

United States Bankruptcy Court
Western District of North Carolina

MONTHLY STATUS REPORT

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

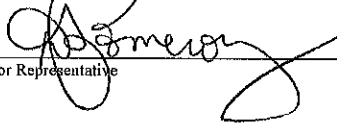
REPORTING PERIOD:

FROM: August 1, 2010

TO: August 28, 2010

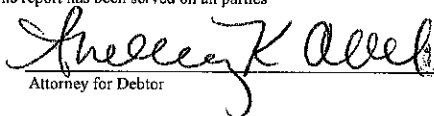
I certify under penalty of perjury that the information contained in the attached Monthly Status Report consisting of 25 pages (including exhibits and attachments) is true and correct to the best of my knowledge and belief.

Dated: 30 SEP 2010


Debtor Representative

I certify that I have reviewed the information contained in the attached Monthly Status Report consisting of 25 pages and based on my knowledge of this case and the debtor's financial and business affairs, this Monthly Status Report is accurate, complete, and does not contain any misrepresentation of which I am aware. I further certify that this report has been served on all parties as required by law or court order.

Dated: 9/30/10


Attorney for Debtor

REVIEWED BUT NOT VERIFIED

NARRATIVE ON PROGRESS OF CASE:

On June 5, 2010 (the "Petition Date"), the Debtors filed petitions for relief under Chapter 11 of Title 11 of the United States Code. The Bankruptcy Court heard a number of first day motions on June 8, 2010, including (i) a motion for joint administration of the three cases, (ii) a motion for authority to pay employees certain pre-petition wages and benefits, (iii) a motion for authority to continue using existing bank accounts, forms and records, and cash management system, (iv) a motion for authority to pay certain administrative expense obligations arising from prepetition operations and establishing procedures for resolving reclamation claims, (v) a motion for authority to continue the Debtors' customer practices and honor certain related prepetition obligations (vi) a motion to determine utilities' adequate assurance of performance, (vii) a motion to honor prepetition obligations to common carriers, (viii) a motion for interim authorization to continue performance under services agreements with affiliated entities, and (ix) a motion seeking interim approval of a debtor-in-possession financing agreement with Bank of America ("BoFA"). All first day motions were granted. The Court granted final approval of the debtor-in-possession financing with BoF July 15, 2010. The deadline for assuming or rejecting non-residential real property leases was extended to January 3, 2011.

On June 16, 2010, the Court entered an order appointing an Official Committee of Asbestos Personal Injury Claimants and subsequently amended that order on July 20, 2010 (Docket No. 260). On June 17, 2010, the Court entered an order appointing an Official Committee of Unsecured Creditors (Docket No. 104).

The Anchor Packing Company and Garrison Litigation Management Group, Ltd. filed their Schedules and Statements on July 13, 2010. Garlock Sealing Technologies LLC filed its Schedules and Statements on July 20, 2010. The section 341 meeting of creditors was held on August 4, 2010. The Debtors filed a motion on August 31, 2010 seeking to establish a bar date for asbestos-related claims, which will be considered at a hearing scheduled for September 30, 2010. A separate motion was filed on September 24, 2010 to establish a bar date for non-asbestos claims, which will be considered at a hearing scheduled for October 14, 2010.

The Debtors are analyzing their options with regard to formation of a plan of reorganization at this time. An order was entered to extend the exclusive period by which the Debtors may file a plan to April 1, 2011.

The August monthly status report covers the period from August 1 through August 28, 2010. The Debtor uses a fiscal financial calendar with 4-weeks, 4-weeks, and 5-weeks, respectively, in the three months of each quarter except at year-end. All fiscal years end on December 31.

Per agreement with the Bankruptcy Administrator for the Western District of North Carolina, certain information is presented in a modified or abridged format. Additional information may be available upon request.

IN RE: Garlock Sealing Technologies LLC
CASE NO: 10-31607
MONTHLY STATUS REPORT COVERING PERIODS:
FROM: August 1, 2010
TO: August 28, 2010

CASH RECONCILIATION:

Beginning Cash Position (G/L Balance)

Cash Receipts
US Treasury Fund Redemptions
US Treasury Fund Purchases
Zero balance transfer to Acct 2376
Zero balance transfer to Acct 3567
Zero balance transfer from Acct 2376
Zero balance transfer from Acct 7553 (Garrison)
Zero balance transfer from Acct 3318 (Garrison)
Zero balance transfer from Acct 6030 (Garrison)
Accrual for last day of month
Void Checks
Intercompany Transfers
New Loans
Charge-back Reversals
Other

Total Cash Receipts

Cash Disbursements

Net Payroll
Inventory Purchases
Payroll Taxes
Capital Expenditures
Utilities
Purchased Services
American Express and Purchasing Card
Supplies
Freight
Net payments to affiliates for goods/services
Other

Total Cash Disbursements

Ending Cash Balance (G/L Balance):

Bank Balance per Rec:

BoFA 0719 Lockbox #1	BoFA 5859 Disbursements #1	BoFA 5215 Lockbox #2	BoFA 5958 Disbursements #2	BoFA 8237 Disbursements #3	BoFA 3567 Checking #1	BoFA 2376 Checking #2	Bank of America Securities LLC -1-0 CRB Cash Equivalents	Scotia Bank 5813 CAD \$ Acct	BoFA 3318 Lockbox #3	BoFA 6030 Checking
839,968		7,550,459			2,991,000 (3,044,000)		357 (2,091,000) 9,044,000	30,000	4,829,967	
(859,968)	6,944	(7,550,459)	3,363,356		(3,924,959) 8,187,750 (50,508) 4,829,967	8,390,427 (8,390,427)				
13,529		135,700							(4,829,967)	
							6,953,357	30,000		
13,529	6,944	135,700	3,363,356		3,089,210					
	3,819		3,907 1,248,869		1,570,063 223,809 730,405 35,010					
			123,025 422,934 157,950 129,655 138,893 218,732 68,675 606,559			11,484				
	3,125				298,624 37,291			45 54,602		
	6,944		3,118,997		2,895,300			66,131		
20,680	(0)	198,703	(308,631)		461,292		49,847,176	8,312		
20,680		198,703	(308,631)		461,292		49,847,176	8,312		

Note: This account is in
CAD \$ - the average monthly
exchange rate of 0.9649 would
translate this to \$8,213.04 US \$

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: _____
Street and/or PO Box Number

Dallas Texas 75283-2406
City State Zip Code

Type of Account: Analyzed Checking
(i.e., Payroll, Tax, Operating)

Account Number: 0719

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>-</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>20,680</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>-</u>
Ending Reconciled Balance*	\$	<u>20,680</u>

Date Period Ends: 8/27/2010

Highest Daily Balance During Above Period \$ 168,819

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: PO Box 105713
Street and/or PO Box Number

Atlanta Georgia 30348-5713
City State Zip Code

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5859

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	-
Outstanding Deposits and Other Credits Not On Statement	\$	-
Outstanding Checks and Other Debits Not On Statement	\$	-
Ending Reconciled Balance*	\$	-

Date Period Ends: 8/27/2010

Highest Daily Balance During Above Period \$ -

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: Street and/or PO Box Number

Dallas Texas 75283-2406
City State Zip Code

Type of Account: Analyzed Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5215

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	-
Outstanding Deposits and Other Credits Not On Statement	\$	198,703
Outstanding Checks and Other Debits Not On Statement	\$	-
Ending Reconciled Balance*	\$	198,703

Date Period Ends: 7/30/2010

Highest Daily Balance During Above Period \$ 846,773

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: PO Box 105713
Street and/or PO Box Number

Atlanta Georgia 30348-5713
City State Zip Code

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5958

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	<u>\$ -</u>
Outstanding Deposits and Other Credits Not On Statement	<u>\$ (101)</u>
Outstanding Checks and Other Debits Not On Statement	<u>\$ 308,530</u>
Ending Reconciled Balance*	<u>\$ (308,631)</u>

Date Period Ends: 8/27/2010

Highest Daily Balance During Above Period \$ -

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: PO Box 105713
Street and/or PO Box Number

Atlanta Georgia 30348-5713
City State Zip Code

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 8237

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	-
Outstanding Deposits and Other Credits Not On Statement	\$	-
Outstanding Checks and Other Debits Not On Statement	\$	-
Ending Reconciled Balance*	\$	-

Date Period Ends: 8/27/2010

Highest Daily Balance During Above Period \$ -

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: _____
Street and/or PO Box Number

Dallas Texas 75283-2406
City State Zip Code

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 3567

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>461,292</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>-</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>-</u>
Ending Reconciled Balance*	\$	<u>461,292</u>

Date Period Ends: 8/27/2010

Highest Daily Balance During Above Period \$ 2,727,501

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: _____
Street and/or PO Box Number

Dallas Texas 75283-2406
City State Zip Code

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 2376

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	-
Outstanding Deposits and Other Credits Not On Statement	\$	-
Outstanding Checks and Other Debits Not On Statement	\$	-
Ending Reconciled Balance*	\$	-

Date Period Ends: 8/27/2010

Highest Daily Balance During Above Period \$ -

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Banc of America Securities LLC

Address: 200 N. College Street, 3rd Floor
Street and/or PO Box Number

Charlotte NC 28255
City State Zip Code

Type of Account: Securities Acct
(i.e., Payroll, Tax, Operating)

Account Number: -1-0 CRB

Date Period Begins: 8/1/2010

Ending Balance (per the Attached bank statement for the period)	<u>\$ 50,783,819</u>
Outstanding Deposits and Other Credits Not On Statement	<u>\$ 357</u>
Outstanding Checks and Other Debits Not On Statement	<u>\$ 937,000</u>
Ending Reconciled Balance*	<u>\$ 49,847,176</u>

Date Period Ends: 8/31/2010

Highest Daily Balance During Above Period \$ 50,783,819

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Scotiabank

Address: _____
Street and/or PO Box Number

_____ Canada _____
City State Zip Code

Type of Account: Checking Account
(i.e., Payroll, Tax, Operating)

Account Number: 5813

Date Period Begins: 7/30/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>17,470</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>80</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>9,038</u>
Ending Reconciled Balance*	\$	<u>8,512</u>

Date Period Ends: 8/27/2010

Highest Daily Balance
During Above Period \$ 48,274

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: Customer Connection
Street and/or PO Box Number

Dallas TX 75283-2406
City State Zip Code

Type of Account: Lockbox
(i.e., Payroll, Tax, Operating)

Account Number: -3318

Date Period Begins: 31-Jul-10

Ending Balance (per the Attached bank statement for the period) \$ -

Outstanding Deposits and Other Credits Not On Statement _____

Outstanding Checks and Other Debits Not On Statement _____

Ending Reconciled Balance* \$ -

Date Period Ends: 27-Aug-10

Highest Daily Balance During Above Period \$ 2,519,424

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

BANK ACCOUNTS

Name of Bank: Bank of America, N.A.

Address: P.O. Box 105713
Street and/or PO Box Number

Atlanta GA 30348-5713
City State Zip Code

Type of Account: Operating
(i.e., Payroll, Tax, Operating)

Account Number: -6030

Date Period Begins: 31-Jul-10

Ending Balance (per the Attached bank statement for the period)	\$	-
Outstanding Deposits and Other Credits Not On Statement	\$	-
Outstanding Checks and Other Debits Not On Statement	\$	-
Ending Reconciled Balance*	\$	-

Date Period Ends: 8/27/2010

Highest Daily Balance
During Above Period \$ -

*The sum of the ending balances of all accounts must reconcile with the Ending Cash Position on the Cash Receipts and Disbursements page.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 0719

Outstanding Deposit List

O/S DEPOSIT	Payee	Amount
Deposit - 8/28/10		\$ 20,680
	TOTAL OUTSTANDING	<u>\$ 20,680</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5215

Outstanding Deposit List

O/S DEPOSIT	Payee	Amount
Deposit - 8/28/10		\$ 198,677
Return Item chargeback		\$ 26
	TOTAL OUTSTANDING	<u>\$ 198,703</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5958

Outstanding Check List

Check Number	Payee	Amount
110214	WILLIAMS MARK	\$ 19
110338	REPAIR TECHNOLOGY INC	\$ 1,440
110358	VERIZON SELECT SERVICES INC	\$ 5,073
110436	WALKER DEBBIE	\$ 172
110476	CORPORATE CARE	\$ 1,958
110486	NEWARK WAYNE COMMUNITY HOSP	\$ 462
110501	VOICE LINK COMMUNICATION	\$ 127
110503	WILLIAM C MCGUIRE	\$ 730
110508	NEW YORK STATE SALES TAX	\$ 446
110514	ALLIED WASTE SERVICES	\$ 1,580
110515	AT&T MOBILITY	\$ 12,810
110517	B & L LOCK AND SAFE	\$ 109
110518	BOYD BEATRICE C	\$ 1,000
110520	CANCARB LIMITED	\$ 230
110528	FREIDA, FRANK	\$ 87
110539	PENSKE TRUCK LEASING	\$ 385
110546	SHELLMAN BROTHERS COLLISION	\$ 889
110547	SOUCY TECHNO INC	\$ 5,223
110550	STAPLES INC	\$ 1,141
110554	UPSTATE METAL FINISHING	\$ 923
110558	WILLIE H KANA	\$ 13,542
110559	BRENNTAG NORTHEAST INC	\$ 1,000
110560	NEW YORK STATE SALES TAX	\$ 10,094
110561	NEW YORK STATE SALES TAX	\$ 7,213
110562	NEW YORK STATE SALES TAX	\$ 11,541
110563	NEW YORK STATE SALES TAX	\$ 10,272
110564	ADP INC	\$ 1,750
110565	AIRBOSS OF AMERICA	\$ 1,177
110566	AMERICAN EXPRESS COMPANY	\$ 8,515
110567	AMERICAN PACKING AND GASKET	\$ 43
110568	AT&T CORPORATION	\$ 27
110569	AT&T MOBILITY	\$ 454
110570	CARSON ESTATE TRUST	\$ 28,446
110571	DELL MARKETING	\$ 247
110572	DIXIE RUBBER & BELTING COMPA	\$ 100
110573	DONALD B KILLABY JR	\$ 1,120

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5958

Outstanding Check List

110574 ELSEVIER INC	\$	889
110575 FINGER LAKES GARAGE DOOR	\$	1,541
110576 GRAINGER INDUSTRIAL SUPPLY	\$	4,009
110577 INERTECH INC	\$	6,960
110578 K S L INDUSTRIAL	\$	2,331
110579 KAPLAN CONTAINER CORP	\$	737
110580 KNOX LESLIE - PETTY CASH	\$	308
110581 KRUEWELL, JEFFERY	\$	20
110582 M & H VALVE COMPANY	\$	44,907
110583 MAGNUM AUTO PARTS	\$	58
110584 MARIK SPRING	\$	590
110585 MJS SALES INC	\$	48
110586 MORRIS PROTECTIVE SERVICE IN	\$	2,187
110587 NYSEG NEW YORK STATE ELECTRI	\$	348
110588 OCE NORTH AMERICA INC	\$	907
110589 PENSKE TRUCK LEASING	\$	11
110590 POMEROY DONALD G	\$	654
110591 PULCINI'S CONTRACTING INC	\$	11,970
110592 Q-CAST INC	\$	47
110593 REGIONAL DISTRIBUTORS INC	\$	1,154
110594 ROCHESTER CHROME DIVAS	\$	176
110595 ROCHESTER GAS & ELECTRIC	\$	1,030
110596 SB VA SERVICES	\$	102
110597 SEALING DEVICES INC	\$	113
110598 STAPLES INC	\$	38
110599 THERMO FISHER SCIENTIFIC LLC	\$	80
110600 VERIZON	\$	176
110601 WATER WISE OF AMERICA INC	\$	310
110602 WILLIE H KANA	\$	13,542
110603 ZELLER CORPORATION	\$	419
110604 COMMERCIAL PIPE & SUPPLY CO	\$	480
110605 COORS TEK	\$	173
110606 DELL MARKETING	\$	367
110607 HONOR FLIGHT ROCHESTER INC	\$	203
110608 MARIK SPRING	\$	66
110609 MERIDIAN ASSOCIATES LLC	\$	1,600
110610 OCE NORTH AMERICA INC	\$	899
110611 REPAIR TECHNOLOGY INC	\$	240

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5958

Outstanding Check List

110612 SANTELLI LUMBER CO	\$	28
110613 SOUTHWESTERN PAINT AND WALLP	\$	1,140
110614 STAPLES BUSINESS ADVANTAGE	\$	5,262
40020686 AUTOMATION	\$	3,572
40020687 BLDG WORKS USA	\$	738
40020688 CAHABA MEDIA GROUP	\$	4,574
40020689 CENTRAL INDUSTRIAL	\$	3,438
40020690 CONCENTRA HEALTH	\$	5,131
40020691 COOK IRON STORE CO	\$	8
40020692 D V C SOUTH INC	\$	9,705
40020693 ENTEC POLYMERS LLC	\$	1,715
40020694 FRANK B ROSS CO INC	\$	575
40020695 HAUN WELDING SUPPLY	\$	110
40020696 HORIZON SOLUTIONS	\$	1,053
40020697 HUBBELL GALVANIZING	\$	503
40020698 INTECX LLC	\$	1,167
40020699 KENT LANDSBERG	\$	433
40020700 LIANDA CORPORATION	\$	402
40020701 LONGWOOD SOFTWARE	\$	3,000
40020702 METRO GROUP INC THE	\$	1,594
40020703 NOVI SPRING INC	\$	160
40020704 PAUL ERNST G - S V	\$	9,735
40020705 POLYCARBON	\$	17,082
40020706 PRAXAIR SURFACE	\$	205
40020707 PROCEX LTD	\$	438
40020708 SWIFTLIFT INC	\$	38
40020709 TRANSCAT	\$	1,174
40020710 TRILINE AUTOMATION	\$	478
40020711 ZEON CHEMICALS	\$	5,037

\$ 308,530

American Express Fees	\$	3,290
ACH # 40020478 Voided	\$	(191)
check # 110527 Voided	\$	(3,200)
	<u>\$</u>	<u>(101)</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 1-0 CRB

Outstanding Deposit List

O/S DEPOSITS	Payee	Amount
August interest		\$ 357
	TOTAL OUTSTANDING	<u>\$ 357</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

Type of Account: Controlled Disbursement Checking
(i.e., Payroll, Tax, Operating)

Account Number: 5813

Outstanding Check List

Check Number	Payee	Amount
156930	SEARLE BILL	\$ 375
156933	GIBSON LARRY	\$ 266
156934	SEARLE BILL	\$ 13
156936	RECEIVER GENERAL	\$ 8,352
156941	SEARLE BILL	\$ 31
		<u>\$ 9,038</u>

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CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

SALARY/COMMISSION/INDEPENDENT CONTRACTOR PAYMENTS

Insiders* (List name(s) and describe type of insider):

Name	Type	Amount Paid
All corporate officers / directors	Gross Salary	\$ 51,737
-Dale A. Herold	President and Manager	
-Donald G. Pomeroy II	Chief Financial Officer, Vice President and Manager	
-Daniel P. Grgurich	Vice President and Treasurer	
Total Paid to Insiders		\$ 51,737

Non-Insider Employees

Type (i.e., Salaried, Wage)	Amount Paid	
Gross Salary	\$ 1,390,321	
Gross Wages	\$ 1,104,923	
Total Paid to Non-Insiders		\$ 2,495,243

Commission/Bonus Payments:

	Amount Paid	
Gross Commission	\$ 34,159	
Gross Bonus	\$ 109,163	
Gross Sign-on Bonus	\$ 2,000	
Total Paid in Commissions/Bonuses		\$ 145,322

Independent Contractors

Name	Type	Amount Paid
INTECX LLC	Gross Commission (O/S Sales)	\$ 1,167
D V C SOUTH INC	Gross Commission (O/S Sales)	\$ 9,705
PAUL ERNST G. S V MIDWEST	Gross Commission (O/S Sales)	\$ 9,735
SACHS AND ASSOCIATES INC	Gross Commission (O/S Sales)	\$ 12,626
JERRY DICKSON	Gross Commission (O/S Sales)	\$ 2,715
PRODUCTION MARKETING GROUP	Gross Commission (O/S Sales)	\$ 10,592
Total Paid to Independent Contractors		\$ 46,539

Total Salary/Wage/Commission Payments \$ 2,738,841

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

IN RE: Garlock Sealing Technologies LLC
CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010
TO: August 28, 2010

SALES/ACCOUNTS RECEIVABLE

I.	Accounts Receivable Pending As of : 8/1/10	\$ 13,301,313
II.	Net Increase (Decrease) in Accounts Receivable ¹	\$ 1,418,966
III.	Accounts Receivable Pending As of : 8/28/10 (All receivables are net of customer credits)	\$ 14,720,279

Pending Pre & Post Petition	Total	Collectible	Uncollectible
0-30 Days	\$ 11,381,128	\$ 11,381,128	
31-60 Days	\$ 2,954,657	\$ 2,954,657	
61-90 Days	\$ 448,401	\$ 448,401	
91 Days and Over	\$ 224,481	\$ 224,481	
Unapplied cash and other month-end adjustments	\$ (288,388)	\$ (288,388)	
Total	\$ 14,720,279	\$ 14,720,279	\$ -

Intercompany receivable balances as of 8/28/10:	GST SHERBROOKE	\$ 93,187
	GST MEXICO	\$ 186,821
	GST BRAZIL	\$ 390,231
	GST UK	\$ 169,844
	GST MIDDLE EAST	\$ 67,940
	GST FRANCE	\$ 333,973
	GST GERMANY	\$ 484,542
	GST INDIA	\$ 43,435
	GST AUSTRALIA	\$ 352,980
	GST SINGAPORE	\$ 761,435
	GST CHINA	\$ 270,383
	GST HELICOFLEX	\$ 17,943
	TECHNETICS	\$ 2,542
	GST PIKOTEK	\$ 21,996
	GRT	\$ 3,105
	CPI	\$ 488
	ANCHOR PACKING	\$ 2,025,298
	GGB	\$ -
	TEXOLON	\$ 4,626
	FM ENGINE	\$ 5,067
	GARRISON	\$ 24,736
		<u>\$ 5,260,572</u>

INVENTORY (Cost Basis)

Beginning Date: August 1, 2010 Ending Date: August 28, 2010

LIST BY CATEGORY OF INVENTORY USED FOR PRODUCTION OR RESALE*:

Category	Beginning	Net Change	Ending
Finished Goods	\$ 3,598,507	\$ 319,997	\$ 3,918,504
Semi-Finished Goods	\$ 1,619,139	\$ 57,634	\$ 1,676,773
Work in Process	\$ 251,357	\$ 38,836	\$ 290,193
Raw Materials	\$ 2,669,004	\$ 326,206	\$ 2,995,210
Receiving/Inspection	\$ 183,467	\$ (106,318)	\$ 77,149
Inventory Reserves	\$ (2,569,639)	\$ (56,110)	\$ (2,625,749)
Totals	\$ 5,751,835	\$ 580,245	\$ 6,332,080

*Exclude capital items such as machinery and equipment and consumable items such as fuel and general supplies.

IN RE: Garlock Sealing Technologies, LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

PAYMENTS TO SECURED CREDITORS

No Secured Debt

No Secured Debt Payments Made During the Period

All Secured Debt Payments Made During Reporting Period Are Listed Below:

Creditor	Collateral	Date of Payment	Amount
First American Leasing Co	Chiller	August 11, 2010	\$ 4,955
		Total	\$ 4,955

PAYMENTS ON PRE-PETITION DEBT

No Payments Have Been Made on Pre-Petition Unsecured Debt During the Reporting Period.

All Payments Made on Pre-Petition Unsecured Debt During Reporting Period are Listed Below:

Creditor	Order Date Authorizing Payment	Date of Payment	Amount
*			\$ -
		Total	\$ -

*Any payments made on prepetition debt have been made pursuant to the various court orders authorizing such payments by the Bankruptcy Court.

IN RE: Garlock Sealing Technologies, LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

ACCRUED POST-PETITION LIABILITIES

X* No Accrued Liabilities Existed at the End of This Reporting Period.

 All Accrued Liabilities Existing at the End of This Reporting Period are Listed Below or on the Sheet(s) Attached. Exclude Current Liabilities which are not Past Due.

Name of Creditor	Date Due	Amount Due	Paid Date	Check#	Notes
Total Accrued Liabilities		\$0			

*The Debtor has excluded from this listing those post-petition liabilities that have been or will be paid in the Debtor's ordinary course of business.

Liabilities are accruing under the Intercompany Services Agreement, which was assumed pursuant to the Order Authorizing Debtors to Assume Pre-Petition Services Agreements with EnPro Industries, Inc. and Coltec Industries, Inc. (Docket No. 232) and will be paid annually in accordance with that agreement.

IN RE: Garlock Sealing Technologies, LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: August 1, 2010

TO: August 28, 2010

AFFIRMATIONS

- | | | | | | |
|----|-----|-------------------|----|-------------------|--|
| 1. | Yes | <u> X </u> | No | <u> </u> | All tangible assets of this bankruptcy estate are adequately and properly insured and all other insurance required by law or prudent business judgment are in force. |
| 2. | Yes | <u> X </u> | No | <u> </u> | All insurance policies and renewals if applicable, have been submitted to the Bankruptcy Administrator. |
| 3. | Yes | <u> X </u> | No | <u> </u> | All tax returns have been filed timely and payments made. Copies of returns have been filed post-petition have been submitted to the Bankruptcy Administrator. |
| 4. | Yes | <u> X </u> | No | <u> </u> | All post-petition taxes have been paid or deposited into a designated tax account. |
| 5. | Yes | <u> </u> | No | <u> X </u> | New Debtor-In-Possession (DIP) bank accounts have been opened and have been reconciled. |
| 6. | Yes | <u> </u> | No | <u> X </u> | New DIP financial books and records have been opened and are being maintained monthly and are current. |

*If the response is "no", a listing must appear on the Accrued Post-Petition Liabilities Sheet. The listing must include the name of the taxing authority, type of tax, the amount due and the period the tax was incurred.

3. Copies of tax returns filed after the Petition Date have not been submitted to the Bankruptcy Administrator but are available upon request.

5. Pursuant to order of the Bankruptcy Court, pre-petition bank accounts are being used by the Debtors.

6. Pursuant to order of the Bankruptcy Court, pre-petition books and records continue to be used by the Debtor, but prepetition balances and activity can be identified.