

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re PSL – NORTH AMERICA LLC, et al.  
Debtor<sup>1</sup>

Case No. 14-11477 (PJW)  
Reporting Period: 08/01/2014 - 08/31/2014

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

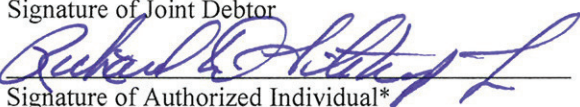
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

\_\_\_\_\_  
Signature of Debtor

\_\_\_\_\_  
Date

\_\_\_\_\_  
Signature of Joint Debtor

\_\_\_\_\_  
Date

  
Signature of Authorized Individual\*

10/17/14  
Date

Richard D Gilstrap Jr.  
Printed Name of Authorized Individual

CEO  
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.

<sup>1</sup> The Debtors in these Chapter 11 Cases, along with the last four digits of the Debtors' federal tax identification numbers, are PSL - North America LLC (5196) and PSL USA INC (0971). The above-captioned Debtors' mailing address is 13092 Sea Plane Road, Bay St. Louis, MS 39520.

**Notes to MOR-1a:**

The \$5.8 million loan was made by ICICI Bank, New York Branch Limited (“ICICI”) under the Debtors’ debtor in possession facility under the final order dated July 28, 2014.

The Debtors have deposited undistributed amounts for professional fees into an escrow account held by counsel at Richards, Layton & Finger, P.A (“RLF”). On August 8, 2014, the Debtors received a refund of \$75,000.41 from the escrow related to fees to be paid by the Estate as Ordinary Course Services under 156 (c) that were inadvertently transferred to the RLF account. In total, \$2,079,177 is held in escrow for professionals, along with an additional \$24,350 held in reserve for U.S. Trustee fees and \$45,000 held for filing fees. These amounts for professionals and the U.S. Trustee are shown in the schedule as payments by the Debtors.

In connection with the closing of the sale, the Debtors paid \$417,534.25 and \$15,993.14 into escrow at RLF on August 29<sup>th</sup> to account for the prorated pre-closing property tax due at the end of the calendar year for the headquarters facility and to address a judgment lien. These amounts are included in the Sales, Use & Other Taxes and Settlements with Secured Creditors line items.

On August 29<sup>th</sup>, the Debtors paid \$176,000 and \$70,000 to Jindal Tubular USA, LLC (“Jindal”) for payment of the bond interest and DIP loan interest, respectively.

The net payroll shown includes the payment of accrued vacation, totaling \$71,622.65, upon closing of the sale to Jindal.

A total of \$359,000 remains in the Debtors’ 0636 bank account, reserved for the Key Employee Incentive Plan.

The Debtors paid \$258,646.88 into escrow with RLF to provide for cure payments on assumed contracts. As of August 31, 2014, the Debtors have made a cure payment to Coast Electric Power Association. \$144,006.26 remained in the cure escrow as of August 31.

The Debtors produced forecasts on a weekly, rather than a monthly basis, ending on each Sunday. The forecasted period shown for August includes August 4<sup>th</sup> – 31<sup>st</sup>. The forecasted period shown for filing to date includes June 16<sup>th</sup>-August 31<sup>st</sup>. Secured rental and lease payments were included in other expense categories and not broken out separately in the forecasts. Similarly, payroll taxes in the forecast were included in the payroll line.

**Notes to MOR-1b:**

Bank statements for all open and active bank accounts are retained by the Debtors and will be available upon request of the UST.

As noted for MOR-1a, the Debtors have paid \$2,079,177 into escrow at RLF for professionals, along with an additional \$24,350 held in reserve for U.S. Trustee fees and \$45,000 held for filing fees. The attached supplementary schedule provides detail on professional fees paid into escrow and directly to professionals.

**Notes to MOR-2:**

Following discussion with the Office of the United States Trustee for the District of Delaware, the Statement of Operations shown is on a cash, rather than accrual, basis.

Insider compensation shown relates to regular salary payments only. Certain expense reimbursements are included in the Employee Expense Reimbursement line.

**Notes to MOR-3:**

The balance sheet has been prepared on an accrual basis.

Cash balances shown in this exhibit include amounts held in escrow at RLF and also may not tie to MOR-1a due to checks in progress.

**Notes to MOR-4a:**

As with the Statement of Operations, both the schedule of postpetition taxes and the schedule of postpetition debts have been prepared on a cash basis.

The Debtors made tax payments associated with the August 8<sup>th</sup>, 22<sup>nd</sup> and 28<sup>th</sup> payroll dates.

PSL – NORTH AMERICA LLC

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Real property taxes of \$417,534.25 shown represent amount paid into escrow at RLF to account for pro-rated property taxes up to the sale closing date. Per the sale agreement with Jindal, the Debtors are responsible for taxes up to this date, with Jindal responsible for the remainder of the tax year.

**Notes to MOR-4b:**

The Debtors have paid all wages and payroll taxes on the scheduled payroll dates.

The Debtors have made all debt and lease payments as scheduled during the post-petition period.

**Notes to MOR-5: Debtor Questionnaire**

1.

On August 29, 2014, the Debtors sold substantially all assets to Jindal, pursuant to the sale order entered August 15<sup>th</sup>, 2014.

3.

The Debtors had no tax returns or payments due during the period.

PSL North America, LLC  
MOR-1: Schedule of Cash Receipts and Disbursements

		BANK ACCOUNTS											CURRENT MONTH		CUMULATIVE FILING TO DATE	
		OPER.	OPER.	PAYROLL	OTHER	OTHER	OTHER	OTHER	OTHER	OTHER	OTHER (USA)	OTHER (USA)	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH <sup>(1)</sup>		\$7,980.53	\$325,603.59	\$0.00	\$2.05	\$3.24	\$331,019.02	\$0.00	\$25,814.47	\$502.51	\$39,892.28	\$1,037.17	\$731,854.86	\$3,653,502.00	\$141,728.45	\$0.00
RECEIPTS																
cash sales		-	-	-	-	-	-	-	-	-	-	-	-	-	6,885.76	-
ACCOUNTS RECEIVABLE		-	230,209.61	-	-	-	-	-	-	-	-	-	230,209.61	1,050,879.00	482,809.61	1,416,144.00
LOANS AND ADVANCES		5,783,237.11	-	-	-	-	-	-	-	-	-	-	5,783,237.11	-	11,450,000.00	11,500,000.00
sale of assets		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other (attach list)		910.00	105,624.06	-	0.01	0.04	248.93	-	-	-	-	-	106,783.04	-	242,237.32	-
transfers (from dip accts)		-	931,008.65	\$10,505.01	27,361.82	184,531.50	-	-	-	-	-	-	1,653,406.98	-	2,955,264.05	-
total receipts		\$5,784,147.11	\$1,266,842.32	\$510,505.01	\$27,361.83	\$184,531.54	\$248.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,773,636.74	\$1,050,879.00	\$15,137,196.74	\$12,916,144.00
DISBURSEMENTS																
net payroll		-	-	366,528.27	-	-	-	-	-	-	-	-	366,528.27	\$576.680	589,704.97	\$978,360
payroll taxes		-	-	143,976.74	-	-	-	-	-	-	-	-	143,976.74	NA	225,257.59	NA
sales, use & other taxes		417,534.25	2,936.51	-	-	-	-	-	-	-	-	-	420,470.76	3,400.00	420,470.76	10,200.00
inventory purchases		-	-	-	-	-	-	-	-	-	-	-	-	-	468,328.20	\$472,698
secured rental/leases		-	10,094.95	-	-	-	-	-	-	-	-	-	10,094.95	-	31,270.21	-
insurance		-	100,360.23	-	-	-	-	-	-	-	-	-	100,360.23	104,000.00	362,282.30	208,000.00
administrative		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
selling		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
other (attach list)		2,326,518.93	459,456.36	-	27,361.82	184,532.50	-	-	-	-	-	-	2,997,869.61	1,449,530.00	6,112,589.64	6,517,269.16
owner draw*		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
transfers (to dip accts)		1,142,901.97	510,505.01	-	-	-	-	-	-	-	-	-	1,653,406.98	-	2,956,158.12	-
professional fees		1,876,855.33	28,293.60	-	-	-	-	-	-	-	-	-	1,905,148.93	\$1,019,513	3,295,948.93	\$3,184,713
U.S. trustee quarterly fees		24,350.00	650.00	-	-	-	-	-	-	-	-	-	25,000.00	-	25,000.00	-
court costs		-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,000.00
total disbursements		\$5,788,160.48	\$1,112,296.66	\$510,505.01	\$27,361.82	\$184,532.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$7,622,856.47	\$3,153,123.00	\$14,487,010.72	\$11,441,240.16
net cash flow		-\$4,013.37	\$154,545.66	\$0.00	\$0.01	-\$0.96	\$248.93	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$150,780.27	-\$2,102,244.00	\$650,186.02	-\$2,102,244.00
(receipts less disbursements)																
cash - end of month (1)		\$3,967.16	\$480,149.25	\$0.00	\$2.06	\$2.28	\$331,267.95	\$0.00	\$25,814.47	\$502.51	\$39,892.28	\$1,037.17	\$882,635.13	\$1,551,258.00	\$882,635.13	\$1,551,258.00
less: pre-petition cash		3,043.53	-	\$0.00	\$2.06	\$2.28	\$331,267.95	\$0.00	\$25,814.47	\$502.51	\$39,892.28	\$1,037.17	401,562.25	-	401,562.25	-
available cash - end of month (1)		\$923.63	\$480,149.25	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$481,072.88	\$1,551,258.00	\$481,072.88	\$1,551,258.00

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES (FROM CURRENT MONTH ACTUAL COLUMN)															
total disbursements - PSL North America, LLC															\$7,622,856.47
total disbursements - PSL - USA, Inc.															-
total disbursements															\$7,622,856.47
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS															1,653,406.98
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)															
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES															\$5,969,449.49

		BANK ACCOUNTS										CURRENT MONTH		CUMULATIVE FILING TO DATE	
		OPER.	OPER.	PAYROLL	OTHER	OTHER	OTHER	OTHER	OTHER	OTHER (USA)	OTHER (USA)	ACTUAL	PROJECTED	ACTUAL	PROJECTED
Other Receipts															
Refunding of professional fee overpayment		\$0.00	75,000.41	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$75,000.41	\$0.00	\$75,000.41	\$0.00
Deposits out of petty cash		-	-	-	-	-	-	-	-	-	-	-	-	\$100.00	-
Employee COBRA co-pay		-	126.22	-	-	-	-	-	-	-	-	126.22	-	252.44	-
Refund of pre-petition overpayments		-	-	-	-	-	248.93	-	-	-	-	248.93	-	-	-
Refund of post-petition overpayments		910.00	30,497.43	-	-	-	-	-	-	-	-	31,407.43	-	-	-
Interest		-	-	-	0.01	0.04	-	-	-	-	-	-	0.05	-	0.11
Total Other		\$910.00	\$105,624.06	\$0.00	\$0.01	\$0.04	\$248.93	\$0.00	\$0.00	\$0.00	\$0.00	\$106,783.04	\$0.00	\$75,352.96	\$0.00

		BANK ACCOUNTS										CURRENT MONTH		CUMULATIVE FILING TO DATE		
		OPER.	OPER.	PAYROLL	OTHER	OTHER	OTHER	OTHER	OTHER	OTHER	OTHER (USA)	OTHER (USA)	ACTUAL	PROJECTED	ACTUAL	PROJECTED
Other Disbursements																
Capital Expenditures - Water Project		1,752,000.00	-	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$1,752,000.00	\$1,047,500.00	\$4,497,010.00	\$5,000,000.00
Maintenance and Uncategorized Operating Costs		-	39,764.90	-	-	-	-	-	-	-	-	-	39,764.90	60,000.00	93,394.02	165,000.00
Interest on Bond Debt		176,000.00	-	-	27,361.82	184,531.50	-	-	-	-	-	-	387,893.32	-	551,380.99	352,000.00
Interest on DIP Loan		70,000.00	-	-	-	-	-	-	-	-	-	-	70,000.00	-	148,833.12	-
Additional Project Costs		15,257.21	56,318.79	-	-	-	-	-	-	-	-	-	71,576.00	-	144,906.12	158,974.16
Utilities		32,861.70	35,452.68	-	-	-	-	-	-	-	-	-	-	60,000.00	68,314.38	190,000.00
Bank Fees		-	259.99	-	-	1.00	-	-	-	-	-	-	260.99	4,000.00	260.99	8,000.00
Deposit of Pre-Petition Receivables into Segregated Account		-	-	-	-	-	-	-	-	-	-	-	-	278,030.00	430.00	643,295.00
Settlements with Secured Creditors		21,493.14	327,600.00	-	-	-	-	-	-	-	-	-	349,093.14	-	3,463,813.17	-
Cure Costs		258,646.88	-	-	-	-	-	-	-	-	-	-	258,646.88	-	258,646.88	-
Wire Transfer Fees		260.00	60.00	-	-	-	-	-	-	-	-	-	320.00	-	320.00	-
Total Other		\$2,326,518.93	\$459,456.36	\$0.00	\$27,361.82	\$184,532.50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$2,997,869.61	\$1,449,530.00	\$9,227,309.67	\$6,517,269.16

## Notes:

(1) Excludes petty cash on hand.

**PSL North America, LLC**  
**MOR-1a: Bank Reconciliation**

[illegible]

PSL North America, LLC  
MOR-1b: Professional Fees

Payee	Period Covered	Amount Covered	Payer	Check Number	Date	Amount Paid		Year-to-Date	
						Fees	Expenses	Fees	Expenses
Baker, Donelson, Bearman, Caldwell & Berkowitz	5/30/14 - 7/31/14	\$15,088.00	PSL - North America, LLC	NA	8/21/2014	\$15,088.00	-	\$15,088.00	-
Baker, Donelson, Bearman, Caldwell & Berkowitz	8/1/14 - 8/31/14	16,000	PSL - North America, LLC	NA	8/21/2014	16,000	-	31,088	-
Butler Snow, LLP	6/16/14 - 8/31/14	50,000	PSL - North America, LLC	NA	8/21/2014	50,000	-	50,000	-
Duff & Phelps Securities, LLC (Hourly Financial Advisory Fees)	7/14/14-8/24/14	184,594	PSL - North America, LLC	NA	8/11/2014	184,594	-	424,594	-
Duff & Phelps Securities, LLC (Hourly Financial Advisory Fees)	8/25/14-9/8/14	60,213	PSL - North America, LLC	NA	8/18/2014	60,213	-	484,807	-
Duff & Phelps Securities, LLC (Hourly Financial Advisory Fees)	9/9/14-12/31/14	65,193	PSL - North America, LLC	NA	8/22/2014	65,193	-	550,000	-
Duff & Phelps Securities, LLC (Monthly M&A Advisory Fees)	7/1/14-7/31/14	50,000	PSL - North America, LLC	NA	8/11/2014	50,000	-	50,000	-
Epiq Systems, Inc.	7/14/14-8/10/14	43,020	PSL - North America, LLC	NA	8/11/2014	43,020	-	93,020	-
Epiq Systems, Inc.	8/11/14-8/17/14	13,760	PSL - North America, LLC	NA	8/18/2014	13,760	-	106,779	-
Epiq Systems, Inc.	8/18/14-8/31/14	75,000	PSL - North America, LLC	NA	8/22/2014	75,000	-	181,779	-
Gibson, Dunn & Crutcher LLP	7/14/14-8/18/14	394,507	PSL - North America, LLC	NA	8/21/2014	394,507	-	600,078	-
Gibson, Dunn & Crutcher LLP	8/19/14-8/31/14	25,000	PSL - North America, LLC	NA	8/29/2014	25,000	-	625,078	-
Other Professionals	NA	2,500	PSL - North America, LLC	NA	8/18/2014	2,500	-	192,500	-
Other Professionals	NA	17,312	PSL - North America, LLC	NA	8/22/2014	17,312	-	209,812	-
Pannell Kerr Forster Of Texas, P.C.	6/19/14-7/7/14	2,234	PSL - North America, LLC	NA	8/7/2014	2,234	-	2,234	-
Richards Layton & Finger, P.A.	7/14/14-7/31/14	356,250	PSL - North America, LLC	NA	8/11/2014	356,250	-	756,250	-
Richards Layton & Finger, P.A.	8/1/14 - 8/14/14	115,625	PSL - North America, LLC	NA	8/18/2014	115,625	-	871,875	-
Richards Layton & Finger, P.A.	8/15/14 - 12/31/14	303,125	PSL - North America, LLC	NA	8/22/2014	303,125	-	1,175,000	-
Young Conaway Stargatt & Taylor, LLP	6/16/14-6/30/14	26,060	PSL - North America, LLC	NA	8/1/2014	25,482	578	25,482	578
Young Conaway Stargatt & Taylor, LLP	7/1/14-8/1/14	89,669	PSL - North America, LLC	NA	8/21/2014	87,068	2,602	112,550	3,179

PSL North America, LLC

**MOR-1b: Professional Fees Supplementary Schedule**

Paid to Trust												Paid to Professional												Total Debtor
Date	D&P - Hourly FA	D&P - M&A	Richards Layton & Finger	Gibson Dunn	ICICI Local/Bond Counsel	PSL Local Counsel	Other Professionals	US Trustee	Eqip	Filing Fees	Total	D&P - Hourly FA	D&P - M&A	Richards Layton & Finger	Gibson Dunn	ICICI Local/Bond Counsel	PSL Local Counsel	Other Professionals	US Trustee	Eqip	Filing fees	Total	Total Debtor Cash Outflow	
7/9/14	\$190,000.00	\$50,000.00	\$400,000.00	\$230,800.00	\$75,000.00	\$50,000.00	\$275,000.00	\$25,000.00	\$50,000.00	\$45,000.00	\$1,390,800.00											\$0.00	\$1,390,800.00	
7/15/14				(205,571.59)							(205,571.59)				205,571.59							-	205,571.59	
7/30/14				(25,228.00)			(85,000.00)	(25,000.00)			(135,228.00)											-	(135,228.00)	
8/1/14											-					26,059.60						-		
8/7/14											-								2,234.00			-		
8/8/14				(0.41)	(75,000.00)						(75,000.41)											-	(75,000.41)	
8/11/14	184,593.75	50,000.00	356,250.00							43,019.50	633,863.25											-	633,863.25	
8/18/14	60,213.38		115,625.00				2,500.00			13,759.75	192,098.13								650.00			-	633,863.25	
8/20/14		(100,000.00)									(100,000.00)		100,000.00									-	633,863.25	
8/21/14											-				394,506.58	139,669.37	31,088.00					565,263.95	565,263.95	
8/22/14	65,193.00		303,125.00				17,312.00	24,350.00		75,000.00	484,980.00											-	484,980.00	
8/22/14										(37,413.98)	(37,413.98)									37,413.98			-	484,980.00
8/29/14											-				25,000.00							25,000.00	25,000.00	
Total	\$500,000.13	\$0.00	\$1,175,000.00	\$0.00	\$0.00	\$50,000.00	\$209,812.00	\$24,350.00	\$144,365.27	\$45,000.00	\$2,148,527.40	\$0.00	\$100,000.00	\$0.00	\$625,078.17	\$165,728.97	\$31,088.00	\$2,234.00	\$650.00	\$37,413.98	\$0.00	\$962,193.12	\$3,110,720.52	
Plus: Interest accrued to date																								204.97
Total Trust Balance 8/31/14																								\$2,148,732.37

**PSL North America, LLC**  
**MOR-2: Statement of Operations**

<b>REVENUES</b>	<b>Month</b>	<b>Cumulative Filing to Date</b>
Gross Revenues	\$230,209.61	\$482,809.61
Less: Returns and Allowances	-	-
Net Revenue	\$230,209.61	\$482,809.61
<b>COST OF GOODS SOLD</b>		
Add: Purchases	\$0.00	\$468,328.20
Add: Cost of Labor	258,488.86	391,141.12
Add: Other Costs (attach schedule)	\$50,201.21	125,908.65
Cost of Goods Sold	\$308,690.07	985,377.97
Gross Profit	(\$78,480.46)	(\$502,568.36)
<b>OPERATING EXPENSES</b>		
Advertising	-	-
Auto and Truck Expense	10,094.95	31,270.21
Bad Debts	-	-
Contributions	-	-
Employee Benefits Programs	12,682.60	103,474.15
Insider Compensation*	32,689.31	73,482.62
Insurance	87,677.63	258,808.15
Management Fees/Bonuses	-	-
Office Expense	-	-
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	9,054.33	27,646.33
Rent and Lease Expense	-	-
Salaries/Commissions/Fees	75,350.10	125,081.23
Supplies	29,688.19	42,393.94
Taxes - Payroll	143,976.74	225,257.59
Taxes - Real Estate	417,534.25	417,534.25
Taxes - Other	2,936.51	2,936.51
Travel and Entertainment	-	-
Utilities	68,314.38	141,644.50
Other (attach schedule)	22,977.16	48,864.21
Total Operating Expenses Before Depreciation	\$912,976.15	\$1,498,393.69
Depreciation/Depletion/Amortization	-	-
Net Profit (Loss) Before Reorganization Items	(\$991,456.61)	(\$2,000,962.05)
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)	\$31,782.58	\$31,908.80
Interest Expense	457,893.32	621,380.99
Other Expense (attach schedule)	-	-
Net Profit (Loss) Before Reorganization Items	(\$1,417,567.35)	(\$2,590,434.24)
<b>REORGANIZATION ITEMS</b>		
Professional Fees	\$1,830,148.52	\$3,085,720.52
U.S. Trustee Quarterly Fees	25,000.00	25,000.00
Interest Earned on Accumulated Cash from Chapter 11 (see continuation sheet)	0.05	0.11
Gain (Loss) from Sale of Equipment	-	-
Other Reorganization Expenses (attach schedule)	-	-
Total Reorganization Expenses	\$1,855,148.47	\$3,110,720.41
Income Taxes	-	-
Net Profit (Loss)	(\$3,272,715.82)	(\$5,701,154.65)

<b>Other Costs of Goods Sold</b>	<b>Month</b>	<b>Cumulative Filing to Date</b>
Pipe coating	\$26,809.89	\$53,232.12
Welding supplies	18,816.90	43,209.25
Diesel fuel	3,000.00	18,036.31
Other production costs	1,574.42	11,430.97
Total	\$50,201.21	\$95,694.57

<b>Other Operating Expenses</b>	<b>Month</b>	<b>Cumulative Filing to Date</b>
Wire fees	\$320.00	\$750.00
Employee expense reimbursement	22,657.16	48,114.21
Total	\$22,977.16	\$48,864.21



PSL North America, LLC  
MOR-3: Balance Sheet <sup>(1)</sup>

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>CURRENT ASSETS</b>		
Unrestricted Cash and Equivalents <sup>(2)</sup>	\$3,522,380.75	\$0.00
Restricted Cash and Cash Equivalents (see continuation sheet)	401,562.25	102,258.00
Accounts Receivable (Net)	882,576.00	365,735.00
Notes Receivable	-	-
Inventories	7,071,955.00	7,305,352.00
Prepaid Expenses	321,902.00	246,616.00
Other Current Assets (attach schedule)		-
<b>TOTAL CURRENT ASSETS</b>	<b>\$12,200,376.00</b>	<b>\$8,019,961.00</b>
<b>PROPERTY AND EQUIPMENT</b>		
Real Property and Improvements		-
Machinery and Equipment	79,181,889.62	74,949,328.00
Furniture, Fixtures and Office Equipment	80,360.90	80,361.00
Leasehold Improvements	46,094,997.55	46,094,998.00
Vehicles	105,114.06	105,114.00
Less Accumulated Depreciation	(14,245,399.00)	(13,926,015.00)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>\$111,216,963.13</b>	<b>\$107,303,786.00</b>
<b>OTHER ASSETS</b>		
Loans to Insiders*	-	-
Other Assets (attach schedule)	\$4,116,139.00	4,054,122.00
<b>TOTAL OTHER ASSETS</b>	<b>\$4,116,139.00</b>	<b>\$4,054,122.00</b>
<b>TOTAL ASSETS</b>	<b>\$127,533,478.13</b>	<b>\$119,377,869.00</b>

LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE</b>		
Accounts Payable	\$84,738.77	\$0.00
Taxes Payable (refer to FORM MOR-4)	-	1,148.00
Wages Payable	-	-
Notes Payable	-	-
Rent/Leases - Building/Equipment	-	-
Secured Debt/Adequate Protection Payments	88,270,000.00	76,820,000.00
Amounts Due to Insiders*	-	-
Other Postpetition Liabilities (attach schedule)	-	-
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>\$88,354,738.77</b>	<b>\$76,821,148.00</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>		
Secured Debt	31,698,476.09	31,818,533.00
Priority Debt	-	31,904.00
Unsecured Debt	17,742,246.71	23,363,069.00
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>\$49,440,722.80</b>	<b>\$55,213,506.00</b>
<b>TOTAL LIABILITIES</b>	<b>\$137,795,461.57</b>	<b>\$132,034,654.00</b>
<b>OWNER EQUITY</b>		
Capital Stock	34,742,111.00	34,742,111.00
Partners' Capital Account		-
Owner's Equity Account		-
Retained Earnings - Pre-Petition	(47,398,896.10)	(47,398,896.10)
Retained Earnings - Postpetition	2,394,802.31	-
Adjustments to Owner Equity (attach schedule)		-
Postpetition Contributions (Distributions)(Draws)(attach schedule)		-
<b>NET OWNER EQUITY</b>	<b>(10,261,982.79)</b>	<b>(12,656,785.10)</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$127,533,478.78</b>	<b>\$119,377,868.90</b>

<b>OTHER ASSETS</b>		
Deposits	\$569,132.00	\$507,115.00
Debt Issuance Costs (net)	3,547,007.00	3,547,007.00
<b>TOTAL OTHER ASSETS</b>	<b>\$4,116,139.00</b>	<b>\$4,054,122.00</b>

Notes:

(1) Includes de minimus rounding.

(2) Excludes cash at PSL - USA, Inc.

## PSL North America, LLC

## MOR-4a: Status of Post-petition Taxes

Federal	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
Withholding	\$0.00	\$35,650.39	\$35,650.39	N/A	N/A	\$0.00
FICA-Employee	-	27,817.70	27,817.70	N/A	N/A	-
FICA-Employer	-	27,817.70	27,817.70	N/A	N/A	-
Unemployment	-	10.27	10.27	N/A	N/A	-
Income	-	-	-	N/A	N/A	-
Other:	-	-	-	N/A	N/A	-
Total Federal Taxes	\$0.00	\$91,296.06	\$91,296.06	N/A	N/A	\$0.00
<b>State and Local</b>						
Withholding	\$0.00	13,776.00	\$13,776.00	N/A	N/A	\$0.00
Sales	2,647.90	188.76	2,836.66	N/A	N/A	-
Excise	-	-	-	N/A	N/A	-
Unemployment	-	586.38	586.38	N/A	N/A	-
Real Property	-	417,534.25	417,534.25	N/A	N/A	-
Personal Property	-	99.85	99.85	N/A	N/A	-
Other:	-	-	-	N/A	N/A	-
Total State and Local	2,647.90	\$432,185.24	434,833.14	N/A	N/A	-
<b>Total Taxes</b>	<b>\$2,647.90</b>	<b>\$523,481.30</b>	<b>\$526,129.20</b>			<b>\$0.00</b>

**PSL North America, LLC**  
**MOR-4a: Summary of Unpaid Post-petition Debts**

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 90	
Accounts Payable	\$84,738.77	\$0.00	\$0.00	\$0.00	\$0.00	\$84,738.77
Wages Payable	-	-	-	-	-	-
Taxes Payable	-	-	-	-	-	-
Rent/Leases-Building	-	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-	-
Professional Fees	-	-	-	-	-	-
Amounts Due to Insiders*	-	-	-	-	-	-
Other:	-	-	-	-	-	-
Other:	-	-	-	-	-	-
<b>Total Postpetition Debts</b>	<b>\$84,738.77</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$84,738.77</b>

**PSL North America, LLC**

**MOR-5: Accounts Receivable Collection and Aging**

<b>Accounts Receivable Reconciliation</b>	<b>Amount</b>
Total Accounts Receivable at the beginning of the reporting period	\$222,505.85
+ Amounts billed during the period	890,280.06
- Amounts collected during the period	230,209.61
Total Accounts Receivable at the end of the reporting period	\$882,576.30
<b>Accounts Receivable Aging</b>	<b>Amount</b>
0 - 30 days old	769,441.21
31 - 60 days old	-
61 - 90 days old	\$0.00
91+ days old	\$113,135.09
Total Accounts Receivable	\$882,576.30
Amount considered uncollectible (Bad Debt)	-
Accounts Receivable (Net)	\$882,576.30

**PSL North America, LLC**  
**MOR-5: 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	
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