

**Monthly Operating Report  
ACCRUAL BASIS**

<b>CASE NAME:</b> In re Hi-Way Equipment Company LLC
<b>CASE NUMBER:</b> 13-41498-rfn-11
<b>JUDGE:</b> Russell F. Nelms

**UNITED STATES BANKRUPTCY COURT  
NORTHERN & EASTERN DISTRICTS OF TEXAS  
REGION 6**

**MONTHLY OPERATING REPORT**

**MONTH ENDING:** July 2013  
MONTH YEAR

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT, AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY) IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

**RESPONSIBLE PARTY:**

*Charles Reeves*  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

Charles Reeves  
PRINTED NAME OF RESPONSIBLE PARTY

Interim Chief Restructuring Officer  
TITLE

Aug 20, 2013  
DATE

**PREPARER:**

*Charles Reeves*  
ORIGINAL SIGNATURE OF PREPARER

Charles Reeves  
PRINTED NAME OF PREPARER

Interim Chief Restructuring Officer  
TITLE

Aug 20, 2013  
DATE

CASE NAME: In re Hi-Way Equipment Company

Monthly Operating Report  
ACCRUAL BASIS-1

CASE NUMBER: 13-41498-rfn-11

## COMPARATIVE BALANCE SHEET

	Schedule Amount	Jun	Jul	Aug
<b>ASSETS</b>				
1. UNRESTRICTED CASH	\$ 630,770	\$ 2,680,020	\$ 2,557,581	
2. RESTRICTED CASH	\$-	\$ 144,108	\$ 153,643	
3. TOTAL CASH	\$ 630,770	\$ 2,824,127	\$ 2,711,224	
4. ACCOUNTS RECEIVABLE (NET)	\$ 1,261,163	\$ 117,235	\$ 23,232	
5. INVENTORY	\$ 28,750,065	\$ -		
6. NOTES RECEIVABLE	\$-	\$ -		
7. PREPAID EXPENSES	\$ 165,862	\$ 1,177	\$ 1,177	
8. OTHER (ATTACH LIST)	\$-			
9. TOTAL CURRENT ASSETS	\$ 30,807,860	\$ 2,942,539	\$ 2,735,632	\$ -
10. PROPERTY, PLANT & EQUIPMENT	\$ 17,708,042	\$ -	\$ -	-
11. LESS: ACCUMULATED DEPRECIATION/DEPLETION	\$ (8,262,874)	\$ -	\$ -	-
12. NET PROPERTY, PLANT & EQUIPMENT	\$ 9,445,168	\$ -	\$ -	-
13. DUE FROM INSIDERS	\$-	\$ -	\$ -	-
14. OTHER ASSETS - NET OF AMORTIZATION (ATTACH LIST)	\$ 6,018,847	\$ -	\$ -	-
15. OTHER (ATTACH LIST)	\$-	\$ -	\$ -	-
16. TOTAL ASSETS	\$ 46,271,875	\$ 2,942,539	\$ 2,735,632	\$ -
<b>POSTPETITION LIABILITIES</b>				
17. ACCOUNTS PAYABLE		\$ 146,332	\$ 173,333	
18. TAXES PAYABLE				
19. NOTES PAYABLE				
20. PROFESSIONAL FEES		\$ 284,116	\$ 203,187	
21. SECURED DEBT				
22. OTHER (ATTACH LIST)		\$ -		
23. TOTAL POSTPETITION LIABILITIES	\$-	\$ 430,448	\$ 376,520	\$ -
<b>PREPETITION LIABILITIES</b>				
24. SECURED DEBT	\$ 44,675,842	\$ 10,405,968	\$ 10,405,968	
25. PRIORITY DEBT	\$ 63,429	\$ 63,429	\$ 63,429	
26. UNSECURED DEBT	\$ 2,533,676	\$ 2,537,327	\$ 2,537,327	
27. OTHER (ATTACH LIST)	\$-			
28. TOTAL PREPETITION LIABILITIES	\$ 47,272,947	\$ 13,006,724	\$ 13,006,724	\$ -
29. TOTAL LIABILITIES	\$ 47,272,947	\$ 13,437,171	\$ 13,383,243	\$ -
<b>EQUITY</b>				
30. PREPETITION OWNERS' EQUITY	\$ (1,011,072)	\$ (10,494,632)	\$ (10,647,610)	
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)				
32. DIRECT CHARGES TO EQUITY (ATTACH EXPLANATION)				
33. TOTAL EQUITY	\$ (1,011,072)	\$ (10,494,632)	\$ (10,647,610)	\$ -
34. TOTAL LIABILITIES & OWNERS' EQUITY	\$ 46,261,875	\$ 2,942,539	\$ 2,735,633	\$ -

CASE NAME: In re Hi-Way Equipment Company

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CASE NUMBER: 13-41498-rfn-11

INCOME STATEMENT	Jul	Aug	Sep
<b>REVENUES</b>			
1. GROSS REVENUES			\$ -
2. LESS: RETURNS & DISCOUNTS		\$ -	
3. NET REVENUE	\$ -	\$ -	\$ -
<b>COST OF GOODS SOLD</b>			
4. MATERIAL			\$ -
5. DIRECT LABOR	\$ -	\$ -	\$ -
6. DIRECT OVERHEAD	\$ -	\$ -	\$ -
7. TOTAL COST OF GOODS SOLD	\$ -	\$ -	\$ -
8. GROSS PROFIT	\$ -	\$ -	\$ -
<b>OPERATING EXPENSES</b>			
9. OFFICER / INSIDER COMPENSATION	\$ -	\$ -	\$ -
10. SELLING & MARKETING	\$ -	\$ -	\$ -
11. GENERAL & ADMINISTRATIVE	\$ 9,701		
12. RENT & LEASE			
13. OTHER (ATTACH LIST)	\$ 1,363		
14. TOTAL OPERATING EXPENSES	\$ 11,064		
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	\$ (11,064)	\$ -	\$ -
<b>OTHER INCOME &amp; EXPENSES</b>			
16. NON-OPERATING INCOME (ATTACH LIST)	\$ -	\$ -	
17. NON-OPERATING EXPENSE (ATTACH LIST)	\$ 90,000		
18. INTEREST EXPENSE	\$ -	\$ -	
19. DEPRECIATION / DEPLETION	\$ -	\$ -	
20. AMORTIZATION	\$ -	\$ -	
21. OTHER (ATTACH LIST)		\$ -	
22. NET OTHER INCOME & EXPENSES	\$ (90,000)	\$ -	\$ -
<b>REORGANIZATION EXPENSES</b>			
23. PROFESSIONAL FEES	\$ 38,265		
24. U.S. TRUSTEE FEES	\$ 13,650	\$ -	
25. OTHER (ATTACH LIST)	\$ -	\$ -	
26. TOTAL REORGANIZATION EXPENSES	\$ 51,915	\$ -	\$ -
27. INCOME TAX	\$ -		
28. NET PROFIT (LOSS)	\$ (152,979)	\$ -	\$ -

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 ACCRUAL BASIS-3

CASH RECEIPTS AND DISBURSEMENTS	JUL	AUG	SEP	QUARTER
1. CASH - BEGINNING OF MONTH	\$ 2,824,127			\$ 2,824,127
<b>RECEIPTS FROM OPERATIONS</b>				
2. CASH SALES	\$ -		\$ -	\$ -
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. PREPETITION				\$ -
4. POSTPETITION	\$ 4,003			\$ 4,003
5. TOTAL OPERATING RECEIPTS	\$ 4,003	\$ -	\$ -	\$ 4,003
<b>NON-OPERATING RECEIPTS</b>				
6. LOANS & ADVANCES (ATTACH LIST)	\$ -	\$ -		\$ -
7. SALE OF ASSETS	\$ -		\$ -	\$ -
8. OTHER (ATTACH LIST)	\$ 42,732	\$ -		\$ 42,732
9. TOTAL NON-OPERATING RECEIPTS	\$ 42,732	\$ -	\$ -	\$ 42,732
10. TOTAL RECEIPTS	\$ 46,735	\$ -	\$ -	\$ 46,735
11. TOTAL CASH AVAILABLE	\$ 2,870,863	\$ -	\$ -	\$ 2,870,863
<b>OPERATING DISBURSEMENTS</b>				
12. NET PAYROLL	\$ 9,701			\$ 9,701
13. PAYROLL TAXES PAID	\$ -			\$ -
14. SALES, USE & OTHER TAXES PAID	\$ 207			\$ 207
15. SECURED / RENTAL / LEASES	\$ 15,524			\$ 15,524
16. UTILITIES				\$ -
17. INSURANCE	\$ 35			\$ 35
18. INVENTORY PURCHASES			\$ -	\$ -
19. VEHICLE EXPENSES			\$ -	\$ -
20. TRAVEL		\$ -	\$ -	\$ -
21. ENTERTAINMENT	\$ -	\$ -	\$ -	\$ -
22. REPAIRS & MAINTENANCE			\$ -	\$ -
23. SUPPLIES	674.52			\$ 675
24. ADVERTISING	\$ -	\$ -	\$ -	\$ -
25. OTHER (ATTACH LIST)	\$ 653			\$ 653
26. TOTAL OPERATING DISBURSEMENTS	\$ 26,795	\$ -	\$ -	\$ 26,795
<b>REORGANIZATION EXPENSES</b>				
27. PROFESSIONAL FEES	\$ 119,194			\$ 119,194
28. U.S. TRUSTEE FEES	\$ 13,650	\$ -		\$ 13,650
29. OTHER (ATTACH LIST)	\$ -	\$ -		\$ -
30. TOTAL REORGANIZATION EXPENSES	\$ 132,844	\$ -	\$ -	\$ 132,844
31. TOTAL DISBURSEMENTS	\$ 159,639	\$ -	\$ -	\$ 159,639
32. NET CASH FLOW				
33. CASH - END OF MONTH	\$ 2,711,224	\$ -	\$ -	\$ 2,711,224

**Monthly Operating Report**  
ACCURAL BASIS-4

**CASE NAME:** In re Hi-Way Equipment Company  
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ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
1. 0-30		976,383	0	0
2. 31-60		244,564	0	0
3. 61-90		54414	0	0
4. 91+		(278,927.82)	0	0
5. TOTAL ACCOUNTS RECEIVABLE		996,433.18	0	0
6. AMOUNT CONSIDERED UNCOLLECTIBLE			0	0
7. ACCOUNTS RECEIVABLE (NET)		996,433.18	0	0

AGING OF POSTPETITION TAXES AND PAYABLES		MONTH: July 2013			
TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	0				
2. STATE	0				
3. LOCAL	0				
4. OTHER (ATTACH LIST)	0				
5. TOTAL TAXES PAYABLE	0				

6. ACCOUNTS PAYABLE	173733				
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STATUS OF POSTPETITION TAXES		MONTH: July 2013		
	BEGINNING TAX LIABILITY	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
<b>FEDERAL</b>				
1. WITHHOLDING	0		0	0
2. FICA-EMPLOYEE	0		0	0
3. FICA-EMPLOYER	0		0	0
4. UNEMPLOYMENT	0		0	0
5. INCOME	0		0	0
6. OTHER (ATTACH LIST)	0		0	0
7. TOTAL FEDERAL TAXES	0		0	0
<b>STATE AND LOCAL</b>				
8. WITHHOLDING	0			
9. SALES	0			
10. EXCISE	0			
11. UNEMPLOYMENT	0			
12. REAL PROPERTY	0		0	0
13. PERSONAL PROPERTY	0			
14. OTHER (ATTACH LIST)	0			
15. TOTAL STATE & LOCAL	0		0	0
16. TOTAL TAXES	0		0	0

**Monthly Operating Report**  
 ACCRUAL BASIS-5

<b>CASE NAME:</b> In re Hi-Way Equipment Company
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MONTH: July 2013

BANK RECONCILIATIONS		Account #1	Account #2	Account #3	
A. BANK:	K OF AMERICA				
B. ACCOUNT NUMBER:	488025935895				TOTAL
C. PURPOSE (TYPE):	ING ACCOUNT				
1. BALANCE PER BANK STATEMENT	2,711,224				2,711,224
2. ADD: TOTAL DEPOSITS NOT CREDITED	0				
3. SUBTRACT: OUTSTANDING CHECKS	0				0
4. OTHER RECONCILING ITEMS	0				
5. MONTH END BALANCE PER BOOKS	2,711,224				2,711,224
6. NUMBER OF LAST CHECK WRITTEN	38083				

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7.				
8.				
9.				
10.				
11. TOTAL INVESTMENTS				

CASH	
12. CURRENCY ON HAND	
13. TOTAL CASH - END OF MONTH	

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Month Jul-13

PAYMENTS TO INSIDERS AND PROFESSIONALS

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
None			
	2		
	3		
	4		
	5		
6. TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
Charles Reeves	5/1/13	Weekly fee and expense payment	\$ 14,524	\$ 117,711	\$ -
John Koskiewicz	5/29/13	Weekly fee and expense payment	\$ -	\$ 104,052	\$ -
Gardere Wynne Sewell LLP	5/31/13	\$ 179,255	\$ 119,194	\$ 298,449	\$ 179,307
Upshot Services	5/2/13	Monthly fee and expense payment	\$ -	\$ 45,993	\$ 15,000
	5				
6. TOTAL PAYMENTS TO PROFESSIONALS			\$ 133,718	\$ 566,205	\$ 194,307

POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
	1		
	2		
	3		
	4		
	5		
6. TOTAL			

**Monthly Operating Report**  
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**MONTH:** July 2013

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		<input checked="" type="checkbox"/>
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		<input checked="" type="checkbox"/>
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		<input checked="" type="checkbox"/>
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES THIS REPORTING PERIOD?		<input checked="" type="checkbox"/>
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		<input checked="" type="checkbox"/>
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		<input checked="" type="checkbox"/>
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		<input checked="" type="checkbox"/>
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		<input checked="" type="checkbox"/>
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		<input checked="" type="checkbox"/>
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		<input checked="" type="checkbox"/>
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?	<input checked="" type="checkbox"/>	
12. ARE ANY WAGE PAYMENTS PAST DUE?		<input checked="" type="checkbox"/>

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.  
 On May 10, 2013, the Debtor sold substantially all of its assets to Asco Equipment.  
 Lienholders of certain assets were paid portions of the proceeds relating to liens held against those assets.

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	<input checked="" type="checkbox"/>	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	<input checked="" type="checkbox"/>	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

**INSTALLMENT PAYMENTS**

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY
Workers Comp	Service Liody's Ins.	June 2013	Monthly
Healthcare	Blue Cross Blue She	May and June 2013	Monthly
Property&Casualty	Sentry Insurance	June 2013	Monthly