

UNITED STATES BANKRUPTCY COURT  
Southern District of New York

In re Urban Radio of South Carolina, L.L.C.  
Debtor

Case No. 11-13978 (SCC)  
Reporting Period: 03/01/12 - 03/31/12

Federal Tax I.D. # 58-2555231

**CORPORATE MONTHLY OPERATING REPORT**

**File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.**

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	Yes	
Copies of bank statements		*	*
Cash disbursements journals		*	*
Statement of Operations	<u>MOR-2</u>	Yes	
Balance Sheet	<u>MOR-3</u>	Yes	
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	
Copies of IRS Form 6123 or payment receipt		N/A	N/A
Copies of tax returns filed during reporting period		N/A	N/A
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Yes	
Listing of Aged Accounts Payable		*	*
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	
Taxes Reconciliation and Aging	<u>MOR-5</u>	N/A	N/A
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>	N/A	N/A
Debtor Questionnaire	<u>MOR-7</u>	Yes	

**\* AVAILABLE UPON REQUEST**

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 Authorized Individual\* 

Date: May 9, 2012

Printed Name of Authorized Individual: Lois E. Wright, Esq.

Date: May 9, 2012

\*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.

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**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and 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. 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 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER - #8542 & #9817 & #3484	PAYROLL	TAX	OTHER	
<b>CASH BEGINNING OF MONTH</b>	562,312	-	-	500	562,812
<b>RECEIPTS</b>					
CASH SALES					-
ACCOUNTS RECEIVABLE - PREPETITION	26,725				26,725
ACCOUNTS RECEIVABLE - POSTPETITION	591,691				591,691
LOANS AND ADVANCES					-
SALE OF ASSETS					-
OTHER					-
TRANSFERS (FROM DIP ACCTS)	-	192,580			192,580
<b>TOTAL RECEIPTS</b>	618,416	192,580	-	-	810,996
<b>DISBURSEMENTS</b>					
NET PAYROLL	2,256	176,481			178,737
PAYROLL TAXES		16,099			16,099
SALES, USE, & OTHER TAXES	8,864				8,864
INVENTORY PURCHASES					-
SECURED/ RENTAL/ LEASES	22,600				22,600
INSURANCE					-
ADMINISTRATIVE	92,867				92,867
SELLING	6,831				6,831
OTHER		-		-	-
OWNER DRAW *					-
TRANSFERS (TO DIP ACCTS)	400,000				400,000
PROFESSIONAL FEES					-
U.S. TRUSTEE QUARTERLY FEES					-
COURT COSTS					-
<b>TOTAL DISBURSEMENTS</b>	533,418	192,580	-	-	725,998
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	84,997	-	-	-	84,997
<b>CASH - END OF MONTH</b>	647,309	-	-	500	647,809

\* 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)

<b>TOTAL DISBURSEMENTS</b>	725,998
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	(400,000)
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	0
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	325,998

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**BANK RECONCILIATIONS**

**Continuation Sheet for MOR-1**

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.  
(Bank account numbers may be redacted to last four numbers.)

	Operating #8542	Payroll #3484	Citibank #9817	Other #
<b>BALANCE PER BOOKS</b>	519,568	114,469	15,090	(1,318)
BANK BALANCE	505,557	114,469	15,090	
(+) DEPOSITS IN TRANSIT ( <i>ATTACH LIST</i> ) **	20,631			
(-) OUTSTANDING CHECKS ( <i>ATTACH LIST</i> ) : **	(7,296)			
OTHER ( <i>ATTACH EXPLANATION</i> )	675			-
<b>ADJUSTED BANK BALANCE *</b>	519,568	114,469	15,090	(1,318)

\*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck. #	Amount	Ck. #	Amount

**OTHER**

\*\* DEPOSITS IN TRANSIT AND OUTSTANDING CHECKS LISTS AVAILABLE UPON REQUEST.

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**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	9/8-10/31 MONTH	9/8-10/31 CUMULATIVE -FILING TO DATE
Gross Revenues	697,762	4,588,344
Less: Returns and Allowances	-	-
Net Revenue	697,762	4,588,344
<b>COST OF GOODS SOLD</b>		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs ( <i>attach schedule</i> )		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
<b>OPERATING EXPENSES</b>		
Advertising	-	-
Auto and Truck Expense	-	-
Bad Debts	3,183	19,341
Contributions	-	1,000
Employee Benefits Programs	40,500	284,002
Officer/Insider Compensation*	17,439	118,606
Insurance	5,548	34,418
Management Fees/Bonuses	5,000	33,833
Office Expense	1,365	8,410
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	2,238	12,928
Rent and Lease Expense	22,371	151,605
Salaries/Commissions/Fees	182,870	1,179,244
Supplies	4,178	27,922
Taxes - Payroll	16,099	102,151
Taxes - Real Estate	3,243	18,100
Taxes - Other	8,864	8,864
Travel and Entertainment	1,289	15,811
Utilities	15,706	122,076
Other ( <i>attach schedule</i> )	176,297	1,234,834
Total Operating Expenses Before Depreciation	506,190	3,373,145
Depreciation/Depletion/Amortization	5,050	33,691
Net Profit (Loss) Before Other Income & Expenses	186,522	1,181,508
<b>OTHER INCOME AND EXPENSES</b>		
Other Income ( <i>attach schedule</i> )		
Interest Expense		5
Other Expense ( <i>attach schedule</i> )	-	-
Net Profit (Loss) Before Reorganization Items	186,522	1,181,503

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<b>REORGANIZATION ITEMS</b>		
Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 <i>(see continuation sheet)</i>		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses <i>(attach schedule)</i>		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

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

**BREAKDOWN OF "OTHER" CATEGORY**

**OTHER COSTS**


**OTHER OPERATIONAL EXPENSES**

Agency Commissions	83,347	589,448
Professional Fees	8,375	43,476
Broadcasting Expenses	35,494	240,300
Research	29,514	217,383
Bank Fees/Postage/Dues&Subs/Conventions	1,556	40,099
Barter - Ad Premium/Misc	18,011	104,128

**OTHER INCOME**


**OTHER EXPENSES**


**OTHER REORGANIZATION EXPENSES**


**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.

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**BALANCE SHEET**

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
<b>CURRENT ASSETS</b>			
	3/31/2012	2/29/2012	9/7/2011
Unrestricted Cash and Equivalents	647,809	562,812	243,620
Restricted Cash and Cash Equivalents ( <i>see continuation sheet</i> )	-		-
Accounts Receivable (Net)	1,841,294	1,846,031	1,863,432
Notes Receivable			-
Inventories			-
Prepaid Expenses	(16,643)	(8,671)	33,547
Professional Retainers			-
Other Current Assets ( <i>attach schedule</i> )	(70,384,587)	(70,583,697)	(70,720,298)
<b>TOTAL CURRENT ASSETS</b>	<b>(67,912,127)</b>	<b>(68,183,525)</b>	<b>(68,579,699)</b>
<b>PROPERTY &amp; EQUIPMENT</b>			
Real Property and Improvements	52,525	52,525	52,525
Machinery and Equipment	2,991,042	2,991,042	2,983,451
Furniture, Fixtures and Office Equipment	267,369	267,369	257,908
Leasehold Improvements	69,187	69,187	69,187
Vehicles	137,791	137,791	137,791
Less: Accumulated Depreciation	(3,260,276)	(3,255,226)	(3,226,584)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>257,638</b>	<b>262,688</b>	<b>274,278</b>
<b>OTHER ASSETS</b>			
Amounts due from Insiders*	-	-	-
Other Assets ( <i>attach schedule</i> )	30,747,679	30,747,679	30,747,679
<b>TOTAL OTHER ASSETS</b>	<b>30,747,679</b>	<b>30,747,679</b>	<b>30,747,679</b>
<b>TOTAL ASSETS</b>	<b>(36,906,810)</b>	<b>(37,173,158)</b>	<b>(37,557,742)</b>
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable	14,505	17,700	-
Taxes Payable ( <i>refer to FORM MOR-4</i> )			-
Wages Payable	159,016	136,688	-
Notes Payable			-
Rent / Leases - Building/Equipment			-
Secured Debt / Adequate Protection Payments			-
Professional Fees			-
Amounts Due to Insiders*			-
Other Post-petition Liabilities ( <i>attach schedule</i> )	228,973	168,279	-
<b>TOTAL POST-PETITION LIABILITIES</b>	<b>402,494</b>	<b>322,667</b>	<b>-</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt	-	-	-
Priority Debt	34,466	34,466	37,497
Unsecured Debt **	411,272	411,272	1,341,304
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>445,738</b>	<b>445,738</b>	<b>1,378,801</b>
<b>TOTAL LIABILITIES</b>	<b>848,232</b>	<b>768,405</b>	<b>1,378,801</b>
<b>OWNERS' EQUITY</b>			
Capital Stock	-	-	-
Additional Paid-In Capital	-	-	-
Partners' Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition	(38,936,543)	(38,936,543)	(38,936,543)
Retained Earnings - Post-petition	1,181,502	994,980	-
Adjustments to Owner Equity ( <i>attach schedule</i> )	-	-	-
Post-petition Contributions ( <i>attach schedule</i> )	-	-	-
<b>NET OWNERS' EQUITY</b>	<b>(37,755,041)</b>	<b>(37,941,563)</b>	<b>(38,936,543)</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>(36,906,809)</b>	<b>(37,173,158)</b>	<b>(37,557,742)</b>

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

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**BALANCE SHEET - continuation section**

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Current Assets</b>			
Barter Receivable	176,557	176,557	176,557
Due From Others	5,279	10,621	-
Due From Affiliates	(70,566,423)	(70,770,875)	(70,896,855)
<b>Other Assets</b>			
Intangibles	30,738,929	30,738,929	30,738,929
Other Assets - Clear Channel Corp Security Deposit	8,750	8,750	8,750
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Post-petition Liabilities</b>			
PP Deferred Revenue ST	42,781	40,916	
PP Due Others	10,505	9,682	
PP Other	11,145	117,681	
PP Accrued Health & Pension	164,542	-	
<b>Adjustments to Owner's Equity</b>			
<b>Post-Petition Contributions</b>			

Restricted Cash: 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.

**\*\* Decrease is primarily due to intercompany balance transfers.**

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**STATUS OF POST-PETITION 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	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
<b>Federal</b>						
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Unemployment	-					-
Income	-					-
Other: _____	-					-
Total Federal Taxes	-					-
<b>State and Local</b>						
Withholding	-					-
Sales	-					-
Excise	-					-
Unemployment	-					-
Real Property	-					-
Personal Property	-					-
Other: _____	-					-
Total State and Local	-	-	-			-
<b>Total Taxes</b>						
<b>ALL PAYROLL TAXES ARE PAID BY ADP</b>						

**SUMMARY OF UNPAID POST-PETITION DEBTS**

Attach aged listing of accounts payable.

	Number of Days Past Due				Total
	Current	31-60	61-90	Over 91	
Accounts Payable	11,535			2,970	14,505
Wages Payable	159,016	-	-	-	159,016
Taxes Payable	-	-	-	-	-
Rent/Leases-Building	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-
Professional Fees	-	-	-	-	-
Amounts Due to Insiders	-	-	-	-	-
Other: Due Others	-	-	-	-	-
Other	228,973				
<b>Total Post-petition Debts</b>	<b>399,524</b>	<b>-</b>	<b>-</b>	<b>2,970</b>	<b>402,494</b>

**Explain how and when the Debtor intends to pay any past due post-petition debts.**

\$9,932 of past due post-petition debts paid in April. Balance will be paid out of current funds.



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**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

<b>Accounts Receivable Reconciliation</b>	<b>Amount</b>
Total Accounts Receivable at the beginning of the reporting period	1,659,909
Plus: Amounts billed during the period	580,474
Less: Amounts collected during the period	-618,416
Total Accounts Receivable at the end of the reporting period	1,621,967

<b>Accounts Receivable Aging</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Total</b>
0 - 30 days old	453,804				453,804
31 - 60 days old		324,001			324,001
61 - 90 days old			119,898		119,898
91+ days old				724,263	724,263
Total Accounts Receivable					1,621,967
Less: Bad Debts (Amount considered uncollectible)					97,425
Net Accounts Receivable **					1,719,392

\*\* A/R aging balance is lower than B/S amount due to revenue accruals and reclass of credit balances

**TAXES RECONCILIATION AND AGING**

<b>Taxes Payable</b>	<b>0-30 Days</b>	<b>31-60 Days</b>	<b>61-90 Days</b>	<b>91+ Days</b>	<b>Total</b>
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

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**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
George S. Patterson	Salary	16,839	115,006
George S. Patterson	Car Allowance	600	4,200
George S. Patterson	T&E	-	359
TOTAL PAYMENTS TO INSIDERS		17,439	119,564

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

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### DEBTOR QUESTIONNAIRE

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>	<b>Yes</b>	<b>No</b>
1 Have any assets been sold or transferred outside the normal course of business this reporting period?		No
2 Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		No
3 Is the Debtor delinquent in the timely filing of any post-petition tax returns?		No
4 Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		No
5 Is the Debtor delinquent in paying any insurance premium payment?		No
6 Have any payments been made on pre-petition liabilities this reporting period?		No
7 Are any post petition receivables (accounts, notes or loans) due from related parties?		No
8 Are any post petition payroll taxes past due?		No
9 Are any post petition State or Federal income taxes past due?		No
10 Are any post petition real estate taxes past due?		No
11 Are any other post petition taxes past due?		No
12 Have any pre-petition taxes been paid during this reporting period?		No
13 Are any amounts owed to post petition creditors delinquent?	Yes**	
14 Are any wage payments past due?		No
15 Have any post petition loans been received by the Debtor from any party?		No
16 Is the Debtor delinquent in paying any U.S. Trustee fees?		No
17 Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		No
18 Have the owners or shareholders received any compensation outside of the normal course of business?		No

\*\* See note on MOR-4