

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

In re: LUHC Wind Down Corp., et al.

Case No. 13-11391-KJC  
Reporting Period: July 1, 2014 through July 31, 2014

**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	Yes		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	Yes		
Schedule of Professional Fees Paid	MOR-1b	Yes		
Copies of bank statements			n/a	Bank reconciliation statement attached. Included on schedule 1.
Cash disbursements journals	MOR-2	Yes		
Statement of Operations	MOR-3	Yes		
Balance Sheet	MOR-4	Yes		
Status of Postpetition Taxes				
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period	MOR-4	yes		
Summary of Unpaid Postpetition Debts	MOR-4	yes		
Listing of aged accounts payable	MOR-5		n/a	
Accounts Receivable Reconciliation and Aging				
Debtor Questionnaire	MOR-5	Yes		

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.

*1 of Robert Frezza*

Signature of Authorized Individual\*

8.4.2014

Date

Robert Frezza

Printed Name of Authorized Individual

Restructuring 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.

In re: LUHC Wind Down Corp., et al.

Case No. 13-11391-KJC  
Reporting Period: July 1, 2014 through July 31, 2014

**GENERAL NOTES AND DISCLAIMER**

The financial statements and supplemental information contained herein are unaudited, preliminary, and may not comply with generally accepted accounting principles (“GAAP”) in all material respects. In addition, the financial statements and supplemental information contained herein is provided to fulfill the requirements of the Office of the United States Trustee and have been derived from the books and records of the Debtors.

The results of operations contained herein are not necessarily indicative of results that are expected from any other period or for the full year and are not reflective of the results of operations, financial position, and cash flow of the Debtors in the future.

In re: LUHC Wind Down Corp., et al.  
 Debtor  
 Case No. 13-11391-KJC  
 Reporting Period: July 1, 2014 through July 31, 2014

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

**RECEIPTS:**

Other-Bank fee reimbursements	LUHC Wind Down Corp	
Deposit Collections		
Revolver Borrowings		
Total Cash Receipts		\$ -

**DISBURSEMENTS:**

Other		-
Total disbursements	LUHC Wind Down Corp	7,902
		<u>7,902</u>

In re: LUHC Wind Down Corp., et al.  
 Debtor

Case No. 13-11391-KJC  
 Reporting Period: July 1, 2014 through July 31, 2014

**BANK RECONCILIATIONS**  
 Continuation Sheet for MOR-1

Bank name	Acct#	Account Type	Legal Entity	Acct #	Status
Wells Fargo	2000021126741	Main Depository	LUHC Wind Down corp.	6741	Open
Wells Fargo	2000021152896	Concentration Acct	LUHC Wind Down corp.	2896	Open
Wells Fargo	4943827089	Admnl Estate Comtofn	LUHC Wind Down corp.	7089	Open
Wells Fargo	4943827097	Wind Down	LUHC Wind Down corp.	7097	Open

**Bank Reconciliations**

The above captioned debtors (the "Debtors") hereby submit this attestation regarding bank account reconciliations in lieu of providing copies of bank statements.

I attest that each of the Debtors' bank accounts is reconciled to monthly bank statements.

*1/s/ Robert Frezza*  
 Robert Frezza, CRO  
 LUHC Wind Down corp.

In re: LUHC Wind Down Corp., et al.  
Debtor

Case No. 13-11391-KJC  
Reporting Period: July 1, 2014 through July 31, 2014

**SCHEDULE OF PROFESSIONAL FEES PAID**

<b>Beneficiary</b>	<b>Date</b>	<b>Amount</b>
Womble	7.18.2014	4,511.00
Infolaw	7.18.2014	3,390.81
<b>Total:</b>		<b>7,901.81</b>

In re: LUHC Wind Down Corp., et al.  
 Debtor

Case No. 13-11391-KJC  
Reporting Period: July 1, 2014 through July 31, 2014

**STATEMENT OF OPERATIONS---CASH BASIS**  
 (Income Statement)

	Consolidated	LUHC
Other expenses--Legal fees	7,902	7,902
<b>TOTAL EXPENSES</b>	<b>7,902</b>	<b>7,902</b>
<b>NET LOSS</b>	<b>7,902</b>	<b>7,902</b>

In re: LHFC Wind Down Corp., et al.  
Debit

BALANCE SHEET - July 31, 2014

TOTAL CASH	1,871,406	\$1,871,408
TOTAL ASSETS	1,871,406	1,871,406

TOTAL NOT SUBJECT TO COMPROMISE

TOTAL LIABILITIES SUBJECT TO COMPROMISE	(\$40,776,754)	(\$3,785,758)	(\$20,606,778)
---	----------------	---------------	----------------

TOTAL SHAREHOLDER DEFICIT

TOTAL LIABILITIES & SHAREHOLDER EQUITY	67,040,696	40,776,754	5,657,164	20,606,778
	1,871,406	0	1,871,406	0

BALANCE SHEET - May 30, 2013 (FILING DATE)

3140 TOTAL CASH	1,257,519	1,140,348	0	108,171
3560 TOTAL ACCOUNTS RECEIVABLE	1,884,117	34,184	0	1,918,301
3840 TOTAL INVENTORY	17,484,523	9,311,991	0	2,927,531
3480 TOTAL PREPAIDS	1,094,575	852,947	0	261,628
3520 TOTAL CURRENT ASSETS	16,670,564	11,460,992	0	5,210,472
3690 TOTAL PLANT, PROPERTY & EQUIPMENT	2,901,997	2,023,403	0	878,594
3790 TOTAL INTANGIBLES	13,168,189	4,167,479	0	9,000,709
3860 TOTAL OTHER ASSETS	-1	-4,909,216	0	4,909,215
3880 TOTAL ASSETS	32,740,749	12,741,739	0	19,998,990

TOTAL LIABILITIES SUBJECT TO COMPROMISE

	(\$63,169,290)	(\$40,776,754)	(\$3,785,758)	(\$20,606,778)
--	----------------	----------------	---------------	----------------

TOTAL SHAREHOLDER EQUITY

	32,428,542	28,054,995	3,785,738	657,788
--	------------	------------	-----------	---------

TOTAL LIABILITIES & SHAREHOLDER EQUITY

	-32,740,748	-12,741,739	0	-19,998,990
--	-------------	-------------	---	-------------

4900 COMMON STOCK	0	0	0	0
4910 Equity - Common Stock	-20,664	0	-20,664	0
4915 Equity - Preferred Stock	0	0	0	0
4920 Equity - Paid in Capital	-11,391,335	0	-11,391,335	0
4930 Warrant	-13,500	0	-13,500	0
4935 Retained Earnings	9,843,772	489,545	14,766,289	-2,559,165
4950 RETAINED EARNINGS	-11,425,499	-11,425,499	0	0
4960 R.E PRIOR YEAR	42,582,870	38,976,949	444,968	3,166,953
4980 NET INCOME(LOSS) FOR PERIOD	2,852,898	3,611,765	0	-759,867
5000 TOTAL SHAREHOLDER EQUITY	32,428,542	28,054,995	3,785,738	657,788

TOTAL LIABILITIES & SHAREHOLDER EQUITY

	-32,740,748	-12,741,739	0	-19,998,990
--	-------------	-------------	---	-------------

In re: LUHC Wind Down Corp., et al.  
Debtor

Case No. 13-11391-KJC  
Reporting Period: July 1, 2014 through July 31, 2014

**STATUS OF POSTPETITION TAXES**

	Beginning Tax Liability	Amount Withheld or Change in Estimate	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
<b>Federal</b>						
Withholding *	0			Various		0
Unemployment Income	-	0	0	Various		-
Property tax	14,778	0	0			14,778
<b>State and Local</b>						
Withholding*	0			Various		0
Sales	(0)			Various		(0)
Excise	-					-
Unemployment	(0)			Various		(0)

(A) The open liability relates to Texas 2013 and 2012 gross margin taxes

**SUMMARY OF UNPAID POSTPETITION DEBTS**

0-30	30-60	60+
	0	

A/P-Trade Post Petition

Not applicable payments will going forward be on the cash basis recorded as expenses therefore there are no payables



In re: LUHC Wind Down Corp., et al.  
 Debtor

Case No. 13-11391-KJC  
Reporting Period: July 1, 2014 through July 31, 2014

**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

N/A

**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 (1)
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

(1) - There are no employees in the Company post July 31, 2013. The Debtors have terminated some, and are in the process of terminating the remainder, of the ongoing insurance coverage relating to the assets transferred to Buyer pursuant to the asset purchase agreement approved by order of the Bankruptcy Court located at Docket No. 268, effective as of the July 30, 2013.