

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re: **Paper International, Inc. (FIN: 85-0407677)**  
and  
**Fiber Management of Texas, Inc. (FIN: 11-3664991)**  
Debtors

Case No. 08-13917  
Reporting Period: 11/01/08 - 11/30/08

**CORPORATE MONTHLY OPERATING REPORT**

**File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.**

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<a href="#">MOR-1</a>	Y	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<a href="#">MOR-1 (CON'T)</a>	Y	
Copies of bank statements	<a href="#">EXHIBIT A</a>	Y	
Cash disbursements journals		N	
Statement of Operations	<a href="#">MOR-2</a>	Y	
Balance Sheet	<a href="#">MOR-3</a>	Y	
Status of Post-petition Taxes	<a href="#">MOR-4</a>	Y	
Copies of IRS Form 6123 or payment receipt		N	
Copies of tax returns filed during reporting period		N	
Summary of Unpaid Post-petition Debts	<a href="#">MOR-4</a>	Y	
Listing of Aged Accounts Payable		N	
Accounts Receivable Reconciliation and Aging	<a href="#">MOR-5</a>	Y	
Taxes Reconciliation and Aging	<a href="#">MOR-5</a>	Y	
Payments to Insiders and Professional	<a href="#">MOR-6</a>	Y	
Post Petition Status of Secured Notes, Leases Payable	<a href="#">MOR-6</a>	Y	
Debtor Questionnaire	<a href="#">MOR-7</a>	Y	

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.

Date 12/20/2008

Meade Monger, Chief Restructuring Officer

\*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.



SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and 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. 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 (CON'T)]

	BANK ACCOUNTS											CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	Bank of Albuquerque FMT #9018	Bank of Albuquerque FMT #9029	Bank of Albuquerque FMT #7297	Royal Bank of Canada PI #5614	Citibanamex PI #7901	FAO Jeffries 298-15006	Petty Cash	JPAC - Operating PI #7145	JPAC - Operating FMT #6365	JPAC - Disb. PI #7146	JPAC - Disb. FMT #6366	
ACCOUNT NUMBER (LAST 4)												
CASH BEGINNING OF MONTH	1,337	500	100	221,597	122,279	4	1,580		2,263,984			2,611,380
RECEIPTS	a	a	a	c, d	c, d	d	e					
CASH SALES												-
ACCOUNTS RECEIVABLE - PREPETITION									8,310			8,310
ACCOUNTS RECEIVABLE - POSTPETITION									8,310			8,310
INTEREST INCOME								183	2,569			2,752
SALE OF ASSETS												-
OTHER (ATTACH LIST)												-
TRANSFERS (FROM DIP ACCTS)									(32,817)		32,817	-
TOTAL RECEIPTS	-	-	-	-	-	-	-	183	(13,627)	-	32,817	19,372
DISBURSEMENTS												
NET PAYROLL												-
PAYROLL TAXES												-
SALES USE & OTHER TAXES												-
INVENTORY PURCHASES												-
SECURED RENTAL/LEASES											28,240	28,240
INSURANCE												-
BANK CHARGES		550										550
TRANSFERS BETWEEN ACCOUNTS	1,337	(1,437)	100						-			-
OTHER (ATTACH LIST)											4,577	4,577
OWNER DRAW *												-
TRANSFERS (TO DIP ACCTS)		1,387		221,597	122,279		1,580	(343,875)	(2,967)			-
PROFESSIONAL FEES												-
U.S. TRUSTEE QUARTERLY FEES												-
COURT COSTS												-
TOTAL DISBURSEMENTS	1,337	500	100	221,597	122,279	-	1,580	(343,875)	(2,967)	-	32,817	33,367
NET CASH FLOW	(1,337)	(500)	(100)	(221,597)	(122,279)	-	(1,580)	344,058	(10,660)	-	-	(13,995)
(RECEIPTS LESS DISBURSEMENTS)	b	b		a	a							
CASH - END OF MONTH	-	-	-	-	-	4	-	344,058	2,253,324	-	-	2,597,386

\* 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)

	FMT	PI
TOTAL DISBURSEMENTS	36,333	343,875
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	(2,967)	(343,875)
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	33,366.64	-

<sup>1</sup> Funds were transferred into DIP account at JPAC on 11/4/08 from Citibanamex and on 11/7/08 from Royal Bank of Canada

<sup>2</sup> Funds were transferred into DIP account at JPAC on 11/4/08 from Bank of Albuquerque

<sup>3</sup> Account reconciled to September 30, 2008 bank statement

<sup>4</sup> Account closed post-petition

<sup>5</sup> Petty Cash deposited into JPMorgan Chase FMT DIP Operating account #6365 on November 19, 2008

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**Debtor**

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**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

**BREAKDOWN OF "OTHER" CATEGORY**

**OTHER RECEIPTS**


**OTHER DISBURSEMENTS -**

Payee	Check #	Amount
Triton Networks, LLC	109	384
Triton Networks, LLC (Utility deposit)	110	839
Verizon Wireless (deposit)	111	2,041
Verizon Southwest (deposit)	112	213
FedExAcct: 3542-0094-5	114	199
FedExAcct: 3542-0094-5	115	59
FedExAcct: 3542-0094-5	116	99
FedExAcct: 3542-0094-5	117	136
Verizon SouthwestAccount # 10 5475 2860066500 01	120	404
FedExAcct: 3542-0094-5	121	140
FedExAcct: 3542-0094-5	122	62
<b>TOTAL</b>		<b>4,577</b>

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.  
(Bank account numbers may be redacted to last four numbers.)

	Bank of Albuquerque FMT #9018	Bank of Albuquerque FMT #9029	Bank of Albuquerque FMT #7297	Royal Bank of Canada PII #5614	CitiBasamex PII #7901	FAO Jefferies 290-15006	Petty Cash	JPMC - Operating PII #7165	JPMC - Operating FMT #6365	JPMC - Dish. PII #7166	JPMC - Dish. FMT #6366	Totals
BALANCE PER BOOKS	-	-	-	-	-	4	-	344,058	2,253,324	-	-	2,597,386
BANK BALANCE	-	-	-	-	-	4	-	344,058	2,253,324	-	2,254	2,599,640
(+) DEPOSITS IN TRANSIT (ATTACH LIST)	-	-	-	-	-	-	-	-	-	-	-	-
(-) OUTSTANDING CHECKS (ATTACH LIST)	-	-	-	-	-	-	-	-	-	-	(2,254)	(2,254)
OTHER (ATTACH EXPLANATION)	-	-	-	-	-	-	-	-	-	-	-	-
ADJUSTED BANK BALANCE *	-	-	-	-	-	4	-	344,058	2,253,324	-	-	2,597,386

\*\*Adjusted Bank Balance\* must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck. #	Amount		
Verizon Wireless (deposit)	111	2,041		
Verizon Southwest (deposit)	112	213		
TOTAL		2,254		

OTHER

**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.

REVENUES	MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues	-	-
Less: Returns and Allowances	-	-
Net Revenue	-	-
<b>COST OF GOODS SOLD</b>		
Beginning Inventory	-	-
Add: Purchases	-	-
Add: Cost of Labor	-	-
Add: Other Costs ( <i>attach schedule</i> )	-	-
Less: Ending Inventory	-	-
Cost of Goods Sold	-	-
Gross Profit	-	-
<b>OPERATING EXPENSES</b>		
Advertising	-	-
Auto and Truck Expense	-	-
Bad Debts	-	-
Contributions	-	-
Employee Benefits Programs	-	-
Officer/Insider Compensation*	-	-
Insurance	-	-
Management Fees/Bonuses	-	-
Office Expense	130	826
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	-	-
Rent and Lease Expense**	28,787	57,027
Salaries/Commissions/Fees	-	-
Supplies	-	-
Taxes - Payroll	-	-
Taxes - Real Estate	-	1,001
Taxes - Other	-	-
Travel and Entertainment	-	-
Utilities	11,032	11,821
Other ( <i>attach schedule</i> )	550	1,261
Total Operating Expenses Before Depreciation	40,499	71,935
Depreciation/Depletion/Amortization	5,303	10,605
Net Profit (Loss) Before Other Income & Expenses	(45,802)	(82,540)
<b>OTHER INCOME AND EXPENSES</b>		
Other Income ( <i>attach schedule</i> )	50,971	104,908
Interest Expense	-	-
Other Expense ( <i>attach schedule</i> )	-	-
Net Profit (Loss) Before Reorganization Items	5,169	22,368
<b>REORGANIZATION ITEMS</b>		
Professional Fees	300,000	800,000
U. S. Trustee Quarterly Fees	-	-
Interest Earned on Accumulated Cash from Chapter 11 ( <i>see continuation sheet</i> )	(2,752)	(3,747)
Gain (Loss) from Sale of Equipment	-	-
Other Reorganization Expenses ( <i>attach schedule</i> )	-	-
Total Reorganization Expenses	297,248	796,253
Income Taxes	-	-
Net Profit (Loss)	(292,079)	(773,885)

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

\*\* The Debtors are in discussions with SummaFibers, Inc. regarding assumption and assignment of certain leases. The Debtors anticipate that if they assume and assign certain leases to SummaFibers, Inc., SummaFibers, Inc. will reimburse the Debtors for a portion of the post-petition costs set forth in this statement of operations, in addition to any cure obligations.

**BREAKDOWN OF "OTHER" CATEGORY**

**OTHER COSTS**


**OTHER OPERATIONAL EXPENSES**

Bank Fees	550	1,261

**OTHER INCOME**

Lease Income	4,155	8,310
Interest Income Due from DMPC	4,900	9,800
ECTSA-ACT (Loan)	21,341	43,393
ECTSA-DISA (Loan)	20,575	41,664
Interest Income from ABQ # 78272 19018	-	1,337
PII: Interest Income - RBC	-	190
PII: Interest Income - Citibank Banamex	-	215
<b>TOTAL</b>	<b>50,971</b>	<b>104,908</b>

**OTHER EXPENSES**


**OTHER REORGANIZATION EXPENSES**


**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.

## BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents	\$ 2,597,386	\$ 2,611,380	\$ 2,626,304
Restricted Cash and Cash Equivalents (see continuation sheet)	-	-	-
Accounts Receivable (Net)	134,474	134,474	(11,541)
Notes Receivable	-	-	-
Inventories	-	-	-
Prepaid Expenses	10,338	7,245	7,245
Professional Retainers	32,117	570	-
Other Current Assets (attach schedule)	-	-	-
<b>TOTAL CURRENT ASSETS</b>	<b>2,774,315</b>	<b>2,753,670</b>	<b>2,622,009</b>
<b>PROPERTY &amp; EQUIPMENT</b>			
Real Property and Improvements	425,748	425,748	425,748
Machinery and Equipment	56,106	56,106	56,106
Furniture, Fixtures and Office Equipment	206,788	206,788	227,464
Leasehold Improvements	36,062	36,062	36,062
Vehicles	6,750	6,750	6,750
Less: Accumulated Depreciation	(245,320)	(240,017)	(249,360)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>486,134</b>	<b>491,437</b>	<b>502,770</b>
<b>OTHER ASSETS</b>			
Amounts due from Insiders*	20,112,042	20,064,108	14,909,770
Other Assets (attach schedule)	102,067,227	102,067,227	102,067,227
<b>TOTAL OTHER ASSETS</b>	<b>122,179,269</b>	<b>122,131,335</b>	<b>116,976,997</b>
<b>TOTAL ASSETS</b>	<b>\$ 125,439,718</b>	<b>\$ 125,376,442</b>	<b>\$ 120,101,776</b>
<b>LIABILITIES AND OWNER EQUITY</b>			
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable	\$ 11,162	\$ 1,484	\$ -
Taxes Payable (refer to FORM MOR-4)	406,279	406,277	-
Wages Payable	-	-	-
Notes Payable	-	-	-
Rent / Leases - Building/Equipment	28,787	28,240	-
Secured Debt / Adequate Protection Payments	-	-	-
Professional Fees	800,000	500,000	-
Amounts Due to Insiders*	-	-	-
Other Post-petition Liabilities (attach schedule)	25,735	-	-
<b>TOTAL POST-PETITION LIABILITIES</b>	<b>1,271,963</b>	<b>936,001</b>	<b>-</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt	-	-	-
Priority Debt	-	-	-
General Unsecured Debt	4,415,730	4,415,730	-
Bond Guarantee	38,885,374	38,896,814	38,683,502
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>508,500,000</b>	<b>508,500,000</b>	<b>38,683,502</b>
<b>TOTAL LIABILITIES</b>	<b>553,073,066</b>	<b>552,748,545</b>	<b>38,683,502</b>
<b>OWNERS' EQUITY</b>			
Capital Stock	91,715,967	91,715,967	91,715,967
Additional Paid-In Capital	7,573,916	7,573,916	7,573,916
Partner's Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition	(526,180,179)	(17,871,609)	(17,871,609)
Retained Earnings - Post-petition	(773,885)	(481,806)	-
Adjustments to Owner Equity (attach schedule)	30,835	(508,308,570)	-
Post-petition Contributions (attach schedule)	-	-	-
<b>NET OWNERS' EQUITY</b>	<b>(427,633,347)</b>	<b>(427,372,103)</b>	<b>81,418,274</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>\$ 125,439,719</b>	<b>\$ 125,376,442</b>	<b>\$ 120,101,776</b>

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

## BALANCE SHEET - continuation section

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Current Assets</b>			
<b>Other Assets</b>			
Investment in Shares - McKimley Paper Company	96,240,456	96,240,456	96,240,456
Investment in Shares - Fiber Management of Texas	5,826,770	5,826,770	5,826,770
<b>TOTAL</b>	<b>102,067,227</b>	<b>102,067,227</b>	<b>102,067,227</b>
<b>LIABILITIES AND OWNER EQUITY</b>			
<b>Other Post-petition Liabilities</b>			
Return of lockbox deposits received in error	25,735	-	-
<b>Adjustments to Owner's Equity</b>			
Write off Debits for Petty Cash in A/P	-	3,410	-
Write off City of Rio Grande Public Utility (Water)	-	(18)	-
Write off Fixed Asset not owned	-	20,676	-
Write off Fixed Asset's related Accum Depreciation	-	(14,646)	-
Write off general accruals	-	(67,271)	-
Record Professionals prepaid retainer balance	(38,472)	(570)	-
Reverse PIPSAMEX credit memos	-	(144,535)	-
Add: Pre-petition payables not on balance sheet	7,638	8,276	-
Add: Pre-petition Property Taxes not on balance sheet	-	3,246	-
Bond Guarantee	-	508,500,000	-
<b>TOTAL</b>	<b>(30,835)</b>	<b>508,308,570</b>	<b>-</b>
<b>Post-Petition Contributions</b>			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations.  
Typically, restricted cash is segregated into a separate account, such as an escrow account.

In re Paper International, Inc. et al  
Debtor

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### STATUS OF POST-PETITION 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	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
<b>Federal</b>						
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Unemployment	-					-
Income	405,277					405,277
Other:	-					-
Total Federal Taxes	405,277	-	-	-	-	405,277
<b>State and Local</b>						
Withholding	-					
Sales	-					-
Excise	-					-
Unemployment	-					-
Real Property	1,001					1,001
Personal Property	1					1
Other:	-					-
Total State and Local	1,002	-	-	-	-	1,002
<b>Total Taxes</b>	<b>406,279</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>406,279</b>

### SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Number of Days Past Due					Total
	Current	0-30	31-60	61-90	Over 91	
Accounts Payable	11,162					11,162
Wages Payable	-					-
Taxes Payable	406,279					406,279
Rent/Leases-Building	18,800					18,800
Rent/Leases-Equipment	9,987					9,987
Secured Debt/Adequate Protection Payments	-					-
Professional Fees	800,000					800,000
Amounts Due to Insiders	-					-
Other:	25,735					25,735
Other:	-					-
<b>Total Post-petition Debts</b>	<b>1,271,963</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,271,963</b>

Explain how and when the Debtor intends to pay any past due post-petition debts.

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### ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	20,198,583
Plus: Amounts billed during the period	50,971
Plus: Income Taxes Receivable from subsidiary company	-
Less: Amounts collected during the period	(16,620)
Plus: Adjusting entries to pre-petition receivable balances, net	13,583
Total Accounts Receivable at the end of the reporting period	20,246,516

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	50,971				50,971
31 - 60 days old		4,853,335			4,853,335
61 - 90 days old			46,489		46,489
91+ days old				15,295,720	15,295,720
Total Accounts Receivable	50,971	4,853,335	46,489	15,295,720	20,246,516
Less: Bad Debts (Amount considered uncollectible)	-	-	-	-	-
Net Accounts Receivable	50,971	4,853,335	46,489	15,295,720	20,246,516

### TAXES RECONCILIATION AND AGING

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	406,279				406,279
31 - 60 days old					-
61 - 90 days old					-
91+ days old					-
Total Taxes Payable	406,279	-	-	-	406,279



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## PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
TOTAL PAYMENTS TO INSIDERS			

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
AlixPartners		-	-	-	212,031
Morrison & Foerster		-	-	-	223,041
TOTAL PAYMENTS TO PROFESSIONALS					

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

## POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
Arlington Bank Bldg. Operating Assoc	2,575	2,575	-
Arlington Bank Bldg. Operating Assoc	6,825	6,825	-
Chrysler Financial	500	500	-
Chrysler Financial	500	500	-
GE / Transportation International	4,700	-	4,700
GMAC	446	-	446
Mobil Mini	589	589	-
Wells Fargo Financial Capital Finance	899	899	-
Wells Fargo Financial Capital Finance	5,892	5,892	-
Wells Fargo Financial Capital Finance	714	714	-
TOTAL PAYMENTS**	23,640	18,494	5,146

\*\* The Debtors are in discussions with SummaFibers, Inc. regarding assumption and assignment of certain leases. The Debtors anticipate that if they assume and assign certain leases to SummaFibers, Inc., SummaFibers, Inc. will reimburse the Debtors for a portion of the post-petition costs set forth in this statement of operations, in addition to any cure obligations.

## DEBTOR QUESTIONNAIRE

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>		<b>Yes</b>	<b>No</b>
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		X
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?	X	
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	N/A	
5	Is the Debtor delinquent in paying any insurance premium payment?		X
6	Have any payments been made on pre-petition liabilities this reporting period?		X
7	Are any post petition receivables (accounts, notes or loans) due from related parties?	X	
8	Are any post petition payroll taxes past due?	N/A	
9	Are any post petition State or Federal income taxes past due?		X
10	Are any post petition real estate taxes past due?		X
11	Are any other post petition taxes past due?		X
12	Have any pre-petition taxes been paid during this reporting period?		X
13	Are any amounts owed to post petition creditors delinquent?		X
14	Are any wage payments past due?	N/A	
15	Have any post petition loans been received by the Debtor from any party?		X
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		X
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X
18	Have the owners or shareholders received any compensation outside of the normal course of business?		X

NOTES:

- 2 See MOR-1 Bank Accounts for non DIP account disbursement activity
- 4 Debtors have no employees
- 7 The Debtors invoice related parties for leases, loan interest and accrued taxes
- 8 Debtors have no employees
- 14 Debtors have no employees

## **EXHIBIT A**

### **BANK STATEMENTS**

The Debtors' bank statements contain confidential information. Copies of the Debtors' bank statements have been provided to the Office of the United States Trustee and the Official Committee of Unsecured Creditors. Additional copies are available upon request and execution of an appropriate confidentiality agreement with the Debtors.