

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

In re Bondex International, Inc.

Case No. 10-11779 (JKF)  
Reporting Period: March 2012

Federal Tax I.D.# 34-1104125

**CORPORATE MONTHLY OPERATING REPORT**

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

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

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

4/26/12  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
Signature of Authorized Individual\*

4/26/12  
\_\_\_\_\_  
Date

Glenn R. Hasman  
\_\_\_\_\_  
Printed Name of Authorized Individual

Assistant Secretary  
\_\_\_\_\_  
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.

## Bondex Monthly Operating Reports

REQUIRED DOCUMENTS	FORM NO.	ATTACHED
Schedule of Cash Receipts and Disbursements	MOR-1	✓
US Trustee Fee Calculations	MOR-1	✓
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1	✓
Copies of bank statements		
Cash disbursements journals		
Statement of Operations	MOR-2	✓
Balance Sheet	MOR-3	✓
Status of Post-petition Taxes	MOR-4	✓
Copies of IRS Form 6123 or payment receipt		
Copies of tax returns filed during reporting period		
Summary of Unpaid Post-petition Debts	MOR-4	✓
Listing of aged accounts payable		
Accounts Receivable Reconciliation and Aging	MOR-5	✓
Taxes Reconciliation and Aging	MOR-5	✓
Payments to Insiders and Professional	MOR-6	✓
Post Petition Status of Secured Notes, Leases Payable	MOR-6	✓
Debtor Questionnaire	MOR-7	✓

# BONDEX MOR - 1

Schedule of Cash Receipts and Disbursements	
<u>NCB/PNC CONCENTRATION ACCOUNT</u>	CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
<b>CASH BEGINNING OF MONTH</b>	<b>\$0</b>
<b>RECEIPTS</b>	
REFUNDED PRE-FILING LEGAL FEES	
I/C FROM (TO) SPHC	40,647
<b>TOTAL RECEIPTS</b>	<b>\$40,647</b>
<b>DISBURSEMENTS</b>	
PAYROLL & EXPENSES	40,647
<b>TOTAL DISBURSEMENTS</b>	<b>\$40,647</b>
<b>NET CASH FLOW</b>	<b>\$0</b>
<b>CASH - END OF MONTH</b>	<b>\$0</b>

US Trustee Fee Calculations	
<b>DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)</b>	
<b>TOTAL DISBURSEMENTS</b>	\$40,647
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	<b>\$40,647</b>

Bank Reconciliation (or copies of debtor's bank reconciliations)			
31-Mar-12			
	NCB/PNC a/c 11-3079-4894*	NCB/PNC a/c 11-3138-7203	<u>Total</u>
<b>Month-End Balance per Books</b>	\$0	<b>Closed</b>	\$0

\*This account reconciles this month.

## BONDEX MOR - 2

Statement of Operations		
REVENUES	Mar-12	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 (attach schedule)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
<b>OPERATING EXPENSES</b>		
Advertising		
Auto and Truck Expense	\$600	\$9,646
Bad Debts		
Contributions		
Employee Benefits Programs	5,008	110,450
Officer/Insider Compensation*	27,500	595,000
Insurance	1,605	64,487
Management Fees/Bonuses	12,500	325,000
Office Expense		36
Pension & Profit-Sharing Plans		
Repairs and Maintenance		51
Rent and Lease Expense	3,530	62,361
Salaries/Commissions/Fees		
Supplies and Mailings		965
Taxes - Payroll	2,121	48,766
Taxes - Real Estate		
Taxes - Other		1,057
Travel and Entertainment		27,064
Utilities		
Other (attach schedule) - Other Expense	247	20,390
Total Operating Expenses Before Depreciation	53,111	1,265,273
Depreciation/Depletion/Amortization		
Net Profit (Loss) Before Reorganization Items	(\$53,111)	(\$1,265,273)
<b>OTHER INCOME AND EXPENSES</b>		
Other Income (attach schedule)		64,221
Interest Income		162
Other Expense (attach schedule)		
Net Profit (Loss) Before Reorganization Items	(\$53,111)	(\$1,200,889)
<b>REORGANIZATION ITEMS</b>		
Professional Fees		
U.S. Trustee Quarterly Fees		8,125
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	(19,120)	(4,423,317)
Net Profit (Loss)	(\$33,991)	\$3,214,303

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

### BREAKDOWN OF "OTHER CATEGORY"

OTHER COSTS		
Other Expense	247	20,390
OTHER OPERATIONAL EXPENSES		
OTHER INCOME		
Refunds of payments made pre-filing		64,221
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.

MOR-2 (a): Other Expense		
Admin. / Executive Mgmt Expense	Mar-12	Total Year
Outside Services	\$247	\$20,098
Subscriptions		292
<b>Other Expense</b>	<b>\$247</b>	<b>\$20,390</b>

MOR-2 (b): Interest Income - 3rd Party		
Non - Operating Income / Expense	Mar-12	Total Year
Interest Income - 3rd Party		\$162

**BONDEX MOR - 3**

Balance Sheet			
	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULE
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Unrestricted Cash and Equivalents	\$0	\$0	\$485,396
Restricted Cash and Cash Equivalents (see continuation sheet)			
Accounts Receivable (Net)			
Notes Receivable			
Inventories			
Prepaid Expenses	2,960	2,960	2,960
Professional Retainers			
Other Current Assets (attach schedule)	9,739,360	9,720,240	5,122,050
<b>TOTAL CURRENT ASSETS</b>	<b>\$9,742,320</b>	<b>\$9,723,200</b>	<b>\$5,610,405</b>
<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>			
Amounts due from Insiders*			
Other Assets (attach schedule)	(191,264,250)	(191,223,640)	(190,528,545)
<b>TOTAL OTHER ASSETS</b>	<b>(191,264,250)</b>	<b>(191,223,640)</b>	<b>(190,528,545)</b>
<b>TOTAL ASSETS</b>	<b>(\$181,521,930)</b>	<b>(\$181,500,440)</b>	<b>(\$184,918,140)</b>

	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULE
<b>LIABILITIES AND OWNER EQUITY</b>			
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable			
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 Post-petition Liabilities (attach schedule)	\$181,659	\$169,159	
<b>TOTAL POSTPETITION LIABILITIES</b>	<b>\$181,659</b>	<b>\$169,159</b>	<b>\$0</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt			
Priority Debt			
Unsecured Debt (attach schedule)	366,740,440	366,740,440	366,740,192
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>366,740,440</b>	<b>366,740,440</b>	<b>366,740,192</b>
<b>TOTAL LIABILITIES</b>	<b>\$366,922,099</b>	<b>\$366,909,599</b>	<b>\$366,740,192</b>
<b>OWNER EQUITY</b>			
Common Stock - SUBS	500	500	500
Additional Paid-in Capital - SUBS	2,343,820	2,343,820	2,343,820
Partners' Capital Account			
Owner's Equity Account			
Retained Earnings - Pre-Petition	(554,002,652)	(554,002,652)	(554,002,652)
Retained Earnings - Post-petition	3,214,303	3,248,294	
Adjustments to Owner Equity (attach schedule)			
Post-petition Contributions (attach schedule)			
<b>NET OWNER EQUITY</b>	<b>(548,444,029)</b>	<b>(548,410,038)</b>	<b>(551,658,332)</b>
<b>TOTAL LIABILITIES AND OWNERS EQUITY</b>	<b>(\$181,521,930)</b>	<b>(\$181,500,440)</b>	<b>(\$184,918,140)</b>

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

	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULE
<b>ASSETS</b>			
<b>Other Current Assets</b>	<b>\$9,739,360</b>	<b>\$9,720,240</b>	<b>\$5,122,050</b>
Income Taxes Receivable (Payable)	99,124	80,004	
Deferred Inc Tax Asset - Current	9,640,236	9,640,236	5,122,050
<b>Other Assets</b>	<b>(\$191,264,250)</b>	<b>(\$191,223,640)</b>	<b>(\$190,528,545)</b>
Intercompany Accounts (Net)	(327,402,817)	(327,362,207)	(326,860,857)
Deferred Inc Tax Asset - Non-Current	136,137,914	136,137,914	136,331,659
Other Long Term Assets	653	653	653
<b>LIABILITIES AND OWNER EQUITY</b>			
<b>Other Post-petition Liabilities</b>	<b>\$181,659</b>	<b>\$169,159</b>	<b>\$0</b>
Accrued Asbestos Claims - Current			
Accrued Liabilities - Other	181,659	169,159	
Other Long Term Liabilities			
Deferred Inc Tax Liability - Non-Current			
Accrued Asbestos Claims - Non-Current			
<b>Unsecured Debt</b>	<b>\$366,740,440</b>	<b>\$366,740,440</b>	<b>\$366,740,192</b>
Accrued Asbestos Claims - Current	20,000,000	20,000,000	20,000,000
Pre-Petition Unsecured Accounts Payable	118,806	118,806	118,806
Pre-Petition Unsecured Professional Services	3,180,643	3,180,643	2,225,511
Pre-Petition Unsecured Settled Asbestos P.I. Claimants	3,190,000	3,190,000	2,840,000
Other Long Term Liabilities	(33,776,331)	(33,776,331)	(33,776,331)
Deferred Inc Tax Liability - Non-Current	0	0	(248)
Accrued Asbestos Claims - Non-Current <sup>(1)</sup>	374,027,321	374,027,321	\$375,332,454
<b>Adjustments to Owner Equity</b>			
<b>Postpetition Contributions</b>			

(1) Decrease from May 31 pre-petition value due to additional activities that were incurred pre-petition, but presented after filing

MOR-3 (a): Intercompany Balances, Net		
	31-Mar-12	31-May-10
SPHC*	(\$327,402,817)	(\$326,860,857)
<b>Total</b>	<b>(\$327,402,817)</b>	<b>(\$326,860,857)</b>

\*represents net loans to (borrowings from) SPHC

MOR-3 (b): Other Long-Term Liabilities		
	31-Mar-12	31-May-10
Tax-Related Receivable from SPHC	(\$33,776,331)	(\$33,776,331)
<b>Total</b>	<b>(\$33,776,331)</b>	<b>(\$33,776,331)</b>

MOR-3 (c): Pre-Petition Unsecured Accounts Payable		
	31-Mar-12	31-May-10
Pre-Petition Unsecured Accounts Payable	\$118,806	\$118,806
<b>Total</b>	<b>\$118,806</b>	<b>\$118,806</b>

MOR-3 (d): Accrued Asbestos Claims - Non-Current		
	31-Mar-12	31-May-10
Accrued Asbestos Claims LT	\$374,027,321	\$375,332,454
<b>Total</b>	<b>\$374,027,321</b>	<b>\$375,332,454</b>

## BONDEX MOR - 4

### THIS SCHEDULE IS NOT APPLICABLE - EVERYTHING IS CURRENT

Status of Post-petition Taxes - N/A (Everything is current)						
Federal	Beginning Tax Liability	Amount Withheld or Accrued	Amount Paid	Date Paid	Check No. or EFT	Ending Tax Liability
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>						

### THIS SCHEDULE IS NOT APPLICABLE

Summary of Unpaid Post-petition Debts - N/A						
Number of Days Past Due	Current	0-30	31-60	61-90	Over 90	Total
Accounts Payable						
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>	\$	\$	\$	\$	\$	\$

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

MOR-4 (a): Intercompany Balances, Net		
	<u>31-Mar-12</u>	<u>31-May-10</u>
SPHC*	(\$327,402,817)	(\$326,860,857)
<b>Total</b>	(\$327,402,817)	(\$326,860,857)

\*represents net loans to (borrowings from) SPHC

## BONDEX MOR - 5

### **THIS SCHEDULE IS NOT APPLICABLE**

Accounts Receivable Reconciliation and Aging - N/A	
Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	
Plus: Amounts billed during the period	
Less: Amounts collected during the period	
Total Accounts Receivable at the end of the reporting period	

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91 + Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91 + days old					
Total Accounts Receivable					
Less: Bad Debts (Amount considered uncollectible)					
Net Accounts Receivable					

### **THIS SCHEDULE IS NOT APPLICABLE**

Taxes Reconciliation and Aging - N/A					
Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91 + Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91 + days old					
Total Taxes Payable					
Total Accounts Payable					

## BONDEX MOR - 6

### NO PROFESSIONAL FEES HAVE BEEN PAID THUS FAR

Payments to Insiders and Professionals			
INSIDERS			
NAME	TYPE OF PAYMENT	Mar-12	TOTAL PAID TO DATE
John Fleming	Salary	\$10,333	\$223,333
Glenn Hasman	Salary	17,167	371,667
TOTAL PAYMENTS TO INSIDERS		\$27,500	\$595,000

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING	AMOUNT APPROVED	AMOUNT PAID	TOTAL	TOTAL
TOTAL PAYMENTS TO PROFESSIONALS		None	None	None	None

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS TO INSIDERS		None	None

### THIS SCHEDULE IS NOT APPLICABLE

Post Petition Status of Secured Notes, Leases Payable - N/A



## BONDEX MOR - 7

<b>Debtor Questionnaire</b>			
	<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?		X
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?		X
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?		X
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