

## UNITED STATES BANKRUPTCY COURT

In re Northshore Mainland Services, Inc.  
Debtor

Case No. 15-11402  
Reporting Period: October 31, 2015

## 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.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X		
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements				
Cash disbursements journals				
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				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4	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

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

11/30/15  
\_\_\_\_\_  
Date

Lance T. Menagis  
\_\_\_\_\_  
Printed Name of Authorized Individual

Deputy CFO  
\_\_\_\_\_  
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.

In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015

**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 (CONT)]

	BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
<b>CASH BEGINNING OF MONTH</b>	368,981.68	0.00	0.00	0.00	368,981.68	2,038,000.00	92,020.09	0.00
<b>RECEIPTS</b>								
CASH SALES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
ACCOUNTS RECEIVABLE	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LOANS AND ADVANCES	0.00	0.00	0.00	0.00	0.00	0.00	4,917,194.96	0.00
SALE OF ASSETS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER (ATTACH LIST)	0.00	0.00	0.00	0.00	0.00	0.00	50,742.01	0.00
TRANSFERS (FROM DIP ACCTS)	0.00	0.00	0.00	0.00	0.00	9,172,000.00	14,936,000.00	45,108,000.00
<b>TOTAL RECEIPTS</b>	0.00	0.00	0.00	0.00	0.00	9,172,000.00	19,903,936.97	45,108,000.00
<b>DISBURSEMENTS</b>								
NET PAYROLL	43,946.17	0.00	0.00	0.00	43,946.17	1,288,500.00	1,576,972.90	14,471,500.00
PAYROLL TAXES & BENEFITS	0.00	0.00	0.00	0.00	0.00	0.00	291,580.54	6,575,000.00
SALES, USE, & OTHER TAXES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
INVENTORY PURCHASES	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
SECURED/ RENTAL/ LEASES	0.00	0.00	0.00	0.00	0.00	0.00	130,691.93	0.00
INSURANCE	0.00	0.00	0.00	0.00	0.00	1,900,000.00	0.00	3,800,000.00
ADMINISTRATIVE	14,842.53	0.00	0.00	0.00	14,842.53	1,379,500.00	333,255.05	4,789,500.00
SELLING	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
OTHER (ATTACH LIST)	0.00	0.00	0.00	0.00	0.00	475,000.00	11,568,896.59	2,565,000.00
OWNER DRAW *	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
TRANSFERS (TO DIP ACCTS)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
PROFESSIONAL FEES	0.00	0.00	0.00	0.00	0.00	3,670,000.00	5,778,192.07	10,410,000.00
U.S. TRUSTEE QUARTERLY FEES	0.00	0.00	0.00	0.00	0.00	0.00	6,175.00	0.00
COURT COSTS	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>TOTAL DISBURSEMENTS</b>	58,788.70	0.00	0.00	0.00	58,788.70	8,713,000.00	19,685,764.08	42,611,000.00
NET CASH FLOW								
(RECEIPTS LESS DISBURSEMENTS)	-58,788.70	0.00	0.00	0.00	-58,788.70	459,000.00	218,172.89	2,497,000.00
<b>CASH - END OF MONTH</b>	310,192.98	0.00	0.00	0.00	310,192.98	2,497,000.00	310,192.98	2,497,000.00

\* 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	58,788.70
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	0.00
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	0.00
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	<b>58,788.70</b>

In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS - Supporting Schedules**

<b>BREAKDOWN OF "OTHER" CATEGORY</b>	<b>Month</b>	<b>Cumulative Filing to Date</b>
<b>Other Receipts</b>		
Bank Charge Adjustment	0.00	742.01
Refund of Professional Fee Deposit	0.00	50,000.00
<i>Total Other Disbursements</i>	<i>0.00</i>	<i>50,742.01</i>
<b>Other Items</b>		
	0.00	0.00





**In re Northshore Mainland Services, Inc.**

**Case No. 15-11402**

**Reporting Period:** October 31, 2015

## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month

[illegible]

In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015**STATEMENT OF OPERATIONS**

(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.

<b>REVENUES</b>	<b>Month</b>	<b>Cumulative Filing to Date</b>
Gross Revenues	296,001.19	3,024,277.41
Less: Returns and Allowances	0.00	0.00
<i>Net Revenue</i>	<i>\$ 296,001.19</i>	<i>\$ 3,024,277.41</i>
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	0.00	0.00
Add: Purchases	0.00	0.00
Add: Cost of Labor	0.00	0.00
Add: Other Costs (attach schedule)	0.00	0.00
Less: Ending Inventory	0.00	0.00
Cost of Goods Sold	0.00	0.00
<i>Gross Profit</i>	<i>\$ 296,001.19</i>	<i>\$ 3,024,277.41</i>
<b>OPERATING EXPENSES</b>		
Advertising	0.00	0.00
Auto and Truck Expense	0.00	0.00
Bad Debts	0.00	0.00
Contributions	0.00	0.00
Employee Benefits Programs	105,833.91	521,359.19
Insider Compensation*	0.00	0.00
Insurance	0.00	0.00
Management Fees/Bonuses	0.00	0.00
Office Expense	29,988.40	90,636.51
Pension & Profit-Sharing Plans	0.00	0.00
Repairs and Maintenance	0.00	0.00
Rent and Lease Expense	99,897.86	251,441.71
Salaries/Commissions/Fees	39,196.54	1,408,287.82
Supplies	0.00	0.00
Taxes - Payroll	0.00	35,681.06
Taxes - Real Estate	0.00	0.00
Taxes - Other	0.00	0.00
Travel and Entertainment	928.61	26,999.50
Utilities	3,048.83	12,516.57
Other (attach schedule)	90.32	21,220.44
<i>Total Operating Expenses Before Depreciation</i>	<i>\$ 278,984.47</i>	<i>\$ 2,368,142.80</i>
Depreciation/Depletion/Amortization	2,100.88	11,041.76
<i>Net Profit (Loss) Before Other Income &amp; Expenses</i>	<i>\$ 14,915.84</i>	<i>\$ 645,092.85</i>
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)	0.00	0.00
Interest Expense	(135,329.00)	(214,006.00)
Other Expense (attach schedule)	0.00	0.00
<i>Net Profit (Loss) Before Reorganization Items</i>	<i>\$ (120,413.16)</i>	<i>\$ 431,086.85</i>
<b>REORGANIZATION ITEMS</b>		
Professional Fees	0.00	(12,118,043.80)
U. S. Trustee Quarterly Fees	0.00	0.00
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	0.00	0.00
Gain (Loss) from Sale of Equipment	0.00	0.00
Other Reorganization Expenses (attach schedule)	0.00	0.00
Total Reorganization Expenses	0.00	0.00
Income Taxes	0.00	0.00
<i>Net Profit (Loss)</i>	<i>\$ (120,413.16)</i>	<i>\$ (11,686,956.95)</i>

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

In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015

## STATEMENT OF OPERATIONS - Supplemental Schedule

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing to Date
<b>Other Expenses</b>		
Professional & Consulting Services	90.32	21,220.44
<i>Total Other Expenses</i>	<i>90.32</i>	<i>21,220.44</i>
<b>Other Items</b>		
	0.00	0.00



In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015

**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 (With Amendments *)	
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents	310,192.98	92,020.09	1
Restricted Cash and Cash Equivalents (see continuation sheet)	0.00	0.00	
Accounts Receivable (Net)	4,190,681.34	1,166,403.94	2
Notes Receivable	0.00	0.00	
Inventories	0.00	0.00	
Prepaid Expenses	143,223.42	188,165.98	
Professional Retainers	0.00	0.00	
Other Current Assets (attach schedule)	7,093,115.61	0.00	
<b>TOTAL CURRENT ASSETS</b>	<b>\$ 11,737,213.35</b>	<b>\$ 1,446,590.01</b>	
<b>PROPERTY AND EQUIPMENT</b>			
Real Property and Improvements	0.00	0.00	
Machinery and Equipment	0.00	0.00	
Furniture, Fixtures and Office Equipment	111,833.83	104,324.00	
Leasehold Improvements	0.00	0.00	
Vehicles	0.00	0.00	
Less Accumulated Depreciation	(13,894.35)	(6,168.33)	3
Intangibles	0.00	0.00	
Less Accumulated Amortization	0.00	0.00	
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>\$ 97,939.48</b>	<b>\$ 98,155.67</b>	
<b>OTHER ASSETS</b>			
Loans to Insiders*	0.00	0.00	
Other Assets (attach schedule)	0.00	0.00	
<b>TOTAL OTHER ASSETS</b>	<b>\$ 0.00</b>	<b>\$ 0.00</b>	
<b>TOTAL ASSETS</b>	<b>\$ 11,835,152.83</b>	<b>\$ 1,544,745.68</b>	
<b>LIABILITIES AND OWNER EQUITY</b>			
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable	199,928.09	0.00	4
Taxes Payable (refer to FORM MOR-4)	0.00	0.00	
Wages Payable	0.00	0.00	
Notes Payable	0.00	0.00	
Rent / Leases - Building/Equipment	0.00	0.00	
Secured Debt / Adequate Protection Payments	0.00	0.00	
Professional Fees	0.00	0.00	
Amounts Due to Insiders*	0.00	0.00	
Other Postpetition Liabilities (attach schedule)	21,756,055.44	0.00	
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>\$ 21,955,983.53</b>	<b>\$ 0.00</b>	
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt	0.00	0.00	
Priority Debt	0.00	0.00	
Unsecured Debt	1,838,994.70	1,829,733.75	5
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>\$ 1,838,994.70</b>	<b>\$ 1,829,733.75</b>	
<b>TOTAL LIABILITIES</b>	<b>\$ 23,794,978.23</b>	<b>\$ 1,829,733.75</b>	
<b>OWNER EQUITY</b>			
Capital Stock	1.00	1.00	
Additional Paid-In Capital	600,000.00	600,000.00	
Partners' Capital Account	0.00	0.00	
Owner's Equity Account	0.00	0.00	
Retained Earnings <Deficit> - Pre-Petition	(894,250.02)	(884,989.07)	6
Retained Earnings <Deficit> - Postpetition	(11,665,576.38)	0.00	
Adjustments to Owner Equity (attach schedule)	0.00	0.00	
Postpetition Contributions (Distributions) (Draws) (attach schedule)	0.00	0.00	
<b>NET OWNER EQUITY</b>	<b>\$ (11,959,825.40)</b>	<b>\$ (284,988.07)</b>	
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$ 11,835,152.83</b>	<b>\$ 1,544,745.68</b>	

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

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Amendments since initial filing:

- 1 - Double posted item
- 2 - Uncollectable account from closed company
- 3 - Correction to pre-petition depreciation
- 4 - Correction of posting error
- 5 - Net impact of #1 & #4; \$9,260.90 of additional pre-petition AP recorded
- 6 - Net impact of #2, #3 & #5

MOR  
(04/07)



In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015**STATUS OF POSTPETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<b>Federal</b>						
Withholding	0.00	0.00	0.00	n/a	n/a	0.00
FICA-Employee	0.00	0.00	0.00	n/a	n/a	0.00
FICA-Employer	0.00	0.00	0.00	n/a	n/a	0.00
Unemployment	0.00	0.00	0.00	n/a	n/a	0.00
Income	0.00	0.00	0.00	n/a	n/a	0.00
Other: _____	0.00	0.00	0.00	n/a	n/a	0.00
Total Federal Taxes	0.00	0.00	0.00	n/a	n/a	0.00
<b>State and Local</b>						
Withholding	0.00	0.00	0.00	n/a	n/a	0.00
Sales	0.00	0.00	0.00	n/a	n/a	0.00
Excise	0.00	0.00	0.00	n/a	n/a	0.00
Unemployment	0.00	0.00	0.00	n/a	n/a	0.00
Real Property	0.00	0.00	0.00	n/a	n/a	0.00
Personal Property	0.00	0.00	0.00	n/a	n/a	0.00
Other: _____	0.00	0.00	0.00	n/a	n/a	0.00
Total State and Local	0.00	0.00	0.00	n/a	n/a	0.00
<b>Total Taxes</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>n/a</b>	<b>n/a</b>	<b>0.00</b>

**SUMMARY OF UNPAID POSTPETITION DEBTS**

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	9,363.65	26,545.95	7,541.06	17,525.24	9,050.66	70,026.56
Wages Payable	0.00	0.00	0.00	0.00	0.00	0.00
Taxes Payable	0.00	0.00	0.00	0.00	0.00	0.00
Rent/Leases-Building	16,745.07	34,681.92	0.00	0.00	0.00	51,426.99
Rent/Leases-Equipment	8,478.30	69,996.24	0.00	0.00	0.00	78,474.54
Secured Debt/Adequate Protection Payments	0.00	0.00	0.00	0.00	0.00	0.00
Professional Fees	0.00	0.00	0.00	0.00	0.00	0.00
Amounts Due to Insiders*	0.00	0.00	0.00	0.00	0.00	0.00
Other: _____	0.00	0.00	0.00	0.00	0.00	0.00
Other: _____	0.00	0.00	0.00	0.00	0.00	0.00
Other: _____	0.00	0.00	0.00	0.00	0.00	0.00
<b>Total Postpetition Debts</b>	<b>34,587.02</b>	<b>131,224.11</b>	<b>7,541.06</b>	<b>17,525.24</b>	<b>9,050.66</b>	<b>199,928.09</b>

Explain how and when the Debtor intends to pay any past-due postpetition debts.

In re Northshore Mainland Services, Inc.

Case No. 15-11402

Reporting Period: October 31, 2015**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

<b>Accounts Receivable Reconciliation</b>		<b>Amount</b>
Total Accounts Receivable at the beginning of the reporting period		3,894,680.15
+ Amounts billed during the period	296,001.19	
- Amounts collected during the period	-	
Total Accounts Receivable at the end of the reporting period		4,190,681.34
<b>Accounts Receivable Aging</b>		<b>Amount</b>
0 - 30 days old		296,001.19
31 - 60 days old		1,854,340.47
61 - 90 days old		503,412.30
91+ days old		153,692.38
Total Accounts Receivable		4,190,681.34
Amount considered uncollectible (Bad Debt)		-
Accounts Receivable (Net)		4,190,681.34

**DEBTOR QUESTIONNAIRE**

<b>Must be completed each month</b>	<b>Yes</b>	<b>No</b>
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	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X