

UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NEW JERSEY

MAINSHIP CORPORATION

12-21198

Reporting Period:

2/1/13-2/28/13

**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		X		
Cash disbursements journals		N/A		
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		N/A		
Copies of tax returns filed during reporting period		N/A		
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

10-Jun-13

John Peterson

Printed Name of Authorized Individual

Treasurer

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.

MAINSHIP CORPORATION  
Debtor

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### 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.				ACTUAL	PROJECTED	ACTUAL	PROJECTED
<b>CASH BEGINNING OF MONTH</b>	0		0	0				
<b>RECEIPTS</b>								
CASH SALES								
ACCOUNTS RECEIVABLE								
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST)								
TRANSFERS (FROM DIP ACCTS)								
<b>TOTAL RECEIPTS</b>	0							
<b>DISBURSEMENTS</b>								
NET PAYROLL								
PAYROLL TAXES								
SALES, USE, & OTHER TAXES								
INVENTORY PURCHASES								
SECURED/ RENTAL/ LEASES								
INSURANCE								
ADMINISTRATIVE								
SELLING								
OTHER (ATTACH LIST)								
OWNER DRAW *								
TRANSFERS (TO DIP ACCTS)	0							
PROFESSIONAL FEES								
U.S. TRUSTEE QUARTERLY FEES								
COURT COSTS								
<b>TOTAL DISBURSEMENTS</b>	0							
<b>NET CASH FLOW</b>	0							
(RECEIPTS LESS DISBURSEMENTS)								
<b>CASH - END OF MONTH</b>	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)	
<b>TOTAL DISBURSEMENTS</b>	0
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	0
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	0
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	0

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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.

[illegible]

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## SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

This schedule is to include all retained professional payments from case inception to current month.

[illegible]

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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.

<b>REVENUES</b>	<b>Month</b>	<b>Cumulative Filing to Date</b>
Gross Revenues	0	0
Less: Returns and Allowances		
Net Revenue	0	0
<b>COST OF GOODS SOLD</b>		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit	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	0	-10
Travel and Entertainment		
Utilities		0
Other (attach schedule)		-507
Total Operating Expenses Before Depreciation	0	-517
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Other Income & Expenses	0	-517
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)		
Interest Expense		
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	0	-517
<b>REORGANIZATION ITEMS</b>		
Professional Fees		
U. S. Trustee Quarterly Fees	0	-650
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (attach schedule)		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)	0	-1,167

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

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**STATEMENT OF OPERATIONS - continuation sheet**

BREAKDOWN OF "OTHER" CATEGORY	Month	Cumulative Filing 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.

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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 postpetition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>CURRENT ASSETS</b>		
Unrestricted Cash and Equivalents		689
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>		689
<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>	\$	\$
<b>OTHER ASSETS</b>		
Loans to Insiders*	0	0
Other Assets (attach schedule)	2,486,473	2,486,291
<b>TOTAL OTHER ASSETS</b>	2,486,473	2,486,291
<b>TOTAL ASSETS</b>	2,486,473	2,486,980

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	0	
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 (attach schedule)	660	
<b>TOTAL POSTPETITION LIABILITIES</b>	660	
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>		
Secured Debt		
Priority Debt		
Unsecured Debt	8,946,042	8,946,042
<b>TOTAL PRE-PETITION LIABILITIES</b>	8,946,042	8,946,042
<b>TOTAL LIABILITIES</b>	8,946,702	8,946,042
<b>OWNER EQUITY</b>		
Capital Stock	4,280,491	4,280,491
Additional Paid-In Capital		0
Partners' Capital Account		0
Owner's Equity Account		0
Retained Earnings - Pre-Petition	-10,739,553	-10,739,553
Retained Earnings - Postpetition	-1,167	0
Adjustments to Owner Equity (attach schedule)		0
Postpetition Contributions (Distributions) (Draws) (attach schedule)		0
<b>NET OWNER EQUITY</b>	-6,460,229	-6,459,062
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	2,486,473	2,486,980

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**BALANCE SHEET - continuation sheet**[illegible]



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### 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						
<b>State and Local</b>						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other:						
Total State and Local						
<b>Total Taxes</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*						
Intercompany		660				
Other:						
<b>Total Postpetition Debts</b>		660				

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

The Debtors will pay its post-petition debts through use of cash generated from operations as described in the Cash Collateral Motions and Orders and through borrowings under the interim DIP facility.

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### ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period	N/A	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		
Amount considered uncollectible (Bad Debt)		
Accounts Receivable (Net)		

### 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. (2)		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? (1) 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

(1) The Debtors maintain property coverage on only remaining material asset. As the Debtors have no employees, it no longer carries employment related coverages. The Debtors tenant maintains liability coverage.

(2) Funds disbursed from the Arent Fox Escrow account are reflected in cash disbursement schedules (MOR1) but not yet reflected in the Debtor's general ledger.