will receive detailed statements when applicable for Retirement, Credit, and Securities accounts.

Primary Account Number 020-919883

G & G RETAIL INC. - DIP

Business Checking 020-919883
 (continued)

G & G RETAIL INC. - DIP

Deposits and Credits	Date	Description	Amount
	05/02	Electronic Funds Transfer ORIG CO NAME:G G RETAIL RAVE ORIG ID:1223596083 DESC DATE: CO ENTRY DESCR:CASH C&D SEC:CCD TRACE#:021000028633511 EED:060502 IND ID:JP MORGAN CHASE IND NAME:G G RETAIL, INC.	\$18,000.00
	05/02	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$32,000.00
	05/03	Electronic Funds Transfer ORIG CO NAME:G G RETAIL MC ORIG ID:1223596083 DESC DATE: CO ENTRY DESCR:CASH C&D SEC:CCD TRACE#:021000024000587 EED:060503 IND ID:JP MORGAN CHASE IND NAME:G G RETAIL, INC.	\$58,000.00
	05/03	Electronic Funds Transfer ORIG CO NAME:G G RETAIL RAVE ORIG ID:1223596083 DESC DATE: CO ENTRY DESCR:CASH C&D SEC:CCD TRACE#:021000024000589 EED:060503 IND ID:JP MORGAN CHASE IND NAME:G G RETAIL, INC.	\$75,000.00
	05/04	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060504 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000029392739 EED:060504 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06124	\$48,168.03
	05/05	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060505 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000021055496 EED:060505 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06125	\$9,727.56
	05/05	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$27,000.00
	05/08	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060506 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000022510245 EED:060508 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06126	\$8,430.05
	05/08	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060508 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000028493319 EED:060508 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06128	\$17,756.61
	05/09	Deposit 1068	\$29,362.78
	05/10	Credit Memorandum	\$4,574.09

Primary Account Number 020-919883

G & G RETAIL INC. - DIP

Business Checking 020-919883
(continued)

G & G RETAIL INC. - DIP

Deposits and Credits	Date	Description	Amount
		REF: BALANCE TRANSFER - KATHY MAY	
	05/10	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$5,000.00
	05/10	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$27,000.00
	05/11	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060511 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000023506411 EED:060511 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06131	\$49,391.02
	05/12	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060512 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000026435694 EED:060512 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06132	\$10,610.98
	05/15	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060513 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000027956822 EED:060515 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06133	\$7,179.18
	05/15	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060515 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000024594652 EED:060515 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06135	\$18,186.70
	05/16	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$65,000.00
	05/17	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$350,000.00
	05/18	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060518 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000020221554 EED:060518 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06138	\$50,167.44
	05/18	Money Mkt Mutual Fund Redemption JPMORGAN US TREASURY PLUS 3918 005 0002685	\$303,000.00
	05/19	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060519 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000021124229 EED:060519	\$9,398.99

G & G RETAIL INC. - DIP

Deposits and Credits	Date	Description	Amount
	05/22	IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06139 Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060520 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000021804479 EED:060522 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06140 Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060522 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000027031085 EED:060522 IND ID:6315027177	\$6,637.65
	05/22	IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06140 Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060522 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000027031085 EED:060522 IND ID:6315027177	\$23,010.16
	05/24	IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06142 Deposit 1069	\$21,805.30
	05/25	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060525 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000028304471 EED:060525 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06145	\$47,007.58
	05/25	Capital Markets Credit JPMSI MATURITY 912795XD8 ref 9841 acct 36063634	\$7,500,000.00
	05/26	Electronic Funds Transfer ORIG CO NAME:AMERICAN EXPRESS ORIG ID:1134992250 DESC DATE:060526 CO ENTRY DESCR:SETTLEMENTSEC:CCD TRACE#:021000028726806 EED:060526 IND ID:6315027177 IND NAME:G & G RETAIL6315027177 PAYMENT DATE 06146	\$10,478.70
		Total	\$8,908,800.55
Withdrawals and Debits	Date	Description	Amount
	05/01	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$15,038.18
	05/01	Fedwire Debit VIA: F121000358 /121000358 A/C: BANK OF AMERICA LOS ANGELES, CA 90071 BEN: MAX RAVE LLC N/A REF: /ACC/SWF CODE BOFAU565/TIME/17 :15 IMAD: 0501B1QGC02C007232	\$46,907.73
	05/02	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$2,061.13
	05/02	Fedwire Debit	\$2,395.92

Primary Account Number 020-919883

G & G RETAIL INC. - DIP

Business Checking 020-919883
(continued)

G & G RETAIL INC. - DIP

Withdrawals and Debits	Date	Description	Amount
		VIA: PNCBANK PITT /043000096 A/C: CERIDIAN TAX TRUST COLLECTION N/A IMAD: 0502B1QGC07C006505	
	05/02	Fedwire Debit VIA: MERCHANTS NYC /026006790 A/C: VALLEY NATIONAL BANK NEW YORK NY 10016 BEN: MAHONEY COHEN AND CO CPA PC N/A REF: /TIME/16:30 IMAD: 0502B1QGC03C005834	\$27,311.17
	05/02	Fedwire Debit VIA: F121000358 /121000358 A/C: BANK OF AMERICA LOS ANGELES CA 90071 BEN: MAX RAVE LLC N/A REF: /TIME/16:30 IMAD: 0502B1QGC05C006093	\$33,000.00
	05/03	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$446.74
	05/03	Fedwire Debit VIA: F121000358 /121000358 A/C: BANK OF AMERICA LOS ANGELES, CA 90071 BEN: MAX RAVE LLC N/A REF: /TIME/16:50 IMAD: 0503B1QGC05C006014	\$133,000.00
	05/04	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$257.85
	05/04	Fedwire Debit VIA: F121000358 /121000358 A/C: MAX RAVE LLC N/A REF: /ACC/LOS ANGELES CA SWF CODE B OFAU565/TIME/17:24 IMAD: 0504B1QGC02C006528	\$48,168.03
	05/05	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$58.24
	05/05	Fedwire Debit VIA: F121000358 /121000358 A/C: MAX RAVE LLC N/A REF: /ACC/SWF CODE BOFAU56S LOS ANG ELES CA/TIME/16:14 IMAD: 0505B1QGC07C005919	\$9,727.56
	05/08	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$267.10
	05/09	Fedwire Debit	\$26,382.35

Primary Account Number 020-919883

G & G RETAIL INC. - DIP

Business Checking 020-919883
(continued)

G & G RETAIL INC. - DIP

Withdrawals and Debits	Date	Description	Amount
		VIA: HSBC USA /021001088 A/C: PORTE ADVERTISING N/A IMAD: 0509B1QGC08C006688	
	05/10	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$1,095.51
	05/10	Fedwire Debit VIA: PNCBANK PITT /043000096 A/C: CERIDIAN TAX TRUST COLLECTION N/A IMAD: 0510B1QGC01C005624	\$2,309.42
	05/10	Book Transfer Debit A/C: OTTERBOURG STEINDLER HOUSTON & NEW YORK NY 10169-0005	\$78,684.77
	05/11	Fedwire Debit VIA: EMPIRE CORP FCU /221381715 A/C: 65 FAMILY FEDERAL CREDIT UNION N/A REF: /TIME/17:05 IMAD: 0511B1QGC04C006051	\$615.00
	05/11	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$3,001.27
	05/11	Electronic Funds Transfer ORIG CO NAME:G&G RETAIL INC. ORIG ID:1223596083 DESC DATE:OFFSET CO ENTRY DESCR:PAYROLL SEC:CCD TRACE#:021000023663302 EED:060511 IND ID:1223596083 IND NAME:EFT FILE NAME: RC13005 EFT/ACH CREATED OFFSET FOR ORIGIN#: 061040025 CO EFF DATE: 06/05/11 060510 RC1300	\$5,106.13
	05/12	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$4,001.93
	05/12	Money Mkt Mutual Fund Investment JPMORGAN US TREASURY PLUS 3918 005 0002685	\$50,000.00
	05/15	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$5,658.58
	05/16	Book Transfer Debit A/C: G & G RETAIL INC - DIP NEW YORK NY 10018-	\$803.66
	05/16	Book Transfer Debit A/C: CORPORATE REVITALIZATION PARTN DALLAS TX 75240-	\$91,135.86
	05/17	Book Transfer Debit A/C: G & G RETAIL INC - DIP NORTH BERGEN NJ 07047-	\$618.37
	05/17	Book Transfer Debit A/C: CORPORATE REVITALIZATION PARTN DALLAS TX 75240- REF: CORPORATE REVITALIZATION PARTN ERS LLC/ACC/ABA: 113000609	\$350,000.00
	05/18	Book Transfer Debit	\$3,764.30

Primary Account Number 020-919883

G & G RETAIL INC. - DIP

Business Checking 020-919883
(continued)

G & G RETAIL INC. - DIP

Withdrawals and Debits	Date	Description	Amount
	05/18	A/C: G & G RETAIL INC - DIP NORTH BERGEN NJ 07047- Fedwire Debit VIA: WILM TRUST /031100092 A/C: PACHULSKI, STAND, ZIEHL, YOUNG N/A IMAD: 0518B1QGC08C005304	\$348,992.94
	05/19	Book Transfer Debit A/C: G & G RETAIL INC - DIP NORTH BERGEN NJ 07047-	\$1,049.96
	05/22	Book Transfer Debit A/C: G & G RETAIL INC - DIP NORTH BERGEN NJ 07047-	\$539.71
	05/25	Book Transfer Debit A/C: G & G RETAIL INC - DIP NORTH BERGEN NJ 07047-	\$2,000.00
	05/25	Fedwire Debit VIA: PNCBANK PITT /043000096 A/C: CERIDIAN TAX TRUST COLLECTION N/A IMAD: 0525B1QGC06C006913	\$2,386.01
	05/25	Electronic Funds Transfer ORIG CO NAME:G&G RETAIL INC. ORIG ID:1223596083 DESC DATE:OFFSET CO ENTRY DESCR:PAYROLL SEC:CCD TRACE#:021000028463041 EED:060525 IND ID:1223596083 IND NAME:EFT FILE NAME: RC14406 EFT/ACH CREATED OFFSET FOR ORIGIN#: 061040025 CO EFF DATE: 06/05/25 060524 RC1440	\$5,106.13
	05/25	Capital Markets Debit JPMSI BUY 912795XH9 ref 0768 acct 36063634	\$7,572,927.11
Total			\$8,874,818.66

Daily Balance

Date	Balance	Date	Balance	Date	Balance
05/01	\$5,573.24	05/10	\$15,426.57	05/19	\$13,612.88
05/02	\$5,805.02	05/11	\$56,095.19	05/22	\$42,720.98
05/03	\$5,358.28	05/12	\$12,704.24	05/24	\$64,526.28
05/04	\$5,100.43	05/15	\$32,411.54	05/25	\$29,114.61
05/05	\$32,042.19	05/16	\$5,472.02	05/26	\$39,593.31
05/08	\$57,961.75	05/17	\$4,853.65		
05/09	\$60,942.18	05/18	\$5,263.85		



G & G RETAIL INC - DIP TS
ATTN: CHARLES KUONI
8501 WEST SIDE AVE.
NORTH BERGEN NJ 07047





TS

G & G RETAIL INC - DIP
ATTN: CHARLES KUONI
8501 WEST SIDE AVE.
NORTH BERGEN NJ 07047

In US Dollars

Account No: 615-777244
Statement Start Date: 29 APR 2006
Statement End Date: 26 MAY 2006
Statement Code: F00-USA-22
Statement No: 005

Page 1 of 2

TRANSACTIONS			BALANCES			ENCLOSURES	
Total Credits	16	40,662.53	Opening (29 APR 2006)		Closing (26 MAY 2006)	Credits	0
Total Debits (incl. checks)	18	33,877.71	Ledger	5,164.72-	Ledger	Debits	0
Total Checks Paid	124	33,873.72				Checks	0

Ledger Date	Adj Ledger Date	Value Date	F T	References	Credit / Debit	Description	Closing Balances	
							Date	Amount
CREDITS							LEDGER BALANCES	
01MAY		01MAY	USD	YOUR: MMK OF 06/05/01 OUR: 0470100121ES	15,038.18	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	01MAY	3.99-
02MAY		02MAY	USD	YOUR: MMK OF 06/05/02 OUR: 0915300122ES	2,061.13	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	02MAY	3.99-
03MAY		03MAY	USD	YOUR: MMK OF 06/05/03 OUR: 0367400123ES	446.74	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	03MAY	3.99-
04MAY		04MAY	USD	YOUR: MMK OF 06/05/04 OUR: 0715000124ES	257.85	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	04MAY	0.00
05MAY		05MAY	USD	YOUR: MMK OF 06/05/05 OUR: 0947100125ES	58.24	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	05MAY	0.00
08MAY		08MAY	USD	YOUR: MMK OF 06/05/08 OUR: 0705100128ES	267.10	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	08MAY	0.00
10MAY		10MAY	USD	YOUR: MMK OF 06/05/10 OUR: 0715000130ES	1,095.51	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	10MAY	0.00
11MAY		11MAY	USD	YOUR: MMK OF 06/05/11 OUR: 0633900131ES	3,001.27	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	11MAY	0.00
12MAY		12MAY	USD	YOUR: MMK OF 06/05/12 OUR: 0475800132ES	4,001.93	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NEW YORK NY 10018-	12MAY	0.00
15MAY		15MAY	USD	YOUR: MMK OF 06/05/15 OUR: 0770500135ES	5,658.58	BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP NORTH BERGEN NJ 07047-	15MAY	0.00
							16MAY	0.00
							17MAY	0.00
							18MAY	0.00
							19MAY	0.00
							22MAY	0.00
							25MAY	1,904.90
							26MAY	1,620.10

FT CODE:

USD - SAME DAY FUNDS
USN - NEXT DAY FUNDS

US1 - ONE DAY FLOAT
US2 - TWO DAY FLOAT

US3 - THREE DAY FLOAT
US4 - FOUR DAY FLOAT

US5 - FIVE DAY FLOAT
USM - MIXED FLOAT

PLEASE EXAMINE THIS STATEMENT OF ACCOUNT AT ONCE. THE MAINTENANCE OF THIS ACCOUNT IS SUBJECT TO THE PROVISIONS OF THE NEW YORK UNIFORM COMMERCIAL CODE AND THE BANK'S TERMS AND CONDITIONS FOR BUSINESS ACCOUNTS AND SERVICES. THE BANK DISCLAIMS RESPONSIBILITY FOR ANY ERROR IN OR IMPROPER CHARGE TO THE ACCOUNT AS RENDERED UNLESS INFORMED IN WRITING OF THIS ERROR OR CHARGE WITHIN SIXTY DAYS OF THE DELIVERY, MAILING OR AVAILABILITY OF THE STATEMENT AND CANCELED VOUCHERS.

TS

G & G RETAIL INC - DIP
 ATTN: CHARLES KUONI
 8501 WEST SIDE AVE.
 NORTH BERGEN NJ 07047

Account No: 615-777244
Statement Start Date: 29 APR 2006
Statement End Date: 26 MAY 2006
Statement Code: F00-USA-22
Statement No: 005

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Ledger Date	Adj Ledger Date	Value Date	F T	References	Credit / Debit	Description	Closing Balances Date	Amount
CREDITS CONTINUED								
16MAY		16MAY	USD	YOUR: MMK OF 06/05/16 OUR: 0622700136ES	803.66	NORTH BERGEN NJ 07047- BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP		
17MAY		17MAY	USD	YOUR: MMK OF 06/05/17 OUR: 0418500137ES	618.37	NORTH BERGEN NJ 07047- BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP		
18MAY		18MAY	USD	YOUR: MMK OF 06/05/18 OUR: 0516900138ES	3,764.30	NORTH BERGEN NJ 07047- BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP		
19MAY		19MAY	USD	YOUR: MMK OF 06/05/19 OUR: 0622700139ES	1,049.96	NORTH BERGEN NJ 07047- BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP		
22MAY		22MAY	USD	YOUR: MMK OF 06/05/22 OUR: 1056500142ES	539.71	NORTH BERGEN NJ 07047- BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP		
25MAY		25MAY	USD	YOUR: MMK OF 06/05/25 OUR: 0798300145ES	2,000.00	NORTH BERGEN NJ 07047- BOOK TRANSFER CREDIT B/O: G & G RETAIL INC. - DIP		
DEBITS								
01MAY			USD	YOUR: 0000 OUR: 0001001325XO	3.99	OD INTEREST CHARGE-CURRENT MONTH OVERDRAFT INTEREST APPLIED DURING APR 2006 BASED ON AVG NEG COLL BALANCE \$516 RATE 09.27%		
01MAY			USD	OUR: 0111003556PP	9,873.46	PACKAGE LISTING		
02MAY			USD	OUR: 0211003549PP	2,061.13	PACKAGE LISTING		
03MAY			USD	OUR: 0311003454PP	446.74	PACKAGE LISTING		
04MAY			USD	OUR: 0411003368PP	253.86	PACKAGE LISTING		
05MAY			USD	OUR: 0511003435PP	58.24	PACKAGE LISTING		
08MAY			USD	OUR: 0811003451PP	267.10	PACKAGE LISTING		
10MAY			USD	OUR: 1011003497PP	1,095.51	PACKAGE LISTING		
11MAY			USD	OUR: 1111003389PP	3,001.27	PACKAGE LISTING		
12MAY			USD	OUR: 1211003353PP	4,001.93	PACKAGE LISTING		
15MAY			USD	OUR: 1511003559PP	5,658.58	PACKAGE LISTING		
16MAY			USD	OUR: 1611003533PP	803.66	PACKAGE LISTING		
17MAY			USD	OUR: 1711003443PP	618.37	PACKAGE LISTING		
18MAY			USD	OUR: 1811003486PP	3,764.30	PACKAGE LISTING		
19MAY			USD	OUR: 1911003209PP	1,049.96	PACKAGE LISTING		
22MAY			USD	OUR: 2211003580PP	539.71	PACKAGE LISTING		
25MAY			USD	OUR: 2511003348PP	95.10	PACKAGE LISTING		
26MAY			USD	OUR: 2611003365PP	284.80	PACKAGE LISTING		

J. P. Morgan Securities Inc.

Account Statement for May 01, 2006 - May 31, 2006

G&G RETAIL INC
DEBTOR-IN-POSSESSION
ATTN: CHARLES F KUONI III
520 8TH AVENUE
NEW YORK, NY 10018

Your Account Representative
GRIFFIN III, JAMES M
J.P. Morgan Securities Inc.
P.O. Box 2558
Houston, Tx 77252-9968

Your Account Number 36063634
Client Services (888) 242-7389

Account Summary as of May 31, 2006

	Quantity	Estimated Market Value
Fixed Income	23,100,000.00	\$ 23,024,297.00 *
		\$ 23,024,297.00

* Estimated Market Value may not be available for certain assets. Please review detail section.

Securities products are NOT FDIC INSURED, NOT BANK GUARANTEED, and MAY LOSE VALUE. The asset positions reported on this statement may be carried and cleared by multiple legal entities. Please read the important disclosures at the end of this statement.

J. P. Morgan Securities Inc.

Daily Activity In Your J. P. Morgan Securities Inc. Account

Date	Ticket #	Activity	Quantity	Description	Cusip	Rate	Maturity Date	Amount
05/01/2006		Opening	0.00	Opening Cash Account Balance		0.00		0.00
05/25/2006	O0768	YOU PURCHASED	7,600,000.00	WI TREASURY BILL	912795XH9	0.00	06/22/2006	-7,572,927.11
05/25/2006	B0265	MATURITY - 912795XD8		TREASURY BILL	912795XD8	0.00	05/25/2006	7,500,000.00
05/25/2006	O0768	CASH RECEIVED		DDA RECEIPT		0.00		7,572,927.11
05/25/2006	P9841	TRANSFER FUNDS		DDA DISBURSEMENT		0.00		-7,500,000.00
05/31/2006		Closing	0.00	Closing Cash Account Balance		0.00		0.00

J. P. Morgan Securities Inc.

Asset Positions Held By J. P. Morgan Securities Inc.

Security Description	Cusip	Rate	Maturity Date	Quantity	Estimated Market Price	Estimated Market Value	Purchase Price	Unrealized Gain/Loss**
WI TREASURY BILL	912795XH9	0.00	06/22/2006	7,600,000.00	99.732	7,579,632.00	7,572,927.11	6,704.89
TREASURY BILL	912795XJ5	0.00	06/29/2006	15,500,000.00	99.643	15,444,665.00	15,375,496.25	69,168.75
				23,100,000.00		23,024,297.00		*

* Estimated Market Value may not be available for certain assets.

** Unrealized Gain/Loss includes accrued interest for discounted securities

This is the end of the section of your Investment Account Statement that reports assets carried and cleared by J. P. Morgan Securities Inc.

J. P. Morgan Securities Inc.

Important Information

J.P. Morgan Securities Inc. ("JPMSI") is a wholly-owned subsidiary of J.P. Morgan Chase & Co. and an affiliate of JPMorgan Chase Bank N. A. JPMSI is a broker/dealer registered with the Securities and Exchange Commission and is a member of the New York Stock Exchange, Inc., the National Association of Securities Dealers, Inc. ("NASD") and the Securities Investor Protection Corporation ("SIPC"). JPMSI's obligations and securities sold, offered or recommended by JPMSI are not deposits and are not insured by the Federal Deposit Insurance Corporation. JPMSI is not a bank and is a separate legal entity from its bank or thrift affiliates. The obligations of JPMSI are not obligations of its bank or thrift affiliates (unless explicitly stated otherwise), and these affiliates are not responsible for securities sold, offered or recommended by JPMSI. JPMSI's bank or thrift affiliates may be lenders to issuers of securities that JPMSI underwrites, in which case proceeds of offerings underwritten by JPMSI may be used for repayment of such loans, and you should refer to the disclosure documents relating to particular securities for discussion of any such lending relationships.

The Federal Reserve requires that JPMSI obtain your consent before it can share nonpublic customer information with or obtain such information from its bank or thrift affiliates, including their credit evaluation of you. Unless and until you notify JPMSI in writing to the contrary, you shall be deemed to have consented to the disclosure of nonpublic information between JPMSI and its bank or thrift affiliates, to the extent permitted by law.

Your account with JPMSI, as shown in the "Asset Positions Held By J.P. Morgan Securities Inc." section of your statement is protected by SIPC up to \$500,000, of which no more than \$100,000 may be in cash. SIPC provides protection solely against loss of securities in the event a broker/dealer becomes insolvent. It does not provide protection against fluctuations in market value. Additional information about SIPC can be obtained from their web site at www.SIPC.org.

The "Daily Activity In Your J.P. Morgan Securities Inc. Account" section includes all of your securities activity, interest received and any funds credited to or withdrawn from your account for the period indicated on this statement. Detailed information about each of the purchase and sale transactions may be found on the confirmations provided previously. These transactions are subject to the terms set forth in the Customer Agreement and the Pre-Dispute Arbitration Agreement in your account application.

The "Asset Positions held by JPMorgan Money Market Mutual Funds" and the "Asset Positions Held Outside J.P. Morgan Securities Inc." sections (if applicable) report assets held outside of your JPMSI account. These asset positions are not part of your JPMSI account and therefore the SIPC protection afforded your JPMSI account does not cover these assets. These sections are included as a convenience for informational purposes only.

Estimated Market Value represents the estimated market value of the securities based on available closing prices on the last day of the statement period. Because of the nature of the data provided by the quotation services, the accuracy of such prices cannot be guaranteed. The estimated market value for certain securities and money market instruments may be assumed to be the par or face value due to the short-term nature of these investments. All pricing information is provided only as a guide to estimate portfolio value.

Customer free credit balances are not segregated and may be used in the operation of JPMSI's business. You have the right to receive from us, in the course of normal business operations, any free credit balances to which you are entitled.

The NASD requires that we notify you of the availability of an investor brochure that includes information describing the NASD Regulation Public Disclosure Program ("Program"). To obtain a brochure or more information about the Program or NASD Regulation, contact the NASD Regulation Public Disclosure Program Hotline at 1-800-289-9999 or access the NASD Regulation web site at www.nasdr.com.

JPMorgan Money Market Funds are distributed by J.P. Morgan Fund Distributors Inc., which is not affiliated with J.P. Morgan Chase & Co. or JPMSI.

INCOME STATEMENT

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	Month	Cumulative Filing to Date
Gross Revenues	0	8,574,601
Less: Returns and Allowances	0	0
Net Revenue	0	8,574,601
COST OF GOODS SOLD		
Beginning Inventory	0	0
Add: Purchases	0	0
Add: Cost of Labor	0	0
Add: Other Costs (attach schedule)	0	0
Less: Ending Inventory	0	0
Total COGS	0	7,785,449
Gross Profit	0	789,152
OPERATING EXPENSES		
Advertising	0	21,093
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs		
Insider Compensation*		
Management Fees/Bonuses		
Occupancy	52,144	892,723
Office / Overhead Expense	31,544	1,797,471
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense	4,481	1,988,475
Salaries/Commissions/Fees		4,059,286
Supplies		
Taxes - Payroll	37,661	523,330
Taxes - Real Estate	14,097	300,612
Taxes - Other	495	109,545
Travel and Entertainment		
Utilities	1,215	486,732
Other (attach schedule)	1,544	493,531
Total Operating Expenses Before Depreciation	143,182	10,672,799
Depreciation/Depletion/Amortization	0	600,476
Net Profit (Loss) Before Other Income & Expenses	(143,182)	(10,484,123)
OTHER INCOME AND EXPENSES		
Other Income (attach schedule)	0	111,815
Interest Expense (Income)	0	69,108
Other Expense (Interest) (attach schedule)		
Net Profit (Loss) Before Reorganization Items	(143,182)	(10,441,415)
REORGANIZATION ITEMS		
Restructuring Charges	0	(1,794)
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	62,303	208,953
Gain (Loss) from Sale of Equipment / Business	300,000	2,216,553
Other Reorganization Expenses (attach schedule)	923,889	2,866,125
Total Reorganization Expenses	(561,586)	(442,413)
Income Taxes		
Net Profit (Loss)	(704,768)	(10,883,828)

*"Insider" is defined in 11 U.S.C. Section 101(31).

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date
Other Costs		
Other Operational Expenses		
Tickets		43,120
Cleaning & Trash Removal	2,044	54,013
Misc. Store Purchases		428
Petty Cash		(8,475)
Music		20,034
Store Maintenance		19,141
Air Cond. Repairs & Maint.		5,660
Register Maintenance		45,703
Security	(288)	13,837
Finance Fees		74,436
Bank Service Charges		79,617
Over/ Short		17,551
Returned Checks	(212)	(3,133)
Freight Outgoing		116,804
Boxes & Bags		0
Store Forms		14,794
Hangers		0
Other Income		
Anticipation	0	(91,506)
Discount on Sales Tax	0	(10,221)
Layaway Fees	0	(3)
Closed Store Write-off	0	(10,085)
Other Expenses		
Other Reorganization Expenses		
Legal & Professional	923,889	2,866,125

Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
CURRENT ASSETS		
Unrestricted Cash and Equivalents	24,554,899	3,215,255
Restricted Cash and Cash Equivalents	2,468,950	1,866,950
Accounts Receivable (Net)	98	401
Notes Receivable		
Inventories		10,501,124
Prepaid Expenses	103,636	817,558
Professional Retainers		
Other Current Assets (attach schedule)	152,216	
TOTAL CURRENT ASSETS	27,279,799	16,401,288
PROPERTY AND EQUIPMENT		
Real Property and Improvements		
Machinery and Equipment		
Furniture, Fixtures and Office Equipment		
Leasehold Improvements & Equipment (Net)		40,324,984
TOTAL NET PROPERTY & EQUIPMENT		40,324,984
OTHER ASSETS		
Loans to Insiders*		
Other Assets (attach schedule)		
TOTAL OTHER ASSETS	\$0	\$859,875
TOTAL ASSETS	27,279,799	57,586,147

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)		
Accounts Payable		
Taxes Payable (refer to FORM MOR-4)		
Wages Payable		
Notes Payable		4,971,420
Rent / Leases - Building/Equipment		
Secured Debt / Adequate Protection Payments		
Amounts Due to Insiders*		
Other Postpetition Liabilities (attach schedule)		
TOTAL POSTPETITION LIABILITIES	\$0	\$4,971,420
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Accounts Payable	20,739,216	54,369,579
Accrued Liabilities	14,723,469	
Deferred Rent	4,455,794	
TOTAL PRE-PETITION LIABILITIES	39,918,480	59,340,999
TOTAL LIABILITIES	39,918,480	64,312,419
OWNER EQUITY		
Capital Stock		
Additional Paid-In Capital	87,983,000	87,983,000
Partners' Capital Account		
Owner's Equity Account		
Retained Earnings - Pre-Petition	(89,737,852)	(89,737,852)
Retained Earnings - Postpetition	(10,883,830)	
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)		
NET OWNER EQUITY	(12,638,682)	(1,754,852)
TOTAL LIABILITIES AND OWNERS' EQUITY	27,279,798	62,557,567

Note: On February 15, 2006 the court approved the sale of substantially all of the debtor's assets to Max Rave, LLC. The closing of the sale occurred on February 17th. In accordance with the terms of the sale, Max Rave, LLC assumed the responsibility for all of the operating costs of the stores effective February 16, 2006.

*"Insider" is defined in 11 U.S.C. Section 101(31).

FORM MOR-3
(9/99)

[illegible]FORM MOR-3 (CON'T)
(9/99)

In re: G+G Retail, Inc.
Debtor

Case No. _____

Reporting Period: _____

Case No. 06-10152 (RRD)

Reporting Period: May 27, 2006

ACCOUNTS RECEIVABLE RECONCILIATION

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		0.00
+ Amounts billed during the period		0.00
- Amounts collected during the period		0.00
Total Accounts Receivable at the end of the reporting period		0.00

Accounts Receivable Aging		Amount
0 - 30 days old		0.00
31 - 60 days old		0.00
61 - 90 days old		0.00
91+ days old		0.00
Total Accounts Receivable		0.00
Amount considered uncollectible (Bad Debt)		0.00
Accounts Receivable (Net)		0.00

The Company has no ongoing operations and therefore no trade receivables. Amounts owed to the company arise from services provided / paid for by the Debtor for the benefit of Max Rave LLC in accordance with the Transitions Services Agreement.

Must be completed each month

	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	

On February 14, 2006 an auction was conducted in accordance with the court's order approving the stalking horse bid of Wet Seal, Inc. On February 15, 2006 the court approve the winning bid by Max Rave, LLC and the sale closed on February 17, 2006 with an effective date of February 16th. Under the terms of the winning bid, Max Rave, LLC paid \$35 million, assumed liability for approximately \$1.9 million (at retail) of gift cards and agreed to pay off the Additional Merchandise Inventory line and assume 450 leases. As more fully described in the sale order, a portion of the proceeds were used to repaid the DIP borrowings and the break-up fee awarded to the stalking horse bidder. In addition, Max Rave, LLC assumed liability for all operating costs associated with the operations of the stores, including headquarter personnel.

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF NEW YORK

In re: G+G Retail, Inc.
Debtor

Case No. 06-10152 (RRD)
Reporting period: April 30, 2006 -
May 27, 2006

MONTHLY OPERATING REPORT

Status of Post Petition Taxes:

Payroll Taxes –

The Debtor utilizes the services of Ceridian to process and pay all payroll amounts, including remitting all payroll taxes to federal, state and local governmental units. Ceridian has provided the Debtor with confirmation that for the period ended May 27, 2006 all post petition payroll taxes have been paid on a timely basis.

Sale & Use Tax Filings –

The Debtor files on a monthly basis Sales and Use Tax filings with numerous state and local governmental units. The volume of these filings makes it impractical to include with the monthly operating report, but all Sales and Use Tax filings are available on request. In addition with the sale of the Debtor's inventory and the transfer of the store operations to Max Rave, LLC effective February 16, 2006 the Max Rave, LLC is responsible for all sales and use tax filings beginning on March 1, 2006.

Income Tax Filings –

The Debtor has not been required to file any post petition income tax returns to date. The Debtor has filed an extension for the filing of its federal income tax returns.