



Associated Grocers of Maine, Inc.
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May 5, 2011

To: Customers and Vendors Having Central Billing Agreements With Associated Grocers of Maine, Inc.

From: James C. Ebbert, Court-Appointed Receiver for Associated Grocers of Maine, Inc.

Re: Payments by AGM Customers for Goods and Services Provided by Third-Party Vendors Under Central Billing Agreements; AGM Payments to Third-Party Vendors Under Central Billing Agreements

The Receiver for Associated Grocers of Maine, Inc. ("AGM") has received numerous questions from AGM customers regarding amounts billed to them under Central Billing Agreements ("CBA"). Likewise, vendors for whom AGM had been providing central billing types of services, such as delivery and invoicing, have also asked about payment from AGM for goods and services delivered to AGM customers by either the third-party vendor directly or AGM.

While the terms of each agreement will govern, there are some general guidelines. If an AGM customer has been invoiced by AGM for products shipped directly to it by a third-party vendor or by AGM on behalf of a third-party vendor, the AGM invoice must be honored and payment must be made to AGM. The AGM customer should not pay the third-party vendor directly as this is an obligation owed to AGM, not the third-party vendor. Payment to the third-party vendor could result in the AGM customer having to pay for the goods and services covered by that invoice twice. The accounts receivable amounts due on the AGM invoices serve as collateral for the outstanding loans of two secured lenders to AGM.

Regarding third-party vendors having a CBA with AGM, goods and services that have been invoiced by AGM to AGM's customers pursuant to a CBA should not be invoiced or re-invoiced to AGM's customers by the third-party vendors. The payment for the goods and services to the third-party vendors are obligations of AGM and not obligations of AGM's customers. AGM's customers are not obligated to pay the third-party vendors; rather, AGM's customers are obligated to pay AGM. The third-party vendors' claims for non-payment will be treated as unsecured claims against AGM. Again, the accounts receivable amounts due on the AGM invoices serve as collateral for the outstanding loans of two secured lenders to AGM.

As stated in the Receiver's May 2, 2011 letter to AGM's customers, a refusal to pay amounts owed to AGM will prompt the Receiver to use all available legal remedies to collect the open accounts receivable balances due.

Questions regarding the workings of the receivership should be directed to the Receiver at jebbert@auroramp.com. Questions should not be directed to either of the two secured lenders.

Thank you.