

Consolidated Monthly Operating Report  
CASH BASIS

CASE NAME:	Color Star Growers of Colorado, Inc., et al.
CASE NUMBER:	13-42959 "Jointly Administered"
JUDGE:	Brenda T. Rhoades

UNITED STATES BANKRUPTCY COURT  
NORTHERN & EASTERN DISTRICTS OF TEXAS  
REGION 6

## MONTHLY OPERATING REPORT

MONTH ENDING: February 2014  
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

Brad Walker  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTYChief Restructuring Officer3/20/14  
TITLE  
DATEBrad Walker  
PRINTED NAME OF RESPONSIBLE PARTY

PREPARER:

Lars B. Parkin  
ORIGINAL SIGNATURE OF PREPARERConsultant

TITLE

Lars B. Parkin  
PRINTED NAME OF PREPARER

DATE

Consolidated Monthly Operating Report  
CASH BASIS

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UNITED STATES BANKRUPTCY COURT  
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MONTHLY OPERATING REPORT

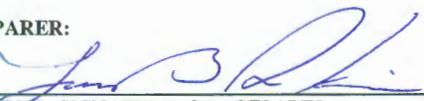
MONTH ENDING: February 2014  
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (CASH BASIS-1 THROUGH CASH BASIS-6) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

RESPONSIBLE PARTY:

ORIGINAL SIGNATURE OF RESPONSIBLE PARTY	Chief Restructuring Officer TITLE
Brad Walker PRINTED NAME OF RESPONSIBLE PARTY	DATE

PREPARER:

 ORIGINAL SIGNATURE OF PREPARER	Consultant TITLE
Lars B. Parkin PRINTED NAME OF PREPARER	3/20/14 DATE

**Consolidated Monthly Operating Report**  
**CASH BASIS-1**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.
<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"

<b>CASH RECEIPTS AND DISBURSEMENTS</b>	MONTH	MONTH	MONTH	MONTH
	<b>December *</b>	<b>January *</b>	<b>February</b>	
1. CASH - BEGINNING OF MONTH	\$ 424,721.02	\$ 1,908,309.96	\$ 3,095,364.32	\$ -
<b>RECEIPTS</b>				
2. CASH SALES				
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$ 1,729,861.61	\$ 3,018,854.33	\$ 7,920.00	
4. LOANS AND ADVANCES				
5. SALE OF ASSETS				
6. LEASE & RENTAL INCOME				
7. WAGES				
8. OTHER (ATTACH LIST)	\$ 1,126,777.13	\$ 13,409,831.57	\$ 13,129.58	
9. TOTAL RECEIPTS	\$ 2,856,638.74	\$ 16,428,685.90	\$ 21,049.58	\$ -
<b>DISBURSEMENTS</b>				
10. NET PAYROLL	\$ 197,023.27	\$ 265,536.26	\$ 15,872.90	
11. PAYROLL TAXES PAID	\$ 194,545.10	\$ 66,920.41		
12. SALES, USE & OTHER TAXES PAID				
13. INVENTORY PURCHASES	\$ 305,626.52	\$ 237,688.49		
14. MORTAGE PAYMENTS				
15. OTHER SECURED NOTE PAYMENTS				
16. RENTAL & LEASE PAYMENTS		\$ 3,800.00		
17. UTILITIES	\$ 119,759.00	\$ 83,568.28	\$ 82,058.01	
18. INSURANCE	\$ 117,717.73	\$ 110,266.90	\$ 24,082.01	
19. VEHICLE EXPENSES		\$ 11,786.60		
20. TRAVEL				
21. ENTERTAINMENT				
22. REPAIRS & MAINTENANCE				
23. SUPPLIES		\$ 2,213.95		
24. ADVERTISING				
25. HOUSEHOLD EXPENSES				
26. CHARITABLE CONTRIBUTIONS				
27. GIFTS				
28. OTHER (ATTACH LIST)	\$ 138,378.18	\$ 59,850.65	\$ 15,322.29	
29. TOTAL ORDINARY DISBURSEMENTS	\$ 1,073,049.80	\$ 841,631.54	\$ 137,335.21	\$ -
<b>REORGANIZATION EXPENSES</b>				
30. PROFESSIONAL FEES	\$ 300,000.00		\$ 522,875.00	
31. U.S. TRUSTEE FEES				
32. OTHER (ATTACH LIST)		\$ 14,400,000.00	\$ 1,220,193.20	
33. TOTAL REORGANIZATION EXPENSES	\$ 300,000.00	\$ 14,400,000.00	\$ 1,743,068.20	\$ -
34. TOTAL DISBURSEMENTS	\$ 1,373,049.80	\$ 15,241,631.54	\$ 1,880,403.41	\$ -
35. NET CASH FLOW	\$ 1,483,588.94	\$ 1,187,054.36	\$ (1,859,353.83)	\$ -
36. CASH - END OF MONTH	\$ 1,908,309.96	\$ 3,095,364.32	\$ 1,236,010.49	\$ -

\* Amounts reconciled and consolidated for all Debtors

**Color Star Growers of Colorado, Inc., et al.  
13-42959 "Jointly Administered"**

**Other Ordinary Course Receipts List - February**

Receipt Category	Amount
Insurance Reimbursement	\$ 2,575.47
Misc Check Package Deposit	\$ 6,937.75
Misc Check Package Deposit	\$ 3,477.00
Misc Deposit	\$ 139.36
<b>TOTAL:</b>	<b>\$ 13,129.58</b>

**Other Ordinary Course Disbursements List - February**

Disbursement Category	Amount
Bank Fees	\$ 2,053.37
Freight	\$ 4,393.52
Payroll Fees	\$ 6,400.40
Travel & Entertainment	\$ 2,475.00
<b>TOTAL:</b>	<b>\$ 15,322.29</b>

**Other Reorganization Disbursements List - February**

Disbursement Category	Amount
Claims Agent	\$ 16,728.20
Cash Sweep to Secured Lender	\$ 1,203,465.00
<b>TOTAL:</b>	<b>\$ 1,220,193.20</b>

# **Consolidated Monthly Operating Report**

## **CASH BASIS-1A**

2014

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.
<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"

**CASH DISBURSEMENTS DETAIL**

**MONTH:** February

## **CASH DISBURSEMENTS**

	DATE	PAYEE	PURPOSE	AMOUNT
		See Attached List		\$ 1,769,733.68
<b>TOTAL CASH DISBURSEMENTS</b>				\$ 1,769,733.68

## **BANK ACCOUNT DISBURSEMENTS**

**TOTAL DISBURSEMENTS FOR THE MONTH** \$ 1,880,403.41

**Color Star Growers of Colorado, Inc., et al.  
13-42959 "Jointly Administered"**

**Cash Disbursements - February**

Date	Payee	Purpose	Amount
2/3/2014	Regions Bank, Secured Lender	Cash Sweep to Secured Lender	\$ 1,000,000.00
2/4/2014	Travelers Insurance	Insurance	\$ 4,367.30
2/5/2014	Gardere Wynne (Trust Acct)	Professional Fees	\$ 324,000.00
2/6/2014	Susan R. Schlosser	Payroll - Salaries, Wages, Payroll Tax	\$ 2,831.85
2/6/2014	Paula Plunkard	Payroll - Salaries, Wages, Payroll Tax	\$ 2,016.60
2/6/2014	Lisa Hineman	Payroll - Salaries, Wages, Payroll Tax	\$ 1,824.00
2/6/2014	Latisys Corp	Payroll - Salaries, Wages, Payroll Tax	\$ 675.00
2/7/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 300.39
2/7/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 251.72
2/7/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 239.50
2/10/2014	Regions Bank, Secured Lender	Cash Sweep to Secured Lender	\$ 203,465.00
2/10/2014	Regions Bank	Bank Fees	\$ 1,738.87
2/14/2014	Harland Clarke	Check Orders	\$ 299.55
2/14/2014	Regions Bank	Bank Fees	\$ 14.95
2/18/2014	Gardere Wynne (Trust Acct)	Professional Fees	\$ 50,000.00
2/18/2014	Gardere Wynne (Trust Acct)	Professional Fees	\$ 123,875.00
2/18/2014	Gardere Wynne (Trust Acct)	Professional Fees	\$ 25,000.00
2/20/2014	CIGNA	Cigna - Health Insurance, Dental & Life	\$ 19,714.71
2/21/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 370.72
2/21/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 48.55
2/21/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 38.16
2/21/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 16.18
2/27/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 4,099.71
2/27/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 718.62
2/27/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 665.62
2/27/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 459.02
2/27/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 523.19
2/28/2014	ADP INC.	Payroll - Salaries, Wages, Payroll Tax	\$ 2,179.47
TOTAL:			<b>\$ 1,769,733.68</b>

**Bank Account Disbursements - February**

Check #	Date	Payee	Purpose	Amount
1401	2/14/2014	Encore Energy	Gas	\$ 71,502.71
1051	2/11/2014	Melanie Chamley	Payroll - Salaries, Wages, Payroll Tax	\$ 1,674.68
1405	2/20/2014	Beth Verbeek	Payroll - Salaries, Wages, Payroll Tax	\$ 848.53
1406	2/20/2014	Beth Verbeek	Payroll - Salaries, Wages, Payroll Tax	\$ 117.20
1407	2/20/2014	Monica Garza	Payroll - Salaries, Wages, Payroll Tax	\$ 99.45
1408	2/20/2014	Laura Garza	Payroll - Salaries, Wages, Payroll Tax	\$ 443.70
1409	2/20/2014	Brian Aguiar	Payroll - Salaries, Wages, Payroll Tax	\$ 940.91
1410	2/20/2014	Brett Verbeek	Payroll - Salaries, Wages, Payroll Tax	\$ 2,647.37
1411	2/20/2014	Lisa Hineman	Payroll - Salaries, Wages, Payroll Tax	\$ 427.50
1412	2/20/2014	Susan Schlosser	Payroll - Salaries, Wages, Payroll Tax	\$ 1,309.35
1413	2/20/2014	Paula Plunkard	Payroll - Salaries, Wages, Payroll Tax	\$ 1,385.83
1414	2/25/2014	Latisys	Other SG&A	\$ 450.00
1415	2/25/2014	Latisys	Other SG&A	\$ 1,350.00
1416	2/25/2014	Coserv	Utilities	\$ 10,555.30
1418	2/25/2014	Upshot Services	Other SG&A	\$ 16,728.20
1419	2/25/2014	Betty Morales	Payroll & Benefits	\$ 157.50
1420	2/25/2014	Betty Morales	Payroll & Benefits	\$ 31.50
TOTAL:			<b>\$ 110,669.73</b>	

**Consolidated Monthly Operating Report**  
**CASH BASIS-2**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.

<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"
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<b>BANK RECONCILIATIONS</b>	Acct #1	Acct #2	Acct #3
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A. BANK:	See Attached			<b>TOTAL</b>
B. ACCOUNT NUMBER:				
C. PURPOSE (TYPE):				
1. BALANCE PER BANK STATEMENT				\$ 1,254,727.69
2. ADD: TOTAL DEPOSITS NOT CREDITED				\$ -
3. SUBTRACT: OUTSTANDING CHECKS				\$ -
4. OTHER RECONCILING ITEMS				\$ -
<b>5. MONTH END BALANCE PER BOOKS</b>	\$ -	\$ -	\$ -	\$ 1,236,010.49
6. NUMBER OF LAST CHECK WRITTEN				See Attached

<b>INVESTMENT ACCOUNTS</b>	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
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BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
<b>11. TOTAL INVESTMENTS</b>			\$ -	\$ -

<b>CASH</b>
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<b>12. CURRENCY ON HAND</b>	\$ -
<b>13. TOTAL CASH - END OF MONTH</b>	\$ 1,236,010.49

Color Star Growers of Colorado, Inc., et al.  
13-42959 "Jointly Administered"

BANK RECONCILIATIONS		Acct #1	Acct #2	Acct #3	Acct #4	Acct #5	Acct #6
A. Bank:	Regions Bank	Regions Bank	Bank of CO	Bank of CO	Bank of CO	Community Bank	
B. Account Number:	2987	2928	9603	8911	0061	8026	
C. Purpose (Type):	DIP Acct	Aux Acct	Aux Acct	Aux Acct	Aux Acct	Aux Acct	
1. Balance Per Bank Statement:	\$ 1,244,748.14	\$ 2,151.43	*	*	*	*	
2. Add: Total Deposits Not Credited							
3. Subtract: Outstanding Checks	\$ 18,717.20						
4. Other Reconciliation Items							
<b>5. Month End Balance Per Books</b>	<b>\$ 1,226,030.94</b>	<b>\$ 2,151.43</b>					
6. Number of Last Check Written							

	Acct #7	Acct #8	Acct #9	Acct #10	Acct #11	
A. Bank:	Community Bank	First National	First National	Prosperity Bank	Sanger Bank	
B. Account Number:	7798	0834	6239	9026	9058	
C. Purpose (Type):	Aux Acct	Aux Acct	Aux Acct	Aux Acct	Aux Acct	
1. Balance Per Bank Statement:	*	\$ 584.16	\$ -	\$ 5,010.73	\$ 2,233.23	\$ 1,254,727.69
2. Add: Total Deposits Not Credited						\$ -
3. Subtract: Outstanding Checks						\$ -
4. Other Reconciliation Items						\$ -
<b>5. Month End Balance Per Books</b>	<b>\$ 584.16</b>	<b>\$ -</b>	<b>\$ 5,010.73</b>	<b>\$ 2,233.23</b>	<b>\$ 1,236,010.49</b>	
6. Number of Last Check Written						

\* Details for other accounts to be provided in amended Monthly Operating Report

**Consolidated Monthly Operating Report**  
**CASH BASIS-3**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.
<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"

**ASSETS OF THE ESTATE**

<b>SCHEDULE "A"</b> <b>REAL PROPERTY</b>	<b>SCHEDULE</b> <b>AMOUNT</b>	<b>MONTH</b>	<b>MONTH</b>	<b>MONTH</b>
		<b>December</b>	<b>January</b>	<b>February</b>
1.				
2.				
3.				
4. OTHER (ATTACH LIST)	\$ 33,100,000.00	\$ 33,100,000.00	\$ -	\$ -
5. TOTAL REAL PROPERTY ASSETS	\$ 33,100,000.00	\$ 33,100,000.00	\$ -	\$ -
<b>SCHEDULE "B"</b> <b>PERSONAL PROPERTY</b>				
1. CASH ON HAND	\$ 28.04	\$ 28.04	\$ 28.04	\$ 28.04
2. CHECKING, SAVINGS, ETC.	\$ 410,250.09	\$ 1,952,708.90	\$ 3,082,862.28	\$ 1,236,010.49
3. SECURITY DEPOSITS	\$ 703,838.00	\$ 703,838.00	\$ 703,838.00	\$ 703,838.00
4. HOUSEHOLD GOODS				
5. BOOKS, PICTURES, ART				
6. WEARING APPAREL				
7. FURS AND JEWELRY				
8. FIREARMS & SPORTS EQUIPMENT				
9. INSURANCE POLICIES	\$ 50,499.00	\$ 50,499.00	\$ 50,499.00	\$ 50,499.00
10. ANNUITIES				
11. EDUCATION				
12. RETIREMENT & PROFIT SHARING				
13. STOCKS				
14. PARTNERSHIPS & JOINT VENTURES				
15. GOVERNMENT & CORPORATE BONDS				
16. ACCOUNTS RECEIVABLE	\$ 5,184,439.33	\$ 4,885,745.18	\$ 851,270.86	\$ 853,045.30
17. ALIMONY				
18. OTHER LIQUIDATED DEBTS				
19. EQUITABLE INTERESTS				
20. CONTINGENT INTERESTS				
21. OTHER CLAIMS				
22. PATENTS & COPYRIGHTS				
23. LICENSES & FRANCHISES				
24. CUSTOMER LISTS				
25. AUTOS, TRUCKS & OTHER VEHICLES				
26. BOATS & MOTORS				
27. AIRCRAFT				
28. OFFICE EQUIPMENT				
29. MACHINERY, FIXTURES & EQUIPMENT				
30. INVENTORY	\$ 6,952,313.00	UNKNOWN	\$ -	\$ -
31. ANIMALS				
32. CROPS				
33. FARMING EQUIPMENT				
34. FARM SUPPLIES				
35. OTHER (ATTACH LIST)				
36. TOTAL PERSONAL PROPERTY ASSETS	\$ 13,301,367.46	\$ 7,592,819.12	\$ 4,688,498.18	\$ 2,843,420.83
37. TOTAL ASSETS	\$ 46,401,367.46	\$ 40,692,819.12	\$ 4,688,498.18	\$ 2,843,420.83

**Color Star Growers of Colorado, Inc., et al.  
13-42959 "Jointly Administered"**

**Real Property Schedule List**

<b>DESCRIPTION AND LOCATION OF PROPERTY</b>	<b>NATURE OF DEBTOR'S INTEREST IN PROPERTY</b>	<b>CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR MORTGAGE</b>	<b>AMOUNT OF SECURED CLAIM OR MORTGAGE</b>
4122 Cowling Road Sanger, TX 76266	Legal Jointly owned by Color Star, LLC	\$8,000,000.00 *	\$8,000,000.00
11610 County Road 14 1/2 Fort Lupton, CO 80621	Legal	\$5,100,000.00 *	\$5,100,000.00
1180 PR 2906 Giddings, TX 78942	Legal	\$3,500,000.00 *	\$3,500,000.00
14095 North Peyton Highway Peyton, CO 80831	Legal	\$16,500,000.00 *	\$16,500,000.00
TOTAL:		<b>\$33,100,000.00</b>	<b>\$33,100,000.00</b>

\* 2012 Appraised Value

**Consolidated Monthly Operating Report  
CASH BASIS-4**

**CASE NAME:** Color Star Growers of Colorado, Inc., et al.

**CASE NUMBER:** 13-42959 "Jointly Administered"

MONTH: February

**LIABILITIES OF THE ESTATE**

PREPETITION LIABILITIES	SCHEDULE AMOUNT	PAYMENTS
1. SECURED	\$ 56,000,000.00	\$ 1,203,465.00
2. PRIORITY	\$ 223,621.60	
3. UNSECURED	\$ 5,984,075.28	
4. OTHER (ATTACH LIST)		
5. TOTAL PREPETITION LIABILITIES	\$ 62,207,696.88	\$ 1,203,465.00

POSTPETITION LIABILITIES	DATE INCURRED	AMOUNT OWED	DUUE DATE	AMOUNT PAST DUE
1. FEDERAL INCOME TAXES				
2. FICA/MEDICARE				
3. STATE TAXES				
4. REAL ESTATE TAXES**				
5. OTHER TAXES (ATTACH LIST)				
6. TOTAL TAXES		\$ -		\$ -

OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS)

7.				
8.				
9.				
10.				
11.				
12.				
13.				
14.				
15.				
16.				
17.				
18.				
19.				
20.				
21.				
22.				
23.				
24.				
25.				
26.				
27.				
28.				
29. (IF ADDITIONAL ATTACH LIST)				
30. TOTAL OF LINES 7 - 29		\$ -		\$ -
31. TOTAL POSTPETITION LIABILITIES		\$ -		\$ -

\*\* All 2013 and 2014 Real Property taxes paid or will be paid pursuant to Docket Nos. 95, 96, 98 & 132

**Consolidated Monthly Operating Report**  
**CASH BASIS-4A**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.
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<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"
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MONTH: February

<b>ACCOUNTS RECEIVABLE AGING</b>	SCHEDULE	MONTH	MONTH	MONTH
	AMOUNT	December	January	February
1. 0 - 30	\$ 3,911,245.88	\$ 1,979,549.15	\$ 518,429.43	\$ 277,786.56
2. 31 - 60	\$ 257,165.15	\$ 2,162,935.08	\$ 62,957.76	\$ 168,678.54
3. 61 - 90	\$ 500,158.53	\$ (76,818.05)	\$ 93,942.64	\$ 130,499.69
4. 91 +	\$ 515,869.77	\$ 820,079.00	\$ 175,941.03	\$ 276,080.51
5. TOTAL ACCOUNTS RECEIVABLE	\$ 5,184,439.33	\$ 4,885,745.18	\$ 851,270.86	\$ 853,045.30
6. AMOUNT CONSIDERED UNCOLLECTIBLE				
7. ACCOUNTS RECEIVABLE (NET)	\$ 5,184,439.33	\$ 4,885,745.18	\$ 851,270.86	\$ 853,045.30

<b>AGING OF POSTPETITION TAXES AND PAYABLES</b>	0 - 30	31-60	90+	Total
	DAYS	DAYS	DAYS	
TAXES PAYABLE				
1. FEDERAL				\$ -
2. STATE				\$ -
3. LOCAL				\$ -
4. OTHER (ATTACH LIST)				\$ -
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	\$ -
6. ACCOUNTS PAYABLE **				\$ -

<b>STATUS OF POSTPETITION TAXES</b>	BEGINNING	AMOUNT	AMOUNT	ENDING
	TAX	WITHHELD	PAID	TAX
LIABILITY	OR ACCRUED		LIABILITY	
FEDERAL				
1. WITHHOLDING				\$ -
2. FICA-EMPLOYEE				\$ -
3. FICA-EMPLOYER				\$ -
4. UNEMPLOYMENT				\$ -
5. INCOME				\$ -
6. OTHER (ATTACH LIST)				\$ -
7. TOTAL FEDERAL TAXES	\$ -	\$ -	\$ -	\$ -
STATE AND LOCAL				
8. WITHHOLDING				\$ -
9. SALES				\$ -
10. EXCISE				\$ -
11. UNEMPLOYMENT				\$ -
12. REAL PROPERTY				\$ -
13. PERSONAL PROPERTY				\$ -
14. OTHER (ATTACH LIST)				\$ -
15. TOTAL STATE & LOCAL	\$ -	\$ -	\$ -	\$ -
16. TOTAL TAXES	\$ -	\$ -	\$ -	\$ -

\*\* Not available at this time, will supplement pending reconciliation

**Consolidated Monthly Operating Report**  
**CASH BASIS-5**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.
<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"

MONTH: February

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

<b>INSIDERS</b>			
<b>NAME</b>	<b>TYPE OF PAYMENT</b>	<b>AMOUNT PAID</b>	<b>TTL PD TO DATE</b>
1. Beth Verbeek	Payroll - Salaries, Wages, Payroll Tax	\$ 965.73	*
2. Brett Verbeek	Payroll - Salaries, Wages, Payroll Tax	\$ 2,647.37	*
3. Brian Aguiar	Payroll - Salaries, Wages, Payroll Tax	\$ 940.91	*
4.			
5.			
<b>TOTAL PAYMENTS TO INSIDERS</b>		<b>\$ 4,554.01</b>	<b>\$ -</b>

<b>PROFESSIONALS</b>					
<b>NAME</b>	<b>DATE OF COURT ORDER AUTHORIZING PAYMENT</b>	<b>AMOUNT APPROVED</b>	<b>AMOUNT PAID</b>	<b>TTL PAID TO DATE</b>	<b>TOTAL INCURRED &amp; UNPAID</b>
2.					
3.					
4.					
5.					
<b>TOTAL PAYMENTS TO PROFESSIONALS</b>		<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

<b>NAME OF CREDITOR</b>	<b>SCHEDULED MONTHLY PAYMENTS DUE</b>	<b>AMOUNTS PAID DURING MONTH</b>	<b>TOTAL UNPAID POST-PETITION</b>
1.			
2.			
3.			
4.			
5.			
<b>6. TOTAL</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>

\* To be provided within amended operating report

**Consolidated Monthly Operating Report  
CASH BASIS-6**

**2014**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc., et al.
<b>CASE NUMBER:</b>	13-42959 "Jointly Administered"

MONTH: February

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		No
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?	Yes	
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES OR LOANS) DUE FROM RELATED PARTIES?		No
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?	Yes	
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		No
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		No
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		No
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		No
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		No
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		No
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		No
12. ARE ANY WAGE PAYMENTS PAST DUE?		No

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES"; PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

Question # 4 - Cash Sweeps to Secured Lender

Question # 4 - Debtor continued to maintain all insurance in the ordinary course

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?		No
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	Yes	
3. PLEASE ITEMIZE POLICIES BELOW		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO" OR IF ANY POLICIES HAVE BEEN CANCELED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

The Debtors are in the process of canceling all insurance policies related to Assets and Employment effective 1/15/14

**INSTALLMENT PAYMENTS**

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY