

UNITED STATES BANKRUPTCY COURT  
for the DISTRICT OF DELAWARE

HSS Holding, LLC, et. al.

Case No. 13-12740 (BLS)  
Reporting Period: Oct. 25, 2013 to Nov. 24, 2013

MONTHLY OPERATING REPORT

File with Court and submit copy to United States Trustee within 20 days after end of month.

Submit copy of report to any official committee appointed in the case.

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached	Affidavit/Supplement Attached
Schedule of Cash Receipts and Disbursements	MOR-1	X		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	X		
Schedule of Professional Fees Paid	MOR-1b	X		
Copies of bank statements				
Cash disbursements journals				
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4	X		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4	X		
Listing of aged accounts payable	MOR-4	X		
Accounts Receivable Reconciliation and Aging	MOR-5	X		
Debtor Questionnaire	MOR-5	X		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Authorized Individual\*

\_\_\_\_\_  
Date

JAMES WOODWARD  
Printed Name of Authorized Individual

12-30-2013  
CHIEF FINANCIAL OFFICER  
Title of Authorized Individual

\*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

HSS Holding, LLC

Debtor

Case No. 13-12740 (BLS)

Reporting Period: Oct 26, 2013-Nov. 24, 2013

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be per the debtor's books, not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. The amounts reported in the "PROJECTED" columns should be taken from the SMALL BUSINESS INITIAL REPORT (FORM IR-1). Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CONT)]

	BANK ACCOUNTS				CURRENT MONTH		CUMULATIVE FILING TO DATE	
	OPER.	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH	0	0	0	0	0	0	0	0
<b>RECEIPTS</b>								
CASH SALES								
ACCOUNTS RECEIVABLE								
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST) Transfers								
TRANSFERS (FROM DIP ACCTS)								
TOTAL RECEIPTS	0	0	0	0	0	0	0	0
<b>DISBURSEMENTS</b>								
NET PAYROLL								
PAYROLL TAXES								
SALES, USE, & OTHER TAXES								
INVENTORY PURCHASES								
SECURED/ RENTAL/ LEASES								
INSURANCE								
ADMINISTRATIVE								
SELLING								
OTHER (ATTACH LIST) Interest								
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)								
PROFESSIONAL FEES								
U.S. TRUSTEE QUARTERLY FEES								
COURT COSTS								
TOTAL DISBURSEMENTS	0	0	0	0	0	0	0	0
NET CASH FLOW								
(RECEIPTS LESS DISBURSEMENTS)								
CASH - END OF MONTH	0	0	0	0	0	0	0	0

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

TOTAL DISBURSEMENTS	0
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	0
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	0
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	0



HSS Holding, LLC

Debtor

Case No. 13-12740 (BLS)

Reporting Period: Oct. 25, 2013-Nov. 24, 2013

**SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID**  
 This schedule is to include all retained professional payments from case inception to current month.

Payee	Period Covered	Amount Approved	Payer	Check Number	Check Date	Fees	Amount Paid	Expenses	Fees	Expenses	Year-To-Date Fees	Year-To-Date Expenses
None			None			0.00		0.00			0.00	0.00

HSS Holding, LLC  
DebtorCase No. 13-12740 (BLS)  
Reporting Period: Oct. 25, 2013-Nov. 24, 2013**STATEMENT OF OPERATIONS**  
(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	Month	Cumulative Bring-to-Date
Gross Revenues	0	0
Less: Returns and Allowances		
Net Revenue	0	0
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	0	0
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit	0	0
<b>OPERATING EXPENSES</b>		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs		
Insider Compensation*		
Insurance		
Management Fees/Bonuses		
Office Expense		
Pension & Profit-Sharing Plans		
Repairs and Maintenance		
Rent and Lease Expense		
Salaries/Commissions/Fees		
Supplies		
Taxes - Payroll		
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment		
Utilities		
Other (attach schedule)		
Total Operating Expenses Before Depreciation	0	0
Depreciation/Depletion/Amortization	0	0
Net Profit (Loss) Before Other Income & Expenses	0	0
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)	0	0
Interest Expense	0	0
Other Expense (attach schedule)	0	0
Net Profit (Loss) Before Reorganization Items	0	0
<b>REORGANIZATION ITEMS</b>		
Professional Fees	0	0
U. S. Trustee Quarterly Fees	0	0
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	0	0
Gain (Loss) from Sale of Equipment	0	0
Other Reorganization Expenses (attach schedule)	0	0
Total Reorganization Expenses	0	0
Income Taxes	0	0
Net Profit (Loss)	0	0

\*"Insider" is defined in 11 U.S.C. Section 101(31).

HSS Holding, LLC  
Debtor

Case No. 13-12740 (BLS)  
Reporting Period:

Oct. 25, 2013-Nov. 24, 2013

**STATEMENT OF OPERATIONS - continuation sheet**

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Ending to Date
<b>Other Costs</b>		
<b>Other Operational Expenses</b>		
<b>Other Income</b>		
<b>Other Expenses</b>		
<b>Other Reorganization Expenses</b>		

**Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:**  
Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

HSS Holding, LLC		Case No. 13-12740 (BLS)	
Debtor		Reporting Period: Oct. 25, 2013-Nov. 24, 2013	
BALANCE SHEET			
The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from postpetition obligations.			
ASSETS		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents			
Restricted Cash and Cash Equivalents (see continuation sheet)			
Accounts Receivable (Net)			
Notes Receivable			
Inventories			
Prepaid Expenses			
Professional Retainers			
Other Current Assets (attach schedule)			
<b>TOTAL CURRENT ASSETS</b>		0.00	0.00
<b>PROPERTY AND EQUIPMENT</b>			
Real Property and Improvements			
Machinery and Equipment			
Furniture, Fixtures and Office Equipment			
Leasehold Improvements			
Vehicles			
Less Accumulated Depreciation			
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>		0.00	0.00
<b>OTHER ASSETS</b>			
Loans to Insiders*			
Other Assets (attach schedule)			
<b>TOTAL OTHER ASSETS</b>		0.00	0.00
<b>TOTAL ASSETS</b>		0.00	0.00
LIABILITIES AND OWNER EQUITY		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable			
Taxes Payable (refer to FORM MOR-4)			
Wages Payable			
Notes Payable			
Rent / Leases - Building/Equipment			
Secured Debt / Adequate Protection Payments			
Professional Fees			
Amounts Due to Insiders*			
Other Postpetition Liabilities			
<b>TOTAL POSTPETITION LIABILITIES</b>		0.00	0.00
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Accounts Payable			
Taxes Payable (refer to FORM MOR-4)			
Wages Payable			
Notes Payable			
Rent / Leases - Building/Equipment			
Accrued Expenses			
Professional Fees			
Amounts Due to Insiders*			
Other Postpetition Liabilities (attach schedule)			
Secured Debt			
Priority Debt			
Unsecured Debt			
<b>TOTAL PRE-PETITION LIABILITIES</b>		0.00	0.00
<b>TOTAL LIABILITIES</b>		0.00	0.00
<b>OWNER EQUITY</b>			
Capital Stock			
Additional Paid-In Capital			
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition			
Retained Earnings - Postpetition			
Adjustments to Owner Equity (attach schedule)			
Postpetition Contributions (Distributions) (Draws) (attach schedule)			
<b>NET OWNER EQUITY</b>		0.00	0.00
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>		0.00	0.00

\*Insider\* is defined in 11 U.S.C. Section 101(31).

HSS Holding, LLC  
Debtor

Case No. 13-12740 (BLS)  
Reporting Period:

Oct. 25, 2013-Nov. 24, 2013

BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Current Assets:</b>			
Accrued Revenues		0	0
<b>Other Assets:</b>			
Goodwill		0	0
Norwest Debt Acquisition Fees		0	0
PB Debt Acquisition Fees		0	0
Customer Relationships		0	0
Trade Name		0	0
Noncompete Agreements		0	0
Accumulated Amortization		0	0
LIABILITIES AND OWNER EQUITY		BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Postpetition Liabilities:</b>			
<b>Adjustments to Owner Equity:</b>			
Frontenac IX Private Capital LP Distribution		0	0
Frontenac IX Private Capital A LP Distribution		0	0
Norwest Mezzanine Partner III, LP Distribution		0	0
Frontenac HSS Investor, Inc. Distribution		0	0
Shareholder Distribution-Ralph Friedman		0	0
Shareholder Distribution-James Woodward		0	0
<b>Postpetition Contributions (Distributions) (Draws):</b>			

Restricted Cash is cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.



HSS Holding, LLC  
Debtor

Case No. 13-12740 (BLS)  
Reporting Period: Oct. 25, 2013-Nov. 24, 2013

**STATUS OF POSTPETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.  
Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.  
Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<b>Federal</b>						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other:						
Total Federal Taxes	0	0	0		0	0
<b>State and Local</b>						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other:						
Total State and Local	0	0	0		0	0
<b>Total Taxes</b>	<b>0</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>

**SUMMARY OF UNPAID POSTPETITION DEBTS**

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable						
Wages Payable						
Taxes Payable						
Rent/Leases-Building						
Rent/Leases-Equipment						
Secured Debt/Adequate Protection Payments						
Professional Fees						
Amounts Due to Insiders*						
Other:						
Other:						
<b>Total Postpetition Debts</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>

Explain how and when the Debtor intends to pay any past-due postpetition debts.

\*"Insider" is defined in 11 U.S.C. Section 101(31).

HSS Holding, LLC  
Debtor

Case No. 13-12740 (BLS)  
Reporting Period: Oct. 25, 2013-Nov. 24, 2013

**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		0
+ Amounts billed during the period		0
- Amounts collected during the period		0
Total Accounts Receivable at the end of the reporting period		0
Accounts Receivable Aging		Amount
0 - 30 days old		0
31 - 60 days old		0
61 - 90 days old		0
91+ days old		0
Total Accounts Receivable		0
Amount considered uncollectible (Bad Debt)		0
Accounts Receivable (Net)		0

**DEBTOR QUESTIONNAIRE**

Must be completed each month	Yes	No
1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.		X
2. Have any funds been disbursed from any account other than a debtor in possession account this reporting period? If yes, provide an explanation below.		X
3. Have all postpetition tax returns been timely filed? If no, provide an explanation below.	X	
4. Are workers compensation, general liability and other necessary insurance coverages in effect? If no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X