

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In Re Landauer Healthcare Holdings, Inc., et al.

Case No. 13-12098 (CSS)

Reporting Period Month Ended September 30, 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 or Postpetition Taxes | MOR-4 | X | | 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

Michael Flynn

Signature of Authorized Individual*

10/30/13

Date

MICHAEL FLYNN

Printed Name of Authorized Individual

CO-CRO

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

**CONSOLIDATING INCOME STATEMENT
LANDAUER METROPOLITAN, INC.
MONTH ENDED SEPTEMBER 30, 2013**

| Case No Debit | 13-12099 LNI | | | 13-12105 Genex | | | 13-12101 COPD | | |
|---|-----------------|---------------|----------------|-------------------|---------------|-------------|------------------|---------------|-------------|
| | Beg Bal | Current Month | Total | Beg Bal | Current Month | Total | Beg Bal | Current Month | Total |
| Total Net Revenues | \$ 1,058,756 | \$ 2,062,361 | \$ 3,121,117 | \$ 180,724 | \$ 351,457 | \$ 532,181 | \$ 290,744 | \$ 566,280 | \$ 857,024 |
| Cost and Expenses: | | | | | | | | | |
| Product and supply costs | 530,770 | 857,942 | 1,388,712 | 80,964 | 157,453 | 238,417 | 108,157 | 210,656 | 318,813 |
| Gross profit | 527,986 | 1,204,419 | 1,732,405 | 99,760 | 194,004 | 293,764 | 182,587 | 355,624 | 538,211 |
| General and administrative | 751,063 | 1,566,282 | 2,317,345 | 54,321 | 151,792 | 206,113 | 64,954 | 144,931 | 209,885 |
| Selling Expenses | 20,611 | 66,441 | 87,052 | 8,378 | 29,755 | 38,133 | 11,507 | 32,470 | 43,977 |
| Delivery Expenses | 88,391 | 192,752 | 281,143 | 27,751 | 63,132 | 90,883 | 18,570 | 51,459 | 70,029 |
| Board of directors and stockholder expenses | 2,316 | 16,512 | 18,828 | - | - | - | - | - | - |
| Provision for doubtful accounts | 101,184 | 370,737 | 471,921 | 2,523 | 49,291 | 51,814 | 23,662 | 73,357 | 97,019 |
| Other Income | - | 800 | 800 | - | - | - | - | - | - |
| Gain on Bargain Purchase | - | 800 | 800 | - | - | - | - | - | - |
| Total Cost and Expenses | 1,494,335 | 3,071,466 | 4,565,801 | 173,937 | 451,423 | 625,360 | 226,650 | 512,873 | 739,123 |
| Income Before Interest, Taxes, Depreciation and Amortization Expense | (435,579) | (1,009,105) | (1,444,684) | 6,787 | (99,966) | (93,179) | 63,894 | 53,407 | 117,301 |
| Rental equipment depreciation | 127,486 | 296,552 | 424,038 | 22,652 | 52,198 | 74,850 | 101,459 | 71,672 | 173,131 |
| Rental equipment device written up assets | - | - | - | - | - | - | - | - | - |
| Other fixed assets depreciation | 28,349 | 2,255 | 30,604 | 775 | (3,515) | (2,740) | 96 | - | 96 |
| Other fixed assets deprec written up assets | - | 4,213 | 4,213 | 1,195 | 2,390 | 3,585 | 343 | 686 | 1,029 |
| Amortization of intangible assets | 155,835 | 303,020 | 458,855 | 24,622 | 51,073 | 75,695 | 101,898 | 72,358 | 174,256 |
| Total Depreciation and Amortization Exp | (91,414) | (1,312,125) | (1,503,539) | (17,835) | (151,039) | (168,874) | (38,004) | (18,951) | (56,955) |
| Income Before Interest and Taxes | 8,047 | 16,093 | 24,140 | - | - | - | - | - | - |
| Amortization of Deferred Financing Costs | 116,087 | 88,144 | 204,231 | - | - | - | - | - | - |
| Interest expense, net | - | 50,000 | 50,000 | - | - | - | - | - | - |
| Interest expense, Discount on Convertible Debt and Derivatives | 25 | 24,389 | 24,414 | - | - | - | - | - | - |
| Other Financing Costs | - | - | - | - | - | - | - | - | - |
| Acquisition Inventory Obsolescence | - | - | - | - | - | - | - | - | - |
| Non Recurring - other | - | - | - | - | - | - | - | - | - |
| Loss on Sale of Assets | - | - | - | - | - | - | - | - | - |
| Total | 124,159 | 178,626 | 302,785 | - | - | - | - | - | - |
| Income Before Provision for Income Taxes | (715,573) | (1,490,751) | (2,206,324) | (17,835) | (151,039) | (168,874) | (38,004) | (18,951) | (56,955) |
| Provision for income taxes | (300,544) | (626,115) | (926,659) | (7,491) | (63,436) | (70,927) | (15,962) | (7,959) | (23,921) |
| NET INCOME | \$ (415,029) | \$ (864,636) | \$ (1,279,665) | \$ (10,344) | \$ (87,603) | \$ (97,947) | \$ (22,042) | \$ (10,992) | \$ (33,034) |

CONSOLIDATING INCOME STATEMENT
LANDAUER METROPOLITAN, INC.
MONTH ENDED SEPTEMBER 30, 2013

| Case No Debtor | 13-12-103 AHS | | Total | 13-12-102 AHS - WNY | | Total | 13-12-100 Miller Medical | | Total |
|---|------------------|---------------|--------------|------------------------|---------------|-------------|-----------------------------|---------------|------------|
| | Reg Bal | Current Month | | Reg Bal | Current Month | | Reg Bal | Current Month | |
| Total Net Revenues | \$ 837,883 | \$ 1,680,009 | \$ 2,517,892 | \$ 192,302 | \$ 374,750 | \$ 567,052 | \$ 258,448 | \$ 650,828 | \$ 909,276 |
| Cost and Expenses: | | | | | | | | | |
| Product and supply costs | 286,556 | 574,583 | 861,139 | 51,345 | 100,057 | 151,402 | 92,007 | 231,695 | 323,702 |
| Gross profit | 551,327 | 1,105,426 | 1,656,773 | 140,957 | 274,693 | 415,650 | 166,441 | 419,133 | 585,574 |
| General and administrative | 255,691 | 531,155 | 786,846 | 61,653 | 138,069 | 199,722 | 65,737 | 145,121 | 210,858 |
| Selling Expenses | 32,081 | 122,300 | 154,381 | 23,879 | 58,055 | 81,934 | 17,161 | 33,669 | 50,830 |
| Delivery Expenses | 46,255 | 134,166 | 180,421 | 13,698 | 33,240 | 46,938 | 38,644 | 43,394 | 82,038 |
| Board of directors and stockholder expenses | - | - | - | - | - | - | - | - | - |
| Provision for doubtful accounts | 148,824 | 188,116 | 336,940 | 36,192 | 32,659 | 68,851 | 64,127 | 89,052 | 153,179 |
| Other Income | - | - | - | - | - | - | - | - | - |
| Gain on Bargain Purchase | - | - | - | - | - | - | - | - | - |
| Total Cost and Expenses | 770,007 | 1,550,300 | 2,320,307 | 196,767 | 362,080 | 548,847 | 277,676 | 542,931 | 820,607 |
| Income Before Interest, Taxes, Depreciation and Amortization Expense | 67,876 | 125,709 | 197,585 | 5,555 | 12,670 | 18,205 | (19,228) | 107,897 | 88,669 |
| Rental equipment depreciation | 57,618 | 134,174 | 191,792 | 15,539 | 34,215 | 49,754 | 21,224 | 49,836 | 71,060 |
| Rental equipment deprec written up assets | - | - | - | - | - | - | - | - | - |
| Other fixed assets depreciation | 3,525 | 4,766 | 8,291 | 1,020 | 2,126 | 3,146 | - | 4,264 | 4,264 |
| Other fixed assets deprec written up assets | - | - | - | - | - | - | - | - | - |
| Amortization of intangible assets | 9,173 | 19,110 | 28,283 | 951 | 1,940 | 2,871 | - | - | - |
| Total Depreciation and Amortization Exp | 70,316 | 158,050 | 228,366 | 17,490 | 38,281 | 55,771 | 21,224 | 54,100 | 75,324 |
| Income Before Interest and Taxes | (2,440) | (28,341) | (30,781) | (11,955) | (25,611) | (37,566) | (40,452) | 53,797 | 13,345 |
| Amortization of Deferred Financing Costs | - | - | - | - | - | - | - | - | - |
| Interest expense, net | - | - | - | - | - | - | - | - | - |
| Interest expense, Discount on Convertible Debt and Derivatives | - | - | - | - | - | - | - | - | - |
| Other Financing Costs | 8 | - | 8 | 22 | - | 22 | - | - | - |
| Acquisition Inventory Obsolescence | - | - | - | - | - | - | - | - | - |
| Non Recurring - other | - | - | - | - | - | - | - | - | - |
| Loss on Sale of Assets | - | - | - | - | - | - | - | - | - |
| Total | 8 | - | 8 | 22 | - | 22 | - | - | - |
| Income Before Provision for Income Taxes | (2,448) | (28,341) | (30,789) | (11,977) | (25,611) | (37,588) | (40,452) | 53,797 | 13,345 |
| Provision for income taxes | (1,664) | (11,903) | (13,567) | (5,030) | (10,757) | (15,787) | (16,990) | 22,595 | 5,605 |
| NET INCOME | \$ (784) | \$ (16,438) | \$ (17,222) | \$ (6,947) | \$ (14,854) | \$ (21,801) | \$ (23,462) | \$ 31,202 | \$ 7,740 |

**CONSOLIDATING INCOME STATEMENT
LAUDAER METROPOLITAN, INC.
MONTH ENDED SEPTEMBER 30, 2013**

| Case No. Debtor | Eliminations | | Consolidated | | |
|---|--------------|---------------|--------------|---------------|---------------|
| | Beg. Bal. | Current Month | Beg. Bal. | Current Month | |
| Total Net Revenues | | | \$ 3,891,077 | \$ 7,204,281 | \$ 11,095,358 |
| Cost and Expenses: | | | | | |
| Product and supply costs | | | 1,457,526 | 2,568,204 | 4,025,730 |
| Gross profit | | | 2,433,551 | 4,636,077 | 7,069,628 |
| General and administrative | | | 1,421,754 | 3,119,373 | 4,541,127 |
| Selling Expenses | | | 146,990 | 424,865 | 571,855 |
| Delivery Expenses | | | 269,803 | 613,151 | 882,954 |
| Board of directors and stockholder expenses | | | 2,316 | 16,512 | 18,828 |
| Provision for doubtful accounts | | | 421,976 | 864,778 | 1,286,754 |
| Other Income | (300) | (37) | (300) | 763 | 463 |
| Gain on Bargain Purchase | | | | | |
| Total Cost and Expenses | (300) | (37) | 3,720,065 | 7,607,646 | 11,327,711 |
| Income Before Interest, Taxes, Depreciation and Amortization Expense | 300 | 37 | 171,012 | (403,365) | (232,353) |
| Rental equipment depreciation | | | 396,231 | 695,215 | 1,091,446 |
| Rental equipment deprec. written up assets | | | | | |
| Other fixed assets depreciation | | | 34,307 | 10,981 | 45,288 |
| Other fixed assets deprec. written up assets | | | | | |
| Amortization of intangible assets | 5,250 | 5,250 | 23,807 | 47,419 | 71,226 |
| Total Depreciation and Amortization Exp | 5,250 | 5,250 | 454,345 | 753,615 | 1,207,940 |
| Income Before Interest and Taxes | (4,950) | (5,213) | (283,333) | (1,156,980) | (1,440,313) |
| Amortization of Deferred Financing Costs | | | 8,047 | 16,093 | 24,140 |
| Interest expense, net | | | 151,019 | 138,007 | 309,026 |
| Interest expense, Discount on Convertible Debt and Derivatives | | | | 50,000 | 50,000 |
| Other Financing Costs | | | 55 | 24,389 | 24,444 |
| Acquisition Inventory Obsolescence | | | | | |
| Non Recurring - other | | | | | |
| Loss on Sale of Assets | | | | | |
| Total | | | 159,121 | 248,489 | 407,610 |
| Income Before Provision for Income Taxes | (4,950) | (5,213) | (442,454) | (1,405,469) | (1,847,923) |
| Provision for income taxes | (7,205) | (2,189) | (186,618) | (590,295) | (776,913) |
| NET INCOME | (2,745) | (3,024) | (255,836) | (815,174) | (1,071,010) |

CONSOLIDATING BALANCE SHEET
LANDAUER METROPOLITAN, INC.
SEPTEMBER 30, 2013

| Case No. | 13-12099 | 13-12100 | 13-12101 | 13-12102 | 13-12103 | 13-12104 | 13-12106 | |
|--|----------------------|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|
| Debtor | LMI | COPP | AHS | AHS, WNY | AHS | AHS, WNY | Miles Medical | |
| | Reg Bal | Current | Reg Bal | Current | Reg Bal | Current | Reg Bal | Current |
| Assets | | | | | | | | |
| Current Assets | | | | | | | | |
| Cash and cash equivalents | \$ 1,385,285 | \$ 3,465,188 | \$ - | \$ - | \$ 1,358 | \$ (6,839) | \$ 850 | \$ (4,588) |
| Accounts receivable | 7,097,362 | 6,004,829 | 1,685,728 | (142) | 3,596,981 | 3,481,940 | 1,502,226 | 1,428,179 |
| Inventory | 4,962,724 | 2,223,113 | 777,846 | 1,646,287 | 1,887,014 | 2,112,062 | 359,047 | 457,837 |
| Prepaid expenses and other current assets | 1,012,711 | 935,319 | 3,495 | 1,093,172 | 1,887,014 | 2,112,062 | 741,952 | 457,837 |
| Notes receivable | | | | 3,495 | | | 43,456 | |
| Other current assets | | | | | | | | |
| Total Current Assets | \$ 14,538,105 | \$ 13,646,452 | \$ 1,691,929 | \$ (88,691) | \$ 139,993 | \$ 139,993 | \$ 2,842,340 | \$ 2,842,340 |
| Property and equipment, net | 7,746,568 | 7,364,174 | 2,368,378 | 2,553,121 | 5,347,450 | 5,337,169 | 1,824,082 | 1,844,427 |
| Goodwill | 11,826,805 | 11,826,805 | 1,122,241 | 1,096,891 | 1,687,127 | 1,538,775 | 680,151 | 643,260 |
| Intangible assets, net | 986,959 | 958,093 | 82,166 | 81,137 | 2,464,531 | 2,456,248 | 408,966 | 406,095 |
| Intercor | 3,689,519 | 2,333,198 | 1,994,126 | 1,796,732 | 6,743,794 | 7,176,273 | (136,770) | 95,401 |
| Other assets, net | 391,991 | 391,991 | 12,685 | 41,725 | 226,440 | 226,441 | 27,687 | 27,687 |
| Total Assets | \$ 39,199,949 | \$ 36,773,225 | \$ 4,184,173 | \$ 4,509,606 | \$ 15,469,347 | \$ 15,774,937 | \$ 5,369,851 | \$ 5,477,272 |
| Liabilities and stockholders' equity | | | | | | | | |
| Current Liabilities | | | | | | | | |
| Notes payable | \$ 5,148,945 | \$ 5,148,945 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Current portion of long-term debt | 5,500,000 | 3,396,000 | | | | | | |
| Bank overdrafts | | | | | | | | |
| Accounts payable | 13,146,731 | 12,480,343 | 126,110 | 13,874 | 366,285 | 366,007 | 17,304 | 67,803 |
| Accounts payable - noncurrent | 5,069,898 | 2,059,937 | (69,259) | (661,696) | 141,004 | 574,725 | (493,966) | (480,447) |
| Current portion of deferred income tax liabilities | | | | | | | | |
| Other current liabilities | 1,776,468 | 1,659,790 | 37,833,354 | 5,459,606 | | | | |
| Total Current Liabilities | 26,633,042 | 25,564,795 | (32,420) | (535,035) | 307,289 | 300,006 | (423,973) | (333,313) |
| Long-term debt - net of current portion | 21,377,092 | 21,377,092 | (47,633) | (47,633) | 1,336,086 | 1,236,086 | 155,419 | 155,419 |
| Deferred income tax liabilities - net of current portion | (988,061) | (988,061) | | | | | | |
| Other long-term liabilities | 2,575,906 | 2,500,000 | | | | | | |
| Subordinated notes payable to related parties | 48,543,879 | 48,246,826 | (571,053) | (572,669) | 1,845,375 | 2,166,992 | (268,254) | (238,594) |
| Total Liabilities | 79,537,966 | 78,676,714 | (471,086) | (1,155,333) | 3,489,749 | 3,703,089 | (536,808) | (410,488) |
| Stockholders' equity | | | | | | | | |
| Series A convertible preferred stock | 88,974 | 88,974 | | | | | | |
| Series B convertible preferred stock | 100,810 | 100,810 | 100 | 100 | | | | |
| Common stock | 13,533,422 | 13,533,422 | 11,079,318 | 11,079,318 | 1,049,900 | 1,049,900 | 436,626 | 436,626 |
| Additional paid-in capital | (2,461,466) | (2,461,466) | (4,904,110) | (4,937,144) | 14,625,967 | 14,608,745 | 2,060,894 | 2,059,092 |
| Retained earnings | (1,376,176) | (1,376,176) | | | | | | |
| Notes receivable from stockholders | (229,500) | (229,500) | | | | | | |
| Treasury stock | (10,343,593) | (11,625,601) | | | | | | |
| Total Stockholders' equity | (10,343,593) | (11,625,601) | 6,175,208 | 6,142,374 | 14,625,967 | 14,608,745 | 3,110,894 | 3,089,067 |
| Total Liabilities and Stockholders' Equity | \$ 39,199,949 | \$ 36,773,225 | \$ 4,184,173 | \$ 4,509,606 | \$ 15,469,347 | \$ 15,774,937 | \$ 5,369,851 | \$ 5,477,272 |

CONSOLIDATING BALANCE SHEET
LANBAUER METROPOLITAN, INC.
SEPTEMBER 30, 2013

| Case No. Date | 13-12104 Balance Sheet | | 13-12098 LIAB | | Total | | Eliminations | | Consolidated | |
|--|---------------------------|----------------------|------------------|---------|----------------------|----------------------|--------------|---------|----------------------|----------------------|
| | Reg Bal | Current | Reg Bal | Current | Reg Bal | Current | Reg Bal | Current | Reg Bal | Current |
| Assets | | | | | | | | | | |
| Current Assets | | | | | | | | | | |
| Cash and cash equivalents | \$ 250 | \$ 250 | | | \$ 1,288,243 | \$ 3,639,108 | | | \$ 1,288,243 | \$ 3,639,108 |
| Accounts receivable | 1,785,114 | 4,108,967 | | | 19,847,633 | 18,641,767 | | | 19,847,633 | 18,641,767 |
| Inventory | 1,629,467 | 1,474,897 | | | 10,771,609 | 9,378,172 | | | 10,771,609 | 9,378,222 |
| Prepaid expenses and other current assets | 50 | 50 | | | 1,106,744 | 1,069,762 | | | 1,106,744 | 1,069,762 |
| Income taxes receivable | | | | | | | | | | |
| Deferred income tax assets | (645,752) | (645,752) | | | (613,846) | (613,846) | | | (613,846) | (613,846) |
| Total Current Assets | \$ 3,069,119 | \$ 5,188,412 | | | \$ 32,501,577 | \$ 32,016,613 | | | \$ 32,501,577 | \$ 32,016,613 |
| Property and equipment, net | 2,302,227 | 2,327,115 | | | 15,387,020 | 14,612,327 | | | 15,387,020 | 14,612,327 |
| Goodwill | 1,785,689 | 1,764,944 | | | 11,816,805 | 11,826,805 | | | 14,153,847 | 14,153,847 |
| Intangible identifiable intangible assets, net | 8,992,716 | 9,203,143 | | | 6,036,421 | 5,951,554 | | | 6,251,992 | 6,156,625 |
| Intangibles | 24,889 | 24,889 | | | 8,596,626 | 8,596,289 | | | 729,475 | 729,475 |
| Other assets, net | 18,174,650 | 19,120,503 | | | 73,977,724 | 73,756,845 | | | \$ 69,033,711 | \$ 67,672,669 |
| Total Assets | \$ 18,174,650 | \$ 19,120,503 | | | \$ 73,977,724 | \$ 73,756,845 | | | \$ 69,033,711 | \$ 67,672,669 |
| Liabilities and stockholders' equity | | | | | | | | | | |
| Current Liabilities | | | | | | | | | | |
| Notes payable | | | | | | | | | | |
| Current portion of long-term debt | | | | | | | | | | |
| Bank overdrafts | | | | | | | | | | |
| Accounts payable | | 20,223 | | | | 654,961 | | | | 654,961 |
| Accrued liabilities - noncurrent | 274,307 | 274,181 | | | 14,793,367 | 13,623,299 | | | 14,292,367 | 13,623,299 |
| Accrued liabilities - current | 1,169,436 | 1,662,268 | | | 1,130,915 | 933,778 | | | 1,130,163 | 928,634 |
| Current portion of deferred income tax liabilities | | | | | | | | | | |
| Other current liabilities | | | | | | | | | | |
| Total Current Liabilities | 1,443,753 | 1,955,612 | | | 1,776,468 | 1,659,780 | | | 1,776,468 | 1,659,780 |
| Long-term debt - net of current portion | | | | | | | | | | |
| Deferred income tax liabilities - net of current portion | 1,252,702 | 1,252,702 | | | 23,349,655 | 25,099,863 | | | 23,373,092 | 25,099,863 |
| Other long-term liabilities | | | | | | | | | | |
| Subordinated notes payable to related parties | | | | | | | | | | |
| Total Liabilities | 2,696,455 | 3,208,314 | | | 1,630,312 | (1,671,795) | | | 51,747,439 | 51,467,407 |
| Stockholders' equity | | | | | | | | | | |
| Series A convertible preferred stock | | | | | | | | | | |
| Series B convertible preferred stock | | | | | | | | | | |
| Common stock | 100 | 100 | | | 88,974 | 88,974 | | | 88,974 | 88,974 |
| Additional paid-in capital | 4,474,900 | 4,474,900 | | | 537,830 | 537,830 | | | 100,910 | 100,910 |
| Retained earnings | 11,003,215 | 11,457,189 | | | 24,612,540 | 24,612,540 | | | 15,533,222 | 13,533,222 |
| Notes receivable from stockholders | | | | | (5,525,000) | (5,525,000) | | | (11,079,318) | (11,079,318) |
| Treasury stock | | | | | (9,611,468) | (9,608,754) | | | 5,510,400 | 5,504,651 |
| Total Stockholders' equity | 15,478,215 | 15,912,189 | | | (1,536,468) | (1,536,468) | | | (1,536,468) | (1,536,468) |
| Total Liabilities and Stockholders' Equity | \$ 18,174,650 | \$ 19,120,503 | | | \$ 73,977,724 | \$ 73,756,845 | | | \$ 69,033,711 | \$ 67,672,669 |

Re Landauer Healthcare Holdings, Inc., et al.
Debtor

Case No. 13-12098 (CSS)
Reporting Period Month Ended September 30, 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.

| Federal | Beginning Tax Liability | Amount Withheld or Accrued | Amount Paid | Date Paid | Check No. or EFT | Ending Tax Liability |
|------------------------------|-------------------------|----------------------------|-------------------|-----------|------------------|----------------------|
| Withholding | \$ - | \$ 228,043 | \$ 228,043 | Various* | - | \$ - |
| FICA - Employee | - | 156,218 | 156,218 | Various* | - | - |
| FICA - Employer | - | 156,218 | 156,218 | Various* | - | - |
| Unemployment | - | 614 | 614 | Various* | - | - |
| Income | - | - | - | - | - | - |
| Other: | - | - | - | - | - | - |
| Total Federal Taxes | \$ - | \$ 541,093 | \$ 541,093 | | | \$ - |
| State and Local | | | | | | |
| Withholding | \$ - | \$ 99,271 | \$ 99,271 | Various* | - | \$ - |
| Sales | - | - | - | - | - | - |
| Excise | - | - | - | - | - | - |
| Unemployment | - | 12,922 | 12,922 | Various* | - | - |
| Real Property | - | - | - | - | - | - |
| Personal Property | - | - | - | - | - | - |
| Other: | - | - | - | - | - | - |
| Total State and Local | \$ - | \$ 112,194 | \$ 112,194 | | | \$ - |
| Total Taxes | \$ - | \$ 653,287 | \$ 653,287 | | | \$ - |

* Debtors use ADP for all payroll processing and current payroll payment schedule splits the Debtors into 2 groups paid on alternating weeks (result is one of the groups is being paid every week). Company remits all funds for taxes to ADP with each payroll and ADP remits to the appropriate government jurisdiction and files the required payroll tax returns. All postpetition amounts were paid to ADP with the respective weeks payroll funding.

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 | \$ (430,271) | \$ 358,893 | \$ 2,311 | \$ - | \$ - | \$ (69,067) |
| Wages Payable | 1,003,588 | - | - | - | - | 1,003,588 |
| Taxes Payable | - | - | - | - | - | - |
| Rent/Lease - Building | - | - | - | - | - | - |
| Rent/Lease - Equipment | - | - | - | - | - | - |
| Secured Debt/Adequate Protection Payments | - | - | - | - | - | - |
| Professional Fees | - | - | - | - | - | - |
| Amounts Due to Insiders* | - | - | - | - | - | - |
| Other: | - | - | - | - | - | - |
| Other: | - | - | - | - | - | - |
| Total Postpetition Debts | \$ 573,317 | \$ 358,893 | \$ 2,311 | \$ - | \$ - | \$ 934,521 |

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

The majority of the past due accounts payable relate to vendors with deposits/prepayments and the invoices have not been applied against the payments. Other amounts generally relate to timing of receipt of invoice and processing. Past due amounts have been paid subsequent to month end.

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

SUMMARY OF UNPAID POST PETITION DEBTS - SUPPLEMENTAL SCHEDULE
AMOUNTS PAYABLE BY DEBTOR

ACCOUNTS PAYABLE

| Debtor | Case No | Current | Number of Days Past Due | | | | Total |
|----------------|----------|--------------|-------------------------|----------|-------|---------|--------------|
| | | | 0-30 | 31-60 | 61-90 | Over 90 | |
| LMI | 13-12099 | \$ (511,656) | \$ 320,329 | \$ - | \$ - | \$ - | \$ (191,327) |
| Genox | 13-12105 | 9,901 | 10,577 | - | - | - | 20,478 |
| COPD | 13-12101 | 7,196 | 4,640 | 1,034 | - | - | 12,870 |
| AHS | 13-12103 | 74,378 | 14,544 | 367 | - | - | 89,289 |
| AHS - WNY | 13-12102 | 15,122 | 2,082 | - | - | - | 17,204 |
| Miller Medical | 13-12100 | (37,831) | 28 | - | - | - | (37,803) |
| Denmarks | 13-12104 | 12,619 | 6,693 | 910 | - | - | 20,222 |
| LHH | 13-12098 | - | - | - | - | - | - |
| Total | | \$ (430,271) | \$ 358,893 | \$ 2,311 | \$ - | \$ - | \$ (69,067) |

WAGES PAYABLE

| Debtor | Case No | Current | Number of Days Past Due | | | | Total |
|----------------|----------|--------------|-------------------------|-------|-------|---------|--------------|
| | | | 0-30 | 31-60 | 61-90 | Over 90 | |
| LMI | 13-12099 | \$ 338,103 | \$ - | \$ - | \$ - | \$ - | \$ 338,103 |
| Genox | 13-12105 | 108,454 | - | - | - | - | 108,454 |
| COPD | 13-12101 | 43,965 | - | - | - | - | 43,965 |
| AHS | 13-12103 | 253,726 | - | - | - | - | 253,726 |
| AHS - WNY | 13-12102 | 56,905 | - | - | - | - | 56,905 |
| Miller Medical | 13-12100 | 82,466 | - | - | - | - | 82,466 |
| Denmarks | 13-12104 | 119,969 | - | - | - | - | 119,969 |
| LHH | 13-12098 | - | - | - | - | - | - |
| Total | | \$ 1,003,588 | \$ - | \$ - | \$ - | \$ - | \$ 1,003,588 |

In Re Landauer Healthcare Holdings, Inc., et al.
Debtor

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

| Accounts Receivable Reconciliation | | Amount |
|--|--|---------------|
| Total Accounts Receivable at the beginning of the reporting period | | \$ 24,304,030 |
| + Amounts billed during the period | | 9,215,509 |
| - Amounts collected during the period | | 7,272,148 |
| - Revenue adjustments and write-offs | | (2,505,503) |
| + Change in Unbilled A/R | | (71,932) |
| Total Accounts Receivable at the end of the reporting period | | \$ 23,669,956 |
| Accounts Receivable Aging | | Amount |
| 0 - 30 days old | | \$ 9,767,067 |
| 31 - 60 days old | | 2,560,895 |
| 61 - 90 days old | | 2,460,004 |
| 91 + days old | | 8,881,990 |
| Total Accounts Receivable | | \$ 23,669,956 |
| Amounts considered uncollectible (Bad Debt) | | (5,028,190) |
| Accounts Receivable (Net) | | \$ 18,641,766 |

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 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 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 |

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

| | | |
|------------------------------------|---|-------------------------|
| ----- | X | |
| | : | |
| In re: | : | Chapter 11 |
| | : | |
| LANDAUER HEALTHCARE HOLDINGS, | : | Case No. 13-12098 (CSS) |
| INC., <i>et al.</i> , ¹ | : | |
| | : | (Jointly Administered) |
| Debtors. | : | |
| ----- | X | |

**DECLARATION REGARDING THE STATUS OF THE DEBTORS'
POST-PETITION TAXES OF AS OF SEPTEMBER 30, 2013**

I, Michael Flynn, hereby declare under penalty of perjury under 28 U.S.C. § 1746:

1. I am the Co-Chief Restructuring Officer of the above-captioned debtors and debtors in possession (collectively, the “Debtors”). Since assuming such role, I have become familiar with the Debtors’ day-to-day operations, business, affairs and books and records.

2. All statements in this Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors’ operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration of behalf of the Debtors.

3. To the best of my knowledge, from the Petition Date through September 30, 2013 the Debtors have filed all necessary federal, state and local tax returns and made all required postpetition tax payments in connection therewith on a timely basis or have promptly remediated any late filings or payments that may have occurred due to unintentional oversights.²

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor’s federal tax identification number, are Landauer Healthcare Holdings, Inc. (9115), Landauer-Metropolitan, Inc. (9291), Miller Medical & Respiratory, Inc. (3261), C.O.P.D. Services, Inc. (0336), American Homecare Supply New York, LLC (7937), American Homecare Supply Mid-Atlantic LLC (0026), Denmark’s, LLC (4588); and, Genox Homecare, LLC (7361). The Debtors’ corporate headquarters and the mailing address for each Debtor is One Bradford Road, Mount Vernon, NY 10553.

² The Debtors use ADP for the remittance of payroll taxes.

4. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 30, 2013

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Michael Flynn", written over a horizontal line.

Michael Flynn
Co-Chief Restructuring Officer

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

| | | |
|------------------------------------|---|-------------------------|
| ----- | X | |
| | : | |
| In re: | : | Chapter 11 |
| | : | |
| LANDAUER HEALTHCARE HOLDINGS, | : | Case No. 13-12098 (CSS) |
| INC., <i>et al.</i> , ¹ | : | |
| | : | (Jointly Administered) |
| Debtors, | : | |
| | : | |
| ----- | X | |

**DECLARATION REGARDING RECONCILIATION OF THE DEBTORS'
BANK ACCOUNTS AS OF SEPTEMBER 30, 2013**

I, Michael Flynn, hereby declare under penalty of perjury under 28 U.S.C. § 1746:

1. I am the Co-Chief Restructuring Officer of the above-captioned debtors and debtors in possession (collectively, the "Debtors"). Since assuming such role, I have become familiar with the Debtors' day-to-day operations, business, affairs and books and records.

2. All statements in this Declaration are based on my personal knowledge, my review of the relevant documents, my discussions with other employees of the Debtors, or my opinion based upon my experience and knowledge of the Debtors' operations and financial condition. If I were called upon to testify, I could and would testify to each of the facts set forth herein based on such personal knowledge, review of documents or opinion. I am authorized to submit this Declaration of behalf of the Debtors.

3. To the best of my knowledge, all of the Debtors' bank balances as of September 30, 2013 have been reconciled in an accurate and timely manner.

4. Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Dated: October 30, 2013

Respectfully submitted,


 Michael Flynn
 Co-Chief Restructuring Officer

¹ The Debtors in these Chapter 11 Cases, along with the last four digits of each Debtor's federal tax identification number, are Landauer Healthcare Holdings, Inc. (9115), Landauer-Metropolitan, Inc. (9291), Miller Medical & Respiratory, Inc. (3261), C.O.P.D. Services, Inc. (0336), American Homecare Supply New York, LLC (7937), American Homecare Supply Mid-Atlantic LLC (0026), Denmark's, LLC (4588); and, Genox Homecare, LLC (7361). The Debtors' corporate headquarters and the mailing address for each Debtor is One Bradford Road, Mount Vernon, NY 10553.