

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF DELAWARE

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

Case No. 13-11391-KJC  
Reporting Period: August 1, 2014 through August 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/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	MOR-5	Yes	
Debtor Questionnaire			

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.

*1e1 Robert Frezza*

Signature of Authorized Individual\*

9.12.2014

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.

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**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.

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**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

**RECEIPTS:**

Other-Bank fee reimbursements	LUHC Wind Down Corp	252
Deposit Collections		-
Revolver Borrowings		
Total Cash Receipts	\$	<u>252</u>

**DISBURSEMENTS:**

Other	LUHC Wind Down Corp	-
Total disbursements		<u>29,236</u>
		<u>29,236</u>

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**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	Addnl Estate Contrib	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.

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

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**SCHEDULE OF PROFESSIONAL FEES PAID**

<b>Beneficiary</b>	<b>Date</b>	<b>Amount</b>
EPIQ BANKRUPTCY SOLUTIONS, LLC	08.05.2014	29,235.81

Total: 29,235.81

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

Acct. Name	Consolidated	HUC	LUHC
Other expenses--professional fees	29,236		29,236
<b>TOTAL EXPENSES</b>	29,236		29,236
<b>NET LOSS</b>	29,236		29,236

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BALANCE SHEET - July 31, 2014

BALANCE SHEET - May 30, 2013 (FILING DATE)

TOTAL CASH	1,842,422	\$1,842,422			
TOTAL ASSETS	1,842,422	1,842,422			
TOTAL NOT SUBJECT TO COMPROMISE					
TOTAL LIABILITIES SUBJECT TO COMPROMISE	(85,169,290)	(\$40,776,754)	(\$3,785,758)	(\$20,606,778)	
TOTAL SHAREHOLDER Deficit	670,117,112	40,776,754	5,628,180	20,606,778	
TOTAL LIABILITIES & SHAREHOLDER EQUITY	1,842,422	0	1,842,422	0	

3140 TOTAL CASH	1,842,519	1,149,348	0	108,171	
3260 TOTAL ACCOUNTS RECEIVABLE	1,884,147	341,194	0	1,918,341	
3340 TOTAL INVENTORY	12,434,523	9,311,991	0	2,922,532	
3480 TOTAL PREPAIDS	1,094,375	833,947	0	261,428	
3520 TOTAL CURRENT ASSETS	16,670,564	11,460,092	0	5,210,472	
3690 TOTAL PLANT, PROPERTY & EQUIPMENT	2,801,997	2,023,403	0	878,594	
3790 TOTAL INTANGIBLES	13,188,189	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	12,741,759	0	19,998,990	
TOTAL LIABILITIES SUBJECT TO COMPROMISE	(85,169,290)	(\$40,776,754)	(\$3,785,758)	(\$20,606,778)	
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	38,570,949	444,968	3,166,953	
4980 NET INCOME(LOSS) FOR PERIOD	2,852,898	3,612,765	0	-759,867	
5000 TOTAL SHAREHOLDER EQUITY	32,438,540	28,034,995	3,785,758	607,788	
5020 TOTAL LIABILITIES & SHAREHOLDER EQUITY	-32,740,748	-12,741,759	0	-19,998,990	

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**STATUS OF POSTPETITION TAXES**

	Beginning Tax Liability	Amount Withheld or Change in Estimate	Amount Paid	Date Paid	Cheque 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 (A)
<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

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**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.