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United States Bankruptcy Court Western District of North Carolina

MONTHLY STATUS REPORT

IN RE:	Garrison Litigati	ion Management Group, Ltd.			
CASE NO:	10-31608				
REPORTING	PERIOD:				
	FROM:	June 5, 2010			
	то:	July 3, 2010	····		
I certify under p consisting of knowledge and Dated:	9 pag	that the information contained in the attached liges (including exhibits and attachments) is true Output Debtor Repr	and correct to the best of my		
consisting of and business aff misrepresentation as required by la	9 pag airs, this Mouthly	nformation contained in the attached Monthly ges and based on my knowledge of this case an Status Report is accurate, complete, and does ware. I further certify that this report has been	Status Report ad the debtor's financial not contain any	EVIEWED BUT NOT	VERIFIED
Dated:	1104	Attorney for	Debtor	1	الله و الله الله الله الله الله الله الل

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 reolamation 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 form 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 Bankruptey 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:	Garrison Litigation Management Group, Ltd.	
CASE NO:	10-31608	
MONTHLY S	TATUS REPORT COVERING PERIODS:	
FROM:	June 5, 2010	
TO:	July 3, 2010	
CASH RECO	NCILIATION:	BofA Operating A/C -7353 Checking
	Beginning Cash Position (G/L Balance)	(6,288)
	Cash Receipts Intercompany Transfers - Zero balance transfers	17,779
	Total Cash Receipts	17,779
	Cash Disbursements	
	Rent Telephone Expense Supplies Expense Repairs/Maintenance Other Taxes & Licenses Postage Employee Travel Reimbursement	11,994 626 5,308 842 55 7,803 2,339
	Total Cash Disbursements	28,967
	Ending Cash Balance (G/L Balance):	(17,475)
	Bank Balance per Rec:	(17,475)

IN RE:		Garrison Litigation Management Group, Ltd.				
CASE NO:		10-31608				
MONTHLY STAT	TUS REPOR	T COVERING PERIOD	os:			
FROM:		June 5, 2010				
TO:		July 3, 2010				
		BANK ACCO	UNTS			
Name of Bank:	Bank of An	nerica, N.A.				
Address:	P.O. Box 10	· · · · · · · · · · · · · · · · · · ·		W441	- Common and the comm	
		Street and/or PO Box Number				
	Atlanta City		GA State	30348-57 Zip Code	13	
Type of Account: (i.e., Payroll, Ta	x, Operating)	Controlled Dist	oursement Che	cking - Opera	ting	
Account Number:			-7353			
Date Period Begins	:	28-Ma	ay-10			
	_	ance (per the Attached ent for the period)		\$		
		Deposits and Other On Statement		\$		
		g Checks and Other On Statement		\$	17,475	
	Ending Rec	onciled Balance*		\$	(17,475)	
Date Period Ends:		2-J	ul-10			
Highest Daily Balar During Above				\$	<u>-</u>	

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

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IN RE:	Garrison Litigation Management Group, Ltd.
CASE NO:	10-31608
MONTHLY STAT	US REPORT COVERING PERIODS:
FROM:	June 5, 2010
TO;	July 3, 2010
	Controlled Disbursement Checking - Operating
Type of Account: (i.e., Payroll, Tax	, Operating)
Account Number:	-7353

Outstanding Check List

Payee	Amour	nt
Reed Smith	\$	6,288
NYS Dept. of Tax and Finance	\$	55
Mountain Glacier	\$	10
120 East LLC	\$	10,396
Pro Park LLC	\$	726
NUTSTANDING:		17,475
	Reed Smith NYS Dept. of Tax and Finance Mountain Glacier 120 East LLC	Reed Smith NYS Dept. of Tax and Finance Mountain Glacier 120 East LLC Pro Park LLC \$

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IN RE:	Garrison Litigation M	anagement Group, Ltd.	
CASE NO:	10-31608		
MONTHLY STATUS R	EPORT COVERING PER	IODS:	
FROM:	June 5, 2010		
TO:	July 3, 2010		
SALARY/COMM	IISSION/INDEPEN	NDENT CONTRACTOR PAYMENTS	
Insiders* (List name	(s) and describe type o	of insider): Note 1	
Name Corporate Officers and Dir	rectors	Type Gross salary	Amount Paid \$ 22,630
-Paul L. Grant, Jr.	- Cotors	President	<u>\$ 22,030</u>
-Christopher Drake		Vice President	
-Timothy Hennessy		Vice president and CFO	
-Elizabeth Barry		Treasurer	
No. Indian	(N. 4)	Total Paid to Insiders	\$ 22,630
Non-Insider Employ Type (i.e., Salaried, Wage) Gross Salary Gross Wages			Amount Paid \$ 17,798
		Total Paid to Non-Insiders	\$ 17,798
Commission/Bonus I	Payments:		
Gross Commission			Amount Paid \$
		Total Paid in Commissions/Bonuses	\$
Independent Contra	ctors		
Name		Type Gross Commission	Amount Paid \$ -
		Total Paid to Independent Contractors	\$ -
			<u>. </u>
Total Salary/Wage/C	Commission Payments		\$ 40,428
*"Insider" is defined i	n 11 U.S.C. § 101(31)		

Note 1: All salaries and wages are accrued and will be paid in accordance with the terms of the Intercompany Services Agreement in January 2011.

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IN KE	<u> </u>	rarrison Litigation Manager	nent Group, Ltd.		
CASE N	YO : <u>1</u>	0-31608	.,		
MONT	HLY STATUS REPO	ORT COVERING PERIO	DS:		
FROM:		June 5, 2010	_		
TO:		July 3, 2010	_		
	SALES/ACCOU	NTS RECEIVABLE			
I.	Accounts Receivabl	le Pending As of:		\$	_
II.	Net Increase (Decre	ase) in Accounts Receivabl	e ^l	\$	_
III.	Accounts Receivable	le Pending As of:		\$	_
Pen	ding Pre & Post Peti	tion	Total	Collectible	Uncollectible
	0-30 Days		\$	\$	
	31-60 Days		\$	\$	
	61-90 Days		\$	\$	
	91 Days and Over		\$		
	Total		\$ -	\$	- \$
Intercon	npany Receivable bala	ances as of July 3, 2010:	GST, LLC The Anchor Packing Company	\$ 375,022,286.1 \$ 1,328,751.0 Total \$ 376,351,037.1	2_
Garrison	n holds certain claims	against insurance companie	s relating to its pre-petition payment o	of certain ashestos claims. Th	nese assets

Garrison holds certain claims against insurance companies relating to its pre-petition payment of certain asbestos claims. These asset are not reported here.

INVENTORY (Cost Basis)

Beginning Date:	 Ending Date:	

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

 Category	Beginning	Used	Added	Adjusted(+/-)	Ending
Finished Goods	\$	\$	\$		\$
 Totals	\$ -	\$ -	\$ -	\$ -	\$ -

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

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Garrison Litigation Mana	agement Group, Ltd.							
10-31608								
STATUS REPORT COV	ERING PERIODS:							
June 5, 2010								
July 3, 2010								
MENTS TO SECURED	CREDITORS							
_No Secured Debt								
_No Secured Debt Payme	nts Made During the Period							
_All Secured Debt Payme	nts Made During Reporting Period Are	Listed B	elow:					
Creditor	Collateral		Date of Payment	Amount				
			Total	\$ -				
MENTS ON PRE-PETIT	FION DEBT							
_No Payments Have Been	Made on Pre-Petition Unsecured Debt	During t	he Reporting Period.					
All Payments Made on P	re-Petition Unsecured Debt During Rep	porting Pe	eriod are Listed Below;					
_ ,								
_								
r	Order Date Authorizing Payme	ent	Date of Payment	Amount				
	June 5, 2010 July 3, 2010 MENTS TO SECURED No Secured Debt Payme All Secured Debt Payme Creditor MENTS ON PRE-PETIT No Payments Have Beer	STATUS REPORT COVERING PERIODS:	STATUS REPORT COVERING PERIODS: June 5, 2010 July 3, 2010 MENTS TO SECURED CREDITORS No Secured Debt No Secured Debt Payments Made During the Period All Secured Debt Payments Made During Reporting Period Are Listed Becreditor Creditor Collateral MENTS ON PRE-PETITION DEBT No Payments Have Been Made on Pre-Petition Unsecured Debt During to	STATUS REPORT COVERING PERIODS:				

Total

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Name of Cree	ditor	Date Due	Amount Due	Paid Date	Check#	ין
				Reporting Period are Lirrent Liabilities which	isted	
X*	No Accrued Liabilitie	es Existed at	the End of This	Reporting Period.		
ACCR	UED POST-PETITIO	N LIABILI	ries -			
го:	July 3, 2010					
FROM:	June 5, 2010					
MONTHLY ST	TATUS REPORT COV	VERING PE	ERIODS:			
CASE NO:	10-31608					
IN RE:	Garrison Litigation N	1anagement	Group, Ltd.			

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 bsuiness.

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.

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IN KE;		Garrison Lingation Management Group, Ltd.			
CASE NO:		10-31608			_
MON	THLY S	STATUS REPORT COV	ERING	PERIODS:	
FROM:		June 5, 2010	_		
TO:		July 3, 2010	_		
		AFI	FIRMAT	TIONS	
1.	Yes	X	_No		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	X	_No		All insurance polices and renewals if applicable, have been submitted to the Bankruptcy Administrator.
3.	Yes	X	_No		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	X	_No*		All post-petition taxes have been paid or deposited into a designated tax account.
5.	Yes		_No	x	New Debtor-In-Possession (DIP) bank accounts have been opened and have been reconciled.
6.	Yes		_No	X	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, prepetition bank accounts are currently being used by the Debtor.

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