

Monthly Operating Report  
CASH BASIS

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959
<b>JUDGE:</b>	Brenda T. Rhoades

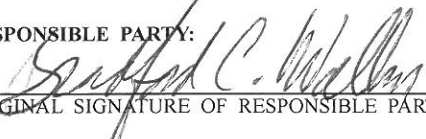
UNITED STATES BANKRUPTCY COURT  
NORTHERN & EASTERN DISTRICTS OF TEXAS  
REGION 6

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:

  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY  
Brad Walker  
PRINTED NAME OF RESPONSIBLE PARTY

Chief Restructuring Officer  
TITLE  
4/25/14  
DATE

PREPARER:

ORIGINAL SIGNATURE OF PREPARER  
Lars B. Parkin  
PRINTED NAME OF PREPARER

Consultant  
TITLE  
DATE

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

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	MONTH
	December	January	February	
1. CASH - BEGINNING OF MONTH	\$ 410,278.13	\$ 1,984,894.97	\$ 3,086,725.50	\$ -
<b>RECEIPTS</b>				
2. CASH SALES				
3. ACCOUNTS RECEIVABLE COLLECTIONS	\$ 1,729,861.61	\$3,018,854.33	\$ 7,780.64	
4. LOANS AND ADVANCES				
5. SALE OF ASSETS				
6. LEASE & RENTAL INCOME				
7. WAGES				
8. OTHER (ATTACH LIST)	\$ 1,126,777.13	\$ 13,402,873.08	\$ 13,129.58	
9. TOTAL RECEIPTS	\$ 2,856,638.74	\$ 16,421,727.41	\$ 20,910.22	\$ -
<b>DISBURSEMENTS</b>				
10. NET PAYROLL	\$ 173,720.22	\$ 347,289.11	\$ 11,479.38	
11. PAYROLL TAXES PAID	\$ 178,847.56	\$ 66,555.79		
12. SALES,USE & OTHER TAXES PAID				
13. INVENTORY PURCHASES	\$ 305,626.52	\$ 237,688.49		
14. MORTGAGE 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	\$ 69,161.73	\$ 110,266.90	\$ 24,082.01	
19. VEHICLE EXPENSES				
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)	\$ 134,906.87	\$ 68,514.36	\$ 15,322.29	
29. TOTAL ORDINARY DISBURSEMENTS	\$ 982,021.90	\$ 919,896.88	\$ 132,941.69	\$ -
<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	\$ 1,282,021.90	\$ 15,319,896.88	\$ 1,876,009.89	\$ -
35. NET CASH FLOW	\$ 1,574,616.84	\$ 1,101,830.53	\$ (1,855,099.67)	\$ -
36. CASH - END OF MONTH	\$ 1,984,894.97	\$ 3,086,725.50	\$ 1,231,625.83	\$ -

**Color Star Growers of Colorado, Inc.  
13-42959**

**Other Ordinary Course Receipts List - February**

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

**Other Ordinary Course Disbursements List - February**

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

**Other Reorganization Disbursements List - February**

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

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

**2014**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

**CASH DISBURSEMENTS DETAIL**

**MONTH:** February

<b>CASH DISBURSEMENTS</b>			
DATE	PAYEE	PURPOSE	AMOUNT
	See Attached List		\$ 1,767,014.84
<b>TOTAL CASH DISBURSEMENTS</b>			<b>\$ 1,767,014.84</b>

<b>BANK ACCOUNT DISBURSEMENTS</b>			
CK#	DATE	PAYEE	AMOUNT
		See Attached List	\$ 108,995.05
<b>TOTAL BANK ACCOUNT DISBURSEMENTS</b>			<b>\$ 108,995.05</b>

<b>TOTAL DISBURSEMENTS FOR THE MONTH</b>	<b>\$ 1,876,009.89</b>
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**Color Star Growers of Colorado, Inc.**  
**13-42959**

**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
2/27/2014	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
<b>TOTAL:</b>			<b>\$ 1,767,014.84</b>

**Bank Account Disbursements - February**

Check #	Date	Payee	Purpose	Amount
1401	2/14/2014	Encore Energy	Gas	\$ 71,502.71
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
<b>TOTAL:</b>			<b>\$ 108,995.05</b>	

**Monthly Operating Report**  
CASH BASIS-2

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

<b>BANK RECONCILIATIONS</b>	<b>Acct #1</b>	<b>Acct #2</b>	<b>Acct #3</b>	<b>Acct #4</b>	<b>Acct #5</b>	
A. BANK:	Regions Bank	Bank of CO	First National	Community Bank	Prosperity Bank	TOTAL
B. ACCOUNT NUMBER:	2987	9603	0834	8026	9026	
C. PURPOSE (TYPE):	DIP Acct	Aux Acct	Aux Acct	Aux Acct	Aux Acct	
1. BALANCE PER BANK STATEMENT	\$ 1,244,748.14	*	\$ 584.16	*	\$ 5,010.73	\$ 1,250,343.03
2. ADD: TOTAL DEPOSITS NOT CREDITED						\$ -
3. SUBTRACT: OUTSTANDING CHECKS	\$ 18,717.20					\$ 18,717.20
4. OTHER RECONCILING ITEMS						\$ -
5. MONTH END BALANCE PER BOOKS	\$ 1,226,030.94		\$ 584.16		\$ 5,010.73	\$ 1,231,625.83
6. NUMBER OF LAST CHECK WRITTEN						

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

<b>CASH</b>			
12. CURRENCY ON HAND			\$ -
<b>13. TOTAL CASH - END OF MONTH</b>			\$ 1,231,625.83

\*\* Details for other CSG, Inc. accounts to be provided in amended Monthly Operating Report

**Monthly Operating Report**  
CASH BASIS-3

<b>CASE NAME:</b> Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b> 13-42959

<b>ASSETS OF THE ESTATE</b>				
<b>SCHEDULE "A"</b> <b>REAL PROPERTY</b>	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		<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	\$ 1,231,625.83
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	UNKNOWN	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	\$ 2,839,036.17
37. TOTAL ASSETS	\$ 46,401,367.46	\$ 40,692,819.12	\$ 4,688,498.18	\$ 2,839,036.17

**Color Star Growers of Colorado, Inc.**  
**13-42959**

**Real Property Schedule List**

DESCRIPTION AND LOCATION OF PROPERTY	NATURE OF DEBTOR'S INTEREST IN PROPERTY	CURRENT MARKET VALUE OF DEBTOR'S INTEREST IN PROPERTY WITHOUT DEDUCTING ANY SECURED CLAIM OR MORTGAGE	AMOUNT OF SECURED CLAIM OR MORTGAGE
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



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

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

MONTH: February

<b>LIABILITIES OF THE ESTATE</b>		
<b>PREPETITION LIABILITIES</b>	<b>SCHEDULE AMOUNT</b>	<b>PAYMENTS</b>
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

<b>POSTPETITION LIABILITIES</b>	<b>DATE INCURRED</b>	<b>AMOUNT OWED</b>	<b>DUE DATE</b>	<b>AMOUNT PAST DUE</b>
1. FEDERAL INCOME TAXES				
2. FICA/MEDICARE				
3. STATE TAXES				
4. REAL ESTATE TAXES**				
5. OTHER TAXES (ATTACH LIST)				
6. TOTAL TAXES		\$ -		\$ -
<b>OTHER POSTPETITION LIABILITIES INCLUDING TRADE CREDITORS (LIST NAMES OF CREDITORS)</b>				
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 pursuant Docket Nos. 95, 96, 98 & 132

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

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

MONTH: February

<b>ACCOUNTS RECEIVABLE AGING</b>	<b>SCHEDULE AMOUNT</b>	<b>MONTH December</b>	<b>MONTH January</b>	<b>MONTH February</b>
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>	<b>0 - 30 DAYS</b>	<b>31-60 DAYS</b>	<b>90+ DAYS</b>	<b>Total</b>
<b>TAXES PAYABLE</b>				
1. FEDERAL				\$ -
2. STATE				\$ -
3. LOCAL				\$ -
4. OTHER (ATTACH LIST)				\$ -
5. TOTAL TAXES PAYABLE	\$ -	\$ -	\$ -	\$ -
6. ACCOUNTS PAYABLE				\$ -

<b>STATUS OF POSTPETITION TAXES</b>	<b>BEGINNING TAX LIABILITY</b>	<b>AMOUNT WITHHELD OR ACCRUED</b>	<b>AMOUNT PAID</b>	<b>ENDING TAX LIABILITY</b>
<b>FEDERAL</b>				
1. WITHHOLDING				\$ -
2. FICA-EMPLOYEE				\$ -
3. FICA-EMPLOYER				\$ -
4. UNEMPLOYMENT				\$ -
5. INCOME				\$ -
6. OTHER (ATTACH LIST)				\$ -
7. TOTAL FEDERAL TAXES	\$ -	\$ -	\$ -	\$ -
<b>STATE AND LOCAL</b>				
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	\$ -	\$ -	\$ -	\$ -

**Monthly Operating Report**  
CASH BASIS-5

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

MONTH: February

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TTL PD TO DATE
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>		\$ 4,554.01	\$ -

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

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

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

\* To be provided within amended operating report

**Monthly Operating Report**  
CASH BASIS-6

**2014**

<b>CASE NAME:</b>	Color Star Growers of Colorado, Inc.
<b>CASE NUMBER:</b>	13-42959

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?		No
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?		No
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 canceled all insurance policies related to Assets and Employment effective 1/15/14 and reconciling payments

**INSTALLMENT PAYMENTS**

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY