



Associated Grocers of Maine, Inc.
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May 2, 2011

To: Trade Vendors of Associated Grocers of Maine, Inc.
From: James C. Ebbert, Court-Appointed Receiver for Associated Grocers of Maine, Inc.
Re: Associated Grocers of Maine, Inc. Receivership

As many of you have heard or read, certain events transpired last week regarding Associated Grocers of Maine, Inc. (“AGM” or the “Company”). One of the Company’s two secured lenders, Savings Bank of Maine, commenced litigation against the Company in the Superior Court of (Kennebec County) Maine (the “Court”). In connection with that litigation, the Court issued an order (the “Order”) appointing me as Receiver for the assets pledged as collateral for the Bank’s loans to the Company. The Order was entered on April 27, 2011, and a copy of the Order is attached hereto.

AGM has outstanding loans with two secured lenders. It appears that all of the Company’s assets have been pledged to one or both of these lenders. Given the condition of the business at the time the Receiver was appointed, the Company’s business is not viable. Neither of the two secured lenders is willing to advance additional funds and the Company’s financial condition does not allow for any alternative financing. Consequently, a decision has been made to orderly liquidate the Company’s assets so as to maximize the value of those assets for **all** creditors.

This decision was not made lightly in view of the impact it will have on the Company’s employees, vendors, customers and shareholders. Decisions such as these are always difficult to make, but they must be made with a realistic understanding of the situation.

Open Invoices and Returned Checks. Many vendors have asked about the status of their open invoices with the Company. Others have had AGM checks returned, either because of insufficient funds or because the bank account on which the checks were drawn has been closed. Pursuant to the Order, the Receiver is unable to make payments for any goods and services incurred by AGM prior to April 27, 2011. Accordingly, a holder of a returned check should not redeposit it as it will not be honored. Additionally, any open invoice for goods and services provided prior to April 27, 2011 will not be paid at this time. Vendors holding returned checks and/or open invoices will be treated as unsecured creditors of the Company. An accounting is being maintained of all obligations outstanding at the close of business on April 26, 2011, and vendors are welcomed to verify their balances by contacting Vicki Roy at service@agofme.com and marking it “AP Balance Verification”.

Inventory. Several vendors have requested permission to pick up inventory currently in AGM’s warehouse for which the vendor has not yet been paid. The Receiver is taking the position that the inventory in AGM’s warehouse constitutes assets of the Company and serves as collateral for the outstanding loans of the two secured lenders. Therefore, these types of requests cannot be honored by the Receiver.

Distribution of Proceeds from Liquidation of Assets. Once the assets have been liquidated, the Receiver will distribute the proceeds in accordance with the order of priority established by the Uniform Commercial Code as in effect in the State of Maine as of the date of the Order.

Questions. The Receiver understands that these developments have been upsetting to all of the Company’s constituents. At the same time, I am requesting that you continue to treat all of the former employees and those who have remained to assist in the liquidation of assets with courtesy and respect. The current situation is not the fault of any one individual.

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.