

United States Bankruptcy Court
Western District of North Carolina

MONTHLY STATUS REPORT

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

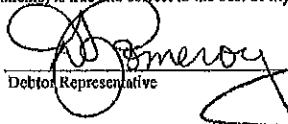
REPORTING PERIOD:

FROM: July 4, 2010

TO: July 31, 2010

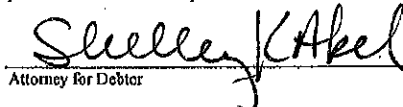
I certify under penalty of perjury that the information contained in the attached Monthly Status Report consisting of 25 pages (including exhibits and attachments) is true and correct to the best of my knowledge and belief.

Dated: 8/31/10


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: 8/31/10


Attorney for Debtor

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 BoFA on 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. A prepetition claims bar date has not yet been set in these cases. The section 341 meeting of creditors was held on August 4, 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 July monthly status report covers the period from July 4 through July 31, 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: Garhok Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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 7353 (Carrison)
- Zero balance transfer from Acct 3318 (Carrison)

Total Cash Receipts

Cash Disbursements

- Net Payroll
- Inventory Purchases
- Payroll Taxes
- Capital Expenditures
- Utilities
- Pension Funding
- 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 2859 Disbursements #1	BoFA 5215 Lockbox #2	BoFA 5958 Disbursements #2	BoFA 8237 Disbursements #3	BoFA 3567 Checking #1	BoFA 2376 Checking #2	BoFA -14 CRB Cash Equivalents	Scotiabank 5813 CAD S Acct	BoFA 3318 Lockbox #3	BoFA 6630 Checking
Beginning Cash Position (G/L Balance)	2,116	53,386	6,809,668	(448,929)	8,189,510	2,883,971	-	38,649,481	16,371	2,306,150	-
Cash Receipts	1,379,843							338	45,000		
US Treasury Fund Redemptions								(1,294,000)			
US Treasury Fund Purchases								5,538,000			
Zero balance transfer to Acct 2376	(1,579,843)										
Zero balance transfer to Acct 3567		6,944									
Zero balance transfer from Acct 2376				2,918,035							
Zero balance transfer from Acct 7353 (Carrison)											
Zero balance transfer from Acct 3318 (Carrison)											
Total Cash Receipts	7,151	6,944	6,809,668	2,918,035	8,189,510	3,307,525	-	4,244,338	45,000	(2,306,150)	-
Cash Disbursements											
Net Payroll		3,819		1,552,323		1,572,180					
Inventory Purchases						205,082					
Payroll Taxes						696,688					
Capital Expenditures											
Utilities				151,647							
Pension Funding				85,466							
American Express and Purchasing Card				186,388		402,284			15,525		
Supplies				188,790							
Freight				235,423							
Net payments to affiliates for goods/services		3,125		30,086		457,700			45		
Other	2,116			591,973		45,180			3,160		
Total Cash Disbursements	2,116	6,944	6,809,668	3,072,096		3,326,114			16,728		
Ending Cash Balance (G/L Balance):	7,151	(0)	63,003	(552,990)		267,382		42,895,819	44,643		
Bank Balance per Rec:	7,151		63,003	(552,990)		267,382		42,895,819	44,643		

Note: This account is in
CAD \$ - the average monthly
exchange rate of 0.9571 would
translate this to \$42,727.82 US \$

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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: 7/2/2010

Ending Balance (per the Attached bank statement for the period)	\$ <u>-</u>
Outstanding Deposits and Other Credits Not On Statement	\$ <u>7,151</u>
Outstanding Checks and Other Debits Not On Statement	\$ <u>-</u>
Ending Reconciled Balance*	\$ <u>7,151</u>

Date Period Ends: 7/30/2010

Highest Daily Balance During Above Period \$ 284,555.42

*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

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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: 7/2/2010

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: 7/30/2010

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: July 4, 2010

TO: July 31, 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: 7/2/2010

Ending Balance (per the Attached bank statement for the period)	\$	-
Outstanding Deposits and Other Credits Not On Statement	\$	63,003
Outstanding Checks and Other Debits Not On Statement	\$	-
Ending Reconciled Balance*	\$	63,003

Date Period Ends: 7/30/2010

Highest Daily Balance During Above Period \$ 1,019,892.69

*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: July 4, 2010

TO: July 31, 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: 7/2/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>-</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>3,166</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>556,156</u>
Ending Reconciled Balance*	\$	<u>(552,990)</u>

Date Period Ends: 7/30/2010

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: July 4, 2010

TO: July 31, 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: 7/2/2010

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: 7/30/2010

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: July 4, 2010

TO: July 31, 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: 7/2/2010

Ending Balance (per the Attached bank statement for the period)	<u>\$ 267,382</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>\$ 267,382</u>

Date Period Ends: 7/30/2010

Highest Daily Balance During Above Period \$2,453,432.36

*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

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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: 7/2/2010

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: 7/30/2010

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: July 4, 2010

TO: July 31, 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: 7/1/2010

Ending Balance (per the Attached bank statement for the period)	\$ <u>42,893,481</u>
Outstanding Deposits and Other Credits Not On Statement	\$ <u>338</u>
Outstanding Checks and Other Debits Not On Statement	\$ <u>-</u>
Ending Reconciled Balance*	\$ <u>42,893,819</u>

Date Period Ends: 7/30/2010

Highest Daily Balance During Above Period \$ 42,893,480.65

*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

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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: 7/2/2010

Ending Balance (per the Attached
bank statement for the period) \$ 48,274

Outstanding Deposits and Other
Credits Not On Statement \$ -

Outstanding Checks and Other
Debits Not On Statement \$ 3,631

Ending Reconciled Balance* \$ 44,643

Date Period Ends: 7/30/2010

Highest Daily Balance
During Above Period \$ 48,274.41

*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

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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: 3-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: 30-Jul-10

Highest Daily Balance During Above Period \$ 2,265,000.00

*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: July 4, 2010

TO: July 31, 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: 3-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: 7/30/2010

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: July 4, 2010

TO: July 31, 2010

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

Account Number: 0719

Outstanding Deposit List

O/S DEPOSIT	Payee	Amount
Deposit - 7/31/10		\$ 9,267
Journal entry adjustment - correct in August		\$ (2,116)
	TOTAL OUTSTANDING	<u>\$ 7,151</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 2010

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

Account Number: 5859

Outstanding Check List

Check Number	Payee	Amount
	TOTAL OUTSTANDING	<u>\$ -</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 2010

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

Account Number: 5215

Outstanding Deposit List

O/S DEPOSIT	Payee	Amount
Deposit - 7/31/10		\$ 63,003
	TOTAL OUTSTANDING	<u>\$ 63,003</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 2010

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

Account Number: 5958

Outstanding Check List

Check Number	Payee	Amount
110211	VERIZON	\$ 885.60
110214	WILLIAMS MARK	\$ 19.47
110292	ROCHESTER INSTITUTE OF TECHN	\$ 695.00
110313	VERIZON	\$ 156.23
110334	Q-CAST INC	\$ 12,292.80
110338	REPAIR TECHNOLOGY INC	\$ 1,440.00
110351	NYSEG NEW YORK STATE ELECTRI	\$ 4,647.06
110358	VERIZON SELECT SERVICES INC	\$ 5,072.76
110362	GULF COAST SPRING CO INC	\$ 804.85
110385	AT&T MOBILITY	\$ 118.05
110386	CLARKE TERRI	\$ 180.00
110390	VERIZON SELECT SERVICES INC	\$ 842.40
110392	AT&T GLOBAL SERVICES CANADA	\$ 129.88
110393	BURGH SCHOENENBERGER	\$ 1,280.00
110396	DELL MARKETING	\$ 40,844.37
110401	STAPLES BUSINESS ADVANTAGE	\$ 9,000.00
110402	AIRBOSS OF AMERICA	\$ 13,282.34
110403	AT&T CORPORATION	\$ 379.63
110404	AT&T MOBILITY	\$ 4,866.38
110405	AT&T TELECONFERENCE SERVICES	\$ 1,426.45
110406	BOHLER UDDEHOLM	\$ 15,000.00
110407	BUREAU VERITAS NORTH AMERICA	\$ 327.19
110409	DILLON JOHN E	\$ 166.66
110410	DILLON LORI K	\$ 166.66
110411	DILLON PATRICK S	\$ 166.67
110412	DILLON SUSAN M	\$ 166.66
110413	DILLON TIMOTHY P	\$ 166.66
110414	G X S INC (FORMERLY GLOBAL E	\$ 993.50
110415	INERTECH INC	\$ 2,320.00
110416	KONICA MINOLTA BUSINESS SOLU	\$ 1,863.00
110417	KRUWELL, JEFFERY	\$ 69.17
110418	LOPRIORE, CHRIS J	\$ 194.00
110419	M & H VALVE COMPANY	\$ 38,843.82
110420	MARIK SPRING	\$ 1,217.50
110421	NYSEG NEW YORK STATE ELECTRI	\$ 17.57
110422	PALMYRA COMMUNITY CENTER	\$ 300.00

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 2010

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

Account Number: 5958

Outstanding Check List

110423	R E CARROLL INC	\$	75.00
110424	RICOH CORPORATION	\$	0.12
110425	ROCHESTER INDUSTRIES PLACEME	\$	485.76
110426	ROCHESTER MUSEUM & SCIENCE C	\$	500.00
110427	ROCHESTER STRUCTURAL LLC	\$	9,639.00
110428	SB VA SERVICES	\$	71.80
110429	SINACK DIANE	\$	1,000.00
110430	SOUCY TECHNO INC	\$	8,998.28
110431	SOUTHWESTERN PAINT AND WALLP	\$	119.98
110432	TAMBE METAL PRODUCTS	\$	195.00
110433	TILLET BECKY A	\$	166.66
110434	TIME WARNER COMMUNICATIONS	\$	4,582.44
110435	VASSEUR CHERYL A	\$	57.82
110436	WALKER DEBBIE	\$	172.45
110437	ZELLER CORPORATION	\$	84.00
110438	ROMEO ENGINEERING INC	\$	52,856.00
110439	SYRACUSE SUPPLY SUPER COIL	\$	35,010.00
40020234	AKROCHEM CORP	\$	68.13
40020235	DAIKIN AMERICA INC	\$	278,497.44
40020236	POLY ONE	\$	727.32
40020237	R T VANDERBILT	\$	999.45
40020238	RINECO (GST)	\$	1,507.20
		\$	556,156.18
	BofA Merchant Fees	\$	(2,565.88)
	Returned Payroll check	\$	(600.00)
		\$	(3,165.88)

IN RE: Garlock Sealing Technologies LLC

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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
July interest		\$ 338.33
TOTAL OUTSTANDING		<u>\$ 338.33</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 2010

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

Account Number: 5813

Outstanding Check List

Check Number	Payee	Amount
156925	DONLEN CORP (CANADA)	\$ 3,204.77
156926	DUBEAU FERN	\$ 289.53
156927	GIBSON LARRY	\$ 178.56
156924	RUSSELL DANIEL	\$ 58.16
	June bank fee adj	\$ (100.00)
		<u>\$ 3,631.02</u>

IN RE: Garlock Sealing Technologies LLC

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: July 4, 2010

TO: July 31, 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	\$ 1,323,804	
Gross Wages	\$ 1,086,889	
Total Paid to Non-Insiders		\$ 2,410,693

Commission/Bonus Payments:

	Amount Paid	
Gross Commission	\$ 49,098	
Gross Bonus	\$ 17,533	
Gross Sign-on Bonus	\$ 3,500	
Total Paid in Commissions/Bonuses		\$ 70,131

Independent Contractors

Name	Type	Amount Paid
INTECX LLC	Gross Commission (O/S Sales)	\$ 3,488
D V C SOUTH INC	Gross Commission (O/S Sales)	\$ 13,275
PAUL ERNST G - S V MIDWEST	Gross Commission (O/S Sales)	\$ 12,915
SACHS AND ASSOCIATES INC	Gross Commission (O/S Sales)	\$ 14,004
JERRY DICKSON	Gross Commission (O/S Sales)	\$ 3,174
PRODUCTION MARKETING GROUP	Gross Commission (O/S Sales)	\$ 13,287
Total Paid to Independent Contractors		\$ 60,143

Total Salary/Wage/Commission Payments \$ 2,592,703

*"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: July 4, 2010

TO: July 31, 2010

SALES/ACCOUNTS RECEIVABLE

I.	Accounts Receivable Pending As of: 7/4/10	\$ 13,004,747
II.	Net Increase (Decrease) in Accounts Receivable ¹	\$ 296,566
III.	Accounts Receivable Pending As of: 7/31/10 (All receivables are net of customer credits)	\$ 13,301,313

Pending Pre & Post Petition	Total	Collectible	Uncollectible
0-30 Days	\$ 9,887,663	\$ 9,887,663	
31-60 Days	\$ 2,957,816	\$ 2,957,816	
61-90 Days	\$ 391,777	\$ 391,777	
91 Days and Over	\$ 126,654	\$ 126,654	
Unapplied cash and other month-end adjustments	\$ (62,597)	\$ (62,597)	
Total	\$ 13,301,313	\$ 13,301,313	\$ -

Intercompany receivable balances as of July 31, 2010:

GST SHERBROOKE	\$ 69,191
GST MEXICO	\$ 180,273
GST BRAZIL	\$ 455,669
GST UK	\$ 69,646
GST MIDDLE EAST	\$ 98,934
GST FRANCE	\$ 335,927
GST GERMANY	\$ 499,477
GST INDIA	\$ 39,152
GST AUSTRALIA	\$ 350,159
GST SINGAPORE	\$ 723,458
GST CHINA	\$ 205,367
GST HELICOFLEX	\$ 36,172
TECHNETICS	\$ 2,542
GST PIKOTEK	\$ 21,323
GRT	\$ -
CPI	\$ 30
ANCHOR PACKING	\$ 2,025,298
GGB	\$ 21
TEXOLON	\$ 3,938
FM ENGINE	\$ 2,636
GARRISON	\$ 14,841
	<u>\$ 5,134,054</u>

INVENTORY (Cost Basis)

Beginning Date: July 4, 2010 Ending Date: July 31, 2010

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

Category	Beginning	Net Change	Ending
Finished Goods	\$ 3,613,583	\$ (15,076)	\$ 3,598,507
Semi-Finished Goods	\$ 1,573,800	\$ 45,339	\$ 1,619,139
Work in Process	\$ 256,233	\$ (4,876)	\$ 251,357
Raw Materials	\$ 2,701,657	\$ (32,653)	\$ 2,669,004
Receiving/Inspection	\$ 57,406	\$ 126,061	\$ 183,467
Inventory Reserves	\$ (3,037,098)	\$ 467,459	\$ (2,569,639)
Totals	\$ 5,165,581	\$ 586,254	\$ 5,751,835

*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: July 4, 2010

TO: July 31, 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	July 14, 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: July 4, 2010

TO: July 31, 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: July 4, 2010

TO: July 31, 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> </u> | No | <u> X </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. Due to the temporarily increased workload related to the bankruptcy filing, certain sales and use tax returns for pre-petition periods were not filed on a timely basis. All past due sales and use tax returns were filed in, and are current as of, August 2010, and were paid pursuant to the Order Authorizing Payment of Pre-Petition Sales and Use Taxes, and Authorizing the Debtors' Banks to Honor Pre-Petition Checks for Payment of Such Amounts (Docket No. 52). 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.