

United States Bankruptcy Court
Western District of North Carolina

MONTHLY STATUS REPORT

IN RE: Garrison Litigation Management Group, Ltd.

CASE NO: 10-31608

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 9 pages (including exhibits and attachments) is true and correct to the best of my knowledge and belief.

Dated: 7/29/10

[Signature]
Debtor Representative

I certify that I have reviewed the information contained in the attached Monthly Status Report consisting of 9 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

[Signature]
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.

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

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CASH RECONCILIATION:

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

11,994

Telephone Expense

626

Supplies Expense

5,308

Repairs/Maintenance

842

Other Taxes & Licenses

55

Postage

7,803

Employee Travel Reimbursement

2,339

Total Cash Disbursements

28,967

Ending Cash Balance (G/L Balance):

(17,475)

Bank Balance per Rec:

(17,475)

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MONTHLY STATUS REPORT COVERING PERIODS:

FROM: June 5, 2010

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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: Controlled Disbursement Checking - Operating
(i.e., Payroll, Tax, Operating)

Account Number: -7353

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	\$	17,475
Ending Reconciled Balance*	\$	(17,475)

Date Period Ends: 2-Jul-10

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.

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

Account Number: -7353

Outstanding Check List

Check Number	Payee	Amount
5930	Reed Smith	\$ 6,288
5942	NYS Dept. of Tax and Finance	\$ 55
5950	Mountain Glacier	\$ 10
5951	120 East LLC	\$ 10,396
5952	Pro Park LLC	\$ 726
TOTAL OUTSTANDING		<u>\$ 17,475</u>

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SALES/ACCOUNTS RECEIVABLE

I. Accounts Receivable Pending As of: \$
II. Net Increase (Decrease) in Accounts Receivable ¹ \$
III. Accounts Receivable Pending As of: \$

Pending Pre & Post Petition	Total	Collectible	Uncollectible
0-30 Days	\$	\$	
31-60 Days	\$	\$	
61-90 Days	\$	\$	
91 Days and Over	\$		
Total	\$ -	\$ -	\$ -

Intercompany Receivable balances as of July 3, 2010: GST, LLC \$ 375,022,286.17
The Anchor Packing Company \$ 1,328,751.02
Total \$ 376,351,037.19

Garrison holds certain claims against insurance companies relating to its pre-petition payment of certain asbestos claims. These assets 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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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
		Total	\$ -

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	\$ -

