

United States Bankruptcy Court
Western District of North Carolina

MONTHLY STATUS REPORT

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

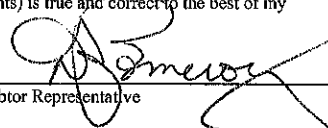
REPORTING PERIOD:

FROM: June 5, 2010

TO: July 3, 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.

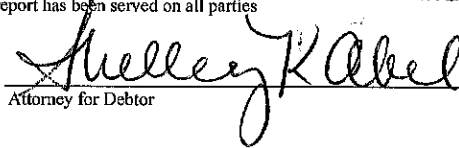
Dated: 7/30/10



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: 7/30/10



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 BoFA on July 15, 2010.

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 convened on July 14, 2010 and has been continued to August 4, 2010.

The Debtors are analyzing their options with regard to formation of a plan of reorganization at this time.

The June monthly status report covers the period from the Petition Date through the end of fiscal June. 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: Garbeck Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 3, 2010

TO: July 3, 2010

CASH RECONCILIATION:

	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	BoFA 5813 CAD S Act	BoFA 3318 Lockbox #3	BoFA 6030 Checking
Beginning Cash Position (G/L Balance)	2,794,601		9,434,717			813,006		24,461,242	35,366	(798,363)
Cash Receipts										
US Treasury Fund Redemptions						4,029,603		209		
US Treasury Fund Purchases						1,648,000		(1,648,000)		
Zero balance transfer to Acct 2376	(2,794,601)		(9,434,717)			(15,836,000)		15,836,000		
Zero balance transfer to Acct 3567		47,252					12,229,318			
Zero balance transfer from Acct 2376				4,253,055						
Zero balance transfer from Acct 9638							(12,229,318)			
Zero balance transfer from Acct 7353										
(Garrison)										
Zero balance transfer from Acct 8237					440,988					
(Garrison)										
Zero balance transfer from Acct 3318										
(Garrison)										
Zero balance transfer from Acct 6030										
(Garrison)										
Acct for last day of month	2,116		53,386							241,959
Void Checks										536,404
Intercompany Transfers										
Total Cash Receipts	2,116	47,252	53,386	4,253,055	440,988	2,033,251		14,188,239	60,000	798,363
Cash Disbursements										
Net Payroll				736,671		1,324,629				
Inventory Purchases		38,851		1,510,611		4,238				
Payroll Taxes				327,748		603,077				
Legal Fees					141,580	414,294				
Prepaid Expense										
Utilities				395,712						
American Express and Purchasing Card				330,416					47,893	
Purchased Services		310		232,500						
Credit Card Purchases				246,001						
Workers Compensation Insurance				235,828						
Other		10,304		686,497		213,046			31,102	
Total Cash Disbursements		49,466		4,701,984	440,988	2,559,285			78,996	
Ending Cash Balance (G/L Balance):	2,116	(2,214)	53,386	(448,929)		288,971		38,649,481	16,371	(0)
Bank Balance per Rec:	2,116	(2,214)	53,386	(448,929)		288,971		38,649,481	16,371	

Note: This account is in CAD \$ - the average monthly exchange rate of 0.9610 would translate this to \$15,732.45 US \$

Certain pre-petition receipts and disbursements are included here because these receipts or disbursements appear on the bank account statements for this period, which cover several days prior to the Petition Date.

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 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: 5/29/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>-</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>2,116</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>-</u>
Ending Reconciled Balance*	\$	<u>2,116</u>

Date Period Ends: 7/2/2010

Highest Daily Balance During Above Period \$ 282,924.23

*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: June 5, 2010

TO: July 3, 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: 5/28/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>-</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>-</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>2,214</u>
Ending Reconciled Balance*	\$	<u>(2,214)</u>

Date Period Ends: 7/2/2010

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: June 5, 2010

TO: July 3, 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: 5/28/2010

Ending Balance (per the Attached bank statement for the period)	\$	<u>-</u>
Outstanding Deposits and Other Credits Not On Statement	\$	<u>53,386</u>
Outstanding Checks and Other Debits Not On Statement	\$	<u>-</u>
Ending Reconciled Balance*	\$	<u>53,386</u>

Date Period Ends: 7/2/2010

Highest Daily Balance
During Above Period \$ 960,110.21

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IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 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: 5/28/2010

Ending Balance (per the Attached bank statement for the period)	<u>\$ (3,838)</u>
Outstanding Deposits and Other Credits Not On Statement	<u>\$ 6,530</u>
Outstanding Checks and Other Debits Not On Statement	<u>\$ 451,621</u>
Ending Reconciled Balance*	<u>\$ (448,929)</u>

Date Period Ends: 7/2/2010

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: June 5, 2010

TO: July 3, 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: 5/28/2010

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: 7/2/2010

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: June 5, 2010

TO: July 3, 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: 5/28/2010

Ending Balance (per the Attached bank statement for the period)	<u>\$ 288,971</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>\$ 288,971</u>

Date Period Ends: 7/2/2010

Highest Daily Balance During Above Period \$2,631,573.54

*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: June 5, 2010

TO: July 3, 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: 5/28/2010

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: 7/2/2010

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: June 5, 2010

TO: July 3, 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: 6/1/2010

Ending Balance (per the Attached bank statement for the period)	<u>\$ 38,119,238</u>
Outstanding Deposits and Other Credits Not On Statement	<u>\$ 530,243</u>
Outstanding Checks and Other Debits Not On Statement	<u>\$ -</u>
Ending Reconciled Balance*	<u>\$ 38,649,481</u>

Date Period Ends: 6/30/2010

Highest Daily Balance
During Above Period \$ 38,649,480.65

*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

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 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: 5/30/2010

Ending Balance (per the Attached bank statement for the period)	\$ <u>19,729</u>
Outstanding Deposits and Other Credits Not On Statement	\$ <u>-</u>
Outstanding Checks and Other Debits Not On Statement	\$ <u>3,358</u>
Ending Reconciled Balance*	\$ <u>16,371</u>

Date Period Ends: 7/3/2010

Highest Daily Balance During Above Period \$ 35,366.42

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IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 2010

BANK ACCOUNTS

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

Address: Customer Connection
Street and/or PO Box Number

<u>Dallas</u>	<u>TX</u>	<u>75283-2406</u>
<small>City</small>	<small>State</small>	<small>Zip Code</small>

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

Account Number: -3318

Date Period Begins: 29-May-10

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

Date Period Ends: 2-Jul-10

Highest Daily Balance During Above Period \$ 2,267,481.45

*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: June 5, 2010

TO: July 3, 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: 28-May-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: 7/2/2010

Highest Daily Balance
During Above Period \$ 4,000

*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: June 5, 2010

TO: July 3, 2010

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

Account Number: 0719

Outstanding Deposit List

O/S DEPOSIT	Payee	Amount
Deposit - 7/3/10		\$ 2,116
	TOTAL OUTSTANDING	<u>\$ 2,116</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: 5859

Outstanding Check List

Check Number	Payee	Amount
407704	Alternative Rubber & Plastic	\$ 2,214
TOTAL OUTSTANDING		<u>\$ 2,214</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: 5215

Outstanding Deposit List

O/S DEPOSIT	Payee	Amount
Deposit - 7/3/10		\$ 53,386
	TOTAL OUTSTANDING	<u>\$ 53,386</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
110224	AT&T CORPORATION	\$ 94.40
110252	TIME WARNER COMMUNICATIONS	\$ 400.61
110268	JONES DAWN M	\$ 750.00
110269	LYONS MACHINE	\$ 15.00
110273	VERIZON SELECT SERVICES INC	\$ 2,504.52
110274	AMERICAN DIABETES ASSOCIATIO	\$ 179.00
110275	ADP INC	\$ 6,951.26
110277	AIRBOSS OF AMERICA	\$ 6,530.65
110279	AMCEC INC	\$ 3,350.46
110281	AT&T TELECONFERENCE SERVICES	\$ 188.51
110290	R W LINDSAY INC	\$ 175.47
110289	NYSEG NEW YORK STATE ELECTRI	\$ 8.58
110288	KRUWELL, JEFFERY	\$ 88.00
110287	KLOCK, KARIN	\$ 19.97
110286	HEUSLER, SAMUEL	\$ 500.00
110285	HEROLD DALE A	\$ 1,862.91
110284	COMMISSIONER OF TAXATION & F	\$ 288.35
110283	CINCINNATI PRECISION MACHINE	\$ 1,268.00
110282	CARRIER CORP	\$ 4,954.53
110295	VERIZON WIRELESS	\$ 3,590.43
110294	VERIZON	\$ 176.04
110293	RUMSMOKE, GARTH	\$ 750.00
110292	ROCHESTER INSTITUTE OF TECHN	\$ 695.00
110291	ROCHESTER GAS & ELECTRIC	\$ 12.39
110280	AT&T MOBILITY	\$ 517.04
110278	ALLISON KEVIN	\$ 15.88
110296	WALKER DEBBIE	\$ 576.27
110297	ENTEC POLYMERS LLC	\$ 10,825.40
110298	SAY, ZINA	\$ 500.00
110301	SOUCY TECHNO INC	\$ 21,256.08
110300	POLY ONE CORPORATION	\$ 360.91
110299	KENTUCKY TENNESSEE CLAY INC	\$ 2,128.13
40019822	DAIKIN AMERICA INC	\$ 99,214.96

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

40019823	DEXTER FOUNDRY INC	\$ 52,156.96
40019824	DUPONT COMPANY	\$ 80,114.56
40019825	GOLD KEY PROCESSING	\$ 104,443.24
40019827	HARWICK STANDARD	\$ 702.59
40019828	SAINT-GOBAIN	\$ 11,001.90
40019829	SOLVAY SOLEXIS INC	\$ 31,548.15
		<u>\$ 451,621.22</u>

BofA Merchant Fees	\$ (6,018.18)
Reclass of Returned Check	\$ (511.78)
	<u>\$ (6,529.96)</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: 1-0 CRB

Outstanding Deposit List

O/S DEPOSITS	Payee	Amount
	7/1 AND 7/2 investment activity	\$ 530,000.00
	June interest	\$ 242.50
	TOTAL OUTSTANDING	<u>\$ 530,242.50</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: 5813

Outstanding Check List

Check Number	Payee	Amount
156915	DONLEN CORP (CANADA)	\$ 1,023.01
156916	DUBEAU, FERN	\$ 859.54
156917	ESCARAVAGE, ROBERT	\$ 37.29
156918	RUSSELL, DANIEL	\$ 387.29
156919	SEARLE, BILL	\$ 1,030.41
156920	TRIVIERI, FRANCESCO	\$ 20.40
		<u>\$ 3,357.94</u>

IN RE: Garlock Sealing Technologies LLC

CASE NO: 10-31607

MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

TO: July 3, 2010

SALARY/COMMISSION/INDEPENDENT CONTRACTOR PAYMENTS

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

Name	Type	Amount Paid
<u>All corporate officers / directors</u>	<u>Gross Salary</u>	<u>\$ 51,079</u>
<u>-Dale A. Herold</u>	<u>President and Manager</u>	
<u>-Donald G. Pomeroy II</u>	<u>Chief Financial Officer, Vice President and Manager</u>	
<u>-Daniel P. Grgurich</u>	<u>Vice President and Treasurer</u>	
Total Paid to Insiders		\$ 51,079

Non-Insider Employees

Type (i.e., Salaried, Wage)	Amount Paid	
<u>Gross Salary</u>	<u>\$ 1,279,470</u>	
<u>Gross Wages</u>	<u>\$ 816,963</u>	
Total Paid to Non-Insiders		\$ 2,096,433

Commission/Bonus Payments:

	Amount Paid	
<u>Gross Commission</u>	<u>\$ 41,452</u>	
<u>Gross Bonus</u>	<u>\$ 4,870</u>	
Total Paid in Commissions/Bonuses		\$ 46,322

Independent Contractors

Name	Type	Amount Paid
<u>INTECX LLC</u>	<u>Gross Commission (O/S Sales)</u>	<u>\$ 5,092</u>
<u>D Y C SOUTH INC</u>	<u>Gross Commission (O/S Sales)</u>	<u>\$ 14,776</u>
<u>PAUL ERNST G - S V MIDWEST</u>	<u>Gross Commission (O/S Sales)</u>	<u>\$ 10,242</u>
<u>SACHS AND ASSOCIATES INC</u>	<u>Gross Commission (O/S Sales)</u>	<u>\$ 11,940</u>
<u>JERRY DICKSON</u>	<u>Gross Commission (O/S Sales)</u>	<u>\$ 3,133</u>
<u>PRODUCTION MARKETING GROUP</u>	<u>Gross Commission (O/S Sales)</u>	<u>\$ 18,396</u>
Total Paid to Independent Contractors		\$ 63,579

Total Salary/Wage/Commission Payments \$ 2,257,413

*"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: June 5, 2010
TO: July 3, 2010

SALES/ACCOUNTS RECEIVABLE

I. Accounts Receivable Pending As of: 6/5/10 \$ 13,685,225
II. Net Increase (Decrease) in Accounts Receivable ¹ \$ (680,478)
III. Accounts Receivable Pending As of: 7/3/10 \$ 13,004,747
(All receivables are net of customer credits)

Pending Pre & Post Petition	Total	Collectible	Uncollectible
0-30 Days	\$ 10,126,352	\$ 10,126,352	
31-60 Days	\$ 2,823,780	\$ 2,823,780	
61-90 Days	\$ 258,685	\$ 258,685	
91 Days and Over	\$ (5,203)	\$ (5,203)	
Unapplied cash and other month-end adjustments	\$ (198,867)	\$ (198,867)	
Total	\$ 13,004,747	\$ 13,004,747	\$ -

Intercompany receivable balances as of July 3, 2010:

GST SHERBROOKE	\$ 53,764
GST MEXICO	\$ 181,157
GST BRAZIL	\$ 442,114
GST UK	\$ 194,397
GST MIDDLE EAST	\$ 203,055
GST FRANCE	\$ 124,215
GST GERMANY	\$ 535,336
GST INDIA	\$ 33,203
GST AUSTRALIA	\$ 382,542
GST SINGAPORE	\$ 21,018
GST CHINA	\$ 897,299
GST HELICOFLEX	\$ 72,461
GST PIKOTEK	\$ 28,180
GRT	\$ 1,235
CPI	\$ 749
ANCHOR PACKING	\$ 2,025,298
GGB	\$ 4,720
TEXOLON	\$ 3,087
FM ENGINE	\$ 4,835
GARRISON	\$ 30,896
	<u>\$ 5,239,561</u>

INVENTORY (Cost Basis)

Beginning Date: June 5, 2010 Ending Date: July 3, 2010

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

Category	Beginning	Net Change	Ending
Finished Goods	\$ 3,304,125	\$ 309,458	\$ 3,613,583
Semi-Finished Goods	\$ 1,596,290	\$ (22,489)	\$ 1,573,800
Work in Process	\$ 276,898	\$ (20,665)	\$ 256,233
Raw Materials	\$ 2,619,114	\$ 82,543	\$ 2,701,657
Inventory Reserves	\$ (3,209,964)	\$ 172,866	\$ (3,037,098)
Other	\$ 125,075	\$ (67,669)	\$ 57,406
Totals	\$ 4,711,537	\$ 454,044	\$ 5,165,581

*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: June 5, 2010

TO: July 3, 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	\$ 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: June 5, 2010

TO: July 3, 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: June 5, 2010

TO: July 3, 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.

5. Pursuant to order of the Bankruptcy Court, pre-petition bank accounts are currently 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.