

UNITED STATES BANKRUPTCY COURT
FOR THE DISTRICT OF DELAWARE

In re: Response Genetics, Inc.

Case No.: 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

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				X
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				
Copies of tax returns filed during reporting period				
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		

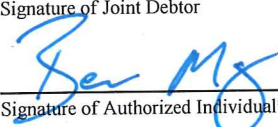
I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor

Date

Signature of Joint Debtor

Date



Signature of Authorized Individual*

11 / 19 / 2015

Date

Benjamin J. Matz

Printed Name of Authorized Individual

Chief 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: Response Genetics, Inc.

Case No.: 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

GENERAL NOTES AND DISCLAIMER TO MONTHLY OPERATING REPORT

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 Debtor.

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 Debtor in the future (and as more fully described below).

Notes to MOR-1

In lieu of bank reconciliations, bank and book balances are provided.

Notes to MOR-2

The Debtor's Statement of Operations contain material estimates that are subjected to ongoing review and analysis. The Debtor will amend, if necessary, upon the completion of this review and analysis.

Notes to MOR-3

The Debtor's Balance Sheet contains significant estimates that are subjected to ongoing review and analysis. The Debtor will amend, if necessary, upon the completion of this review and analysis.

In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 1
Receipts & Disbursements Report

	SILICON VALLEY BANK					Total
	Acct No. XXX0143 Operating Acct.	Acct No. XXX0177 Payroll Acct.	Acct No. XXX0919 Flex Spending Acct.	Acct No. XXX3066 Depository Acct.		
Beginning Book Cash						
Opening Book Balance	\$ 785,402	\$ (3,602)	\$ -	\$ 6,000	\$	787,800
Receipts						
Receipts						
Receipts from Sales	\$ 661,256	\$ -	\$ -	\$ -	\$	661,256
Receipts - Transferred from Other Debtor Acc.	-	17,122	8,559	-	\$	25,681
Receipts - Borrowings under DIP Credit Facility	643,861	-	-	-	-	643,861
Miscellaneous Receipts	47,336	-	-	-	-	47,336
Total Receipts	\$ 1,352,453	\$ 17,122	\$ 8,559	\$ -	\$	1,378,134
Disbursements						
Payroll and Related	(632,142)	(13,984)	(8,559)	-	-	(654,685)
Lab Testing/Supplies	(300,213)	-	-	-	-	(300,213)
SG&A	(188,584)	-	-	-	-	(188,584)
Insurance	(94,927)	-	-	-	-	(94,927)
Taxes, Permits, Licenses & Fees	(6)	-	-	-	-	(6)
Rent & Utilities	(99,214)	-	-	-	-	(99,214)
Bank Charge	(258)	-	-	-	-	(258)
Other	-	-	-	-	-	-
Total Operating Disbursements	(1,315,343)	(13,984)	(8,559)	-	-	(1,337,886)
Non-Operating Disbursements						
Bankruptcy Related Professional Fees	(408,888)	-	-	-	-	(408,888)
Interest Expense	-	-	-	-	-	-
US Trustee	-	-	-	-	-	-
Others	-	-	-	-	-	-
Total Non-Operating Disbursements	(408,888)	-	-	-	-	(408,888)
Cash Flow before Debt Repayment and Transfers	\$ (371,779)	\$ 3,138	\$ -	\$ -	\$	(368,640)
Loan Repayment	(6,942)	-	-	-	-	(6,942)
Transfer to Other Debtor Account	(25,681)	-	-	-	-	(25,681)
Net Cash Flow	(404,401)	3,138	-	-	-	(401,263)
Closing Book Balance	\$ 381,001	\$ (464)	\$ -	\$ 6,000	\$	386,537
Outstanding Checks	126,402	464	-	-	-	126,866
Ending Cash Balance (Bank)	\$ 507,403	\$ -	\$ -	\$ 6,000	\$	513,403
Total Operating Disbursements	(1,315,343)	(13,984)	(8,559)	-	-	(1,337,886)
Non-Operating Disbursements	(408,888)	-	-	-	-	(408,888)
Loan Repayment	(6,942)	-	-	-	-	(6,942)
Intercompany Transfers	(25,681)	17,122	8,559	-	-	-
Total Disbursements	\$ (1,756,854)	\$ 3,138	\$ -	\$ -	\$	(1,753,716)

In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 1 Continuation Sheet
Schedule of Bank Account Balances

Entity	Bank	Account Number	Name/Type	Book Balance	Bank Balance
Response Genetics, Inc.	Silicon Valley Bank	Acct No. XXX0143	Operating Acct.	\$ 381,001	\$ 507,403
Response Genetics, Inc.	Silicon Valley Bank	Acct No. XXX0177	Payroll Acct.	(464)	0
Response Genetics, Inc.	Silicon Valley Bank	Acct No. XXX0919	Flex Spending Acct.	-	-
Response Genetics, Inc.	Silicon Valley Bank	Acct No. XXX3066	Depository Acct.	6,000	6,000
				<u>\$ 386,537</u>	<u>\$ 513,403</u>

Schedule of Disbursements

Case #	Debtor's Name	Current Month Disbursements by Entity	Cumulative Disbursements for 3QTR 2015
15-11663 (LSS)	Response Genetics, Inc.	\$ 1,286,184	\$ 3,039,899

In re: Response Genetics, Inc.

Chapter 11

Debtor

Case No.: 15-11663 (LSS)

MOR - 1 Continuation Sheet
Declaration Regarding the Cash Disbursement Schedule
For period September 1, 2015 to September 30, 2015

Benjamin J. Matz hereby declares under penalty of perjury:

1. I am the Chief Restructuring Officer for Response Genetics, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor").
2. The Debtor submits this Declaration regarding cash disbursements in lieu of providing copies of the cash disbursement schedule.
3. All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, or my discussions with Debtor's employees. I am authorized to submit this Declaration on behalf of the Debtor.
4. The Debtor has, on a timely basis, disbursed approximately \$1,753,716 for post-petition and allowable pre-petition amounts for the period September 1, 2015 to September 30, 2015. Copies of the cash disbursement schedules are available for inspection upon request by the Office of the United States Trustee.

Dated: 11/19/2015

Benjamin J. Matz, Chief Restructuring Officer



In re: Response Genetics, Inc.

Chapter 11

Debtor

Case No.: 15-11663 (LSS)

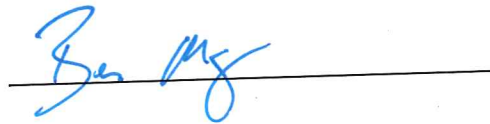
MOR - 1a
Declaration Regarding the Bank Reconciliations
For period September 1, 2015 to September 30, 2015

Benjamin J. Matz hereby declares under penalty of perjury:

1. I am the Chief Restructuring Officer for Response Genetics, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"). I am familiar with the Debtor's day-to-day operations, business affairs and books and records.
2. All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, or my discussions with Debtor's employees. I am authorized to submit this Declaration on behalf of the Debtor.
3. To the best of my knowledge, all of the Debtor's bank balances are reconciled in an accurate and timely manner.

Dated: 11/19/2015

Benjamin J. Matz, Chief Restructuring Officer



In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 1b
SCHEDULE OF PROFESSIONAL FEES AND EXPENSES PAID

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

Professionals	Amount Paid This Period		Cumulative Amount Paid	
		Fees and Expenses		Fees and Expenses
Canaccord Genunity	[a]	\$ 50,000	\$	100,000
Conway MacKenzie	[a]	103,500		212,500
Epiq Bankruptcy Solutions, LLC	[a]	8,888		15,554
Pachulski Stang Ziehl & Jones LLP	[a]	200,000		450,000
Rust Omni Group	[a]	9,000		18,500
Sheppard, Mullins, Richter & Hampton LLP	[a]	37,500		37,500
		<u>\$ 408,888</u>		<u>\$ 834,054</u>

Note:

[a] Pursuant to a Court order authorizing the Debtor to obtain post-petition financing and authorizing the use of cash collateral [Docket No. 26], the Debtor transferred funds to a Pachulski Stang Ziehl & Jones Client Trust Account, on a weekly basis, the amount that the professionals may be paid pursuant to a budget agreed to with the post-petition financing lender for such week. Such funds are being held for the benefit of the professionals and applied to the fees and expenses of such professionals pursuant to one or more orders of the Court. The amounts shown reflect portions of the transferred funds attributed to the respective professionals.

In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 2
STATEMENT OF OPERATIONS
For the Period September 1, 2015 to September 30, 2015

Net revenues	\$ 174,993
Pharmaceutical	482,456
Patient	<u>657,449</u>
Total revenues	
	685,885
Cost of goods sold	<u>(28,436)</u>
Gross profit	
Operating expenses	221,779
Selling and marketing	1,540,426
General and administrative	48,146
Research and development	<u>1,810,350</u>
Total operating expenses	
	(1,838,786)
Operating loss	
Other income (expenses)	(205,315)
Interest expense	(668,850)
Reorganization expenses	631
Other	<u>631</u>
Net loss	<u><u>\$ (2,712,320)</u></u>

In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 3
BALANCE SHEET
As of September 30, 2015

ASSETS

Current assets	\$ 387,174 [a]
Cash and cash equivalents	2,688,839
Accounts receivable, net	480,587
Prepaid expenses and other current assets	<u>3,556,601</u>
Total current assets	1,378,972
Property and equipment, net	5,841,152
Intercompany receivable	131,043
Intangible assets	(337)
Other assets	<u>\$ 10,907,430</u>
Total assets	<u><u>\$ 10,907,430</u></u>

LIABILITIES AND STOCKHOLDERS' DEFICIT

Current liabilities	\$ 432,803
Accounts payable	187,075
Accrued expenses	552,650
Accrued payroll and related liabilities	1,465,662
Line of credit	<u>2,638,190</u>
Total current liabilities	1,358,747
Debtor-in-Possession Financing	1,051,379
Liabilities subject to compromise	639,920
Accounts payable	872,664
Accrued interest	124,755
Accrued royalties	13,250,000
Capital lease obligations	<u>15,938,718</u>
Loan, net of debt discount	19,935,655
Total liabilities subject to compromise	<u>\$ 19,935,655</u>
Total liabilities	\$ 388,010
Stockholders' deficit:	78,678,425
Common stock	(88,094,660)
Additional paid-in capital	<u>\$ (9,028,225)</u>
Accumulated deficit	\$ 10,907,430
Total stockholders' deficit	<u><u>\$ 10,907,430</u></u>
Total liabilities and stockholders' deficit	<u><u>\$ 10,907,430</u></u>

Note:

[a] Cash and cash equivalents balance contains petty cash balance in addition to bank account cash per book

In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 4
SUMMARY OF UNPAID POSTPETITION DEBTS

	<u>Amount</u>
Current	\$ 387,504
Past Due 1-30	45,299
Past Due 31-60	-
Past Due 61-90	-
Past Due Over 90	-
Total Gross Accounts Payable	<u><u>\$ 432,803</u></u>

Chapter 11

In re: Response Genetics, Inc.

Case No.: 15-11663 (LSS)

Debtor

MOR - 4
Declaration Regarding Status of Postpetition Taxes
For period September 1, 2015 to September 30, 2015

Benjamin J. Matz hereby declares under penalty of perjury:

1. I am the Chief Restructuring Officer for Response Genetics, Inc., the above-captioned debtor and debtor-in-possession (the "Debtor"). I am familiar with the Debtor's day-to-day operations, business affairs and books and records.
2. All statements in the Declaration are based on my personal knowledge, my review of the relevant documents, or my discussions with Debtor's employees. I am authorized to submit this Declaration on behalf of the Debtor.
3. To the best of my knowledge, the Debtor has filed all necessary federal, state and local tax returns and made all required post-petition tax payments in connection therewith on a timely basis or have promptly remedied any late filing or payments that may have occurred due to unintentional oversight.

Dated: 11/19/2015

Benjamin J. Matz, Chief Restructuring Officer



In re: Response Genetics, Inc.
Debtor

Case No. 15-11663 (LSS)
Reporting Period: September 1, 2015 to September 30, 2015

MOR - 5
ACCOUNTS RECEIVABLE AGING

Accounts Receivable Aging	Amount
Current	\$ 1,106,592
1 - 30 days past due	648,586
31-60 days past due	489,419
61-90 days past due	617,235
Over 90 days past due	3,090,870
Total Gross Accounts Receivable	\$ 5,952,703
Less: allowance for doubtful accounts, reserves, and returns	(3,263,863)
Accounts Receivable (Net)	\$ 2,688,839

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