

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF DELAWARE**

In re: Syntax-Brilliant SPE, Inc.


Case No. 08-11408
Reporting Period: 12/1/08 - 12/31/08

MONTHLY OPERATING REPORT

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	
Statement of Operations	MOR-2	X		
Balance Sheet	MOR-3	X		
Status of Postpetition Taxes	MOR-4		X	
Summary of Unpaid Postpetition Debts	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

3-4-09

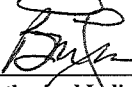
Date



Signature of Joint Debtor

3-4-09

Date



Signature of Authorized Individual*

3-4-09

Date

Bradley M. Lines

Printed Name of Authorized Individual

Debra m CFO

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.

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 bank account columns. 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	
	OPEN	PAYROLL	TAX	OTHER	ACTUAL	PROJECTED	ACTUAL	PROJECTED
CASH BEGINNING OF MONTH								
RECEIPTS								
CASH SALES								
ACCOUNTS RECEIVABLE								
LOANS AND ADVANCES								
SALE OF ASSETS								
OTHER (ATTACH LIST)								
TRANSFERS (FROM DIP ACCTS)								
TOTAL RECEIPTS								
DISBURSEMENTS								
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)								
PROFESSIONAL FEES								
U.S. TRUSTEE QUARTERLY FEES								
COURT COSTS								
TOTAL DISBURSEMENTS								
NET CASH FLOW								
(RECEIPTS LESS DISBURSEMENTS)								
CASH - END OF MONTH								

* 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)	
TOTAL DISBURSEMENTS	\$ -
LESS: TRANSFERS TO DEBTOR IN POSSESSION ACCOUNTS	-
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	\$ -

*There are no cash disbursements or active bank accounts for the Debtor Entity of Syntax-Brilliant SPE, Inc.

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.

	Operating		Payroll		Tax		Other	
	#		#		#		#	
BALANCE PER BOOKS								
BANK BALANCE								
(+) DEPOSITS IN TRANSIT (ATTACH LIST)								
(-) OUTSTANDING CHECKS (ATTACH LIST)								
OTHER (ATTACH EXPLANATION)								
ADJUSTED BANK BALANCE *								
* Adjusted bank balance must equal								
balance per books								
DEPOSITS IN TRANSIT	Date	Amount	Date	Amount	Date	Amount	Date	Amount
CHECKS OUTSTANDING	Ck.#	Amount	Ck.#	Amount	Ck.#	Amount	Ck.#	Amount
OTHER								

*There are no cash disbursements or active bank accounts for the Debtor Entity of Syntax-Brilliant SPE, Inc.

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	\$ -	\$ -
COST OF GOODS SOLD		
Beginning Inventory	23,476,963	29,746,269
Add: Purchases	-	-
Add: Cost of Labor	-	-
Add: Other Costs (attach schedule)	-	(6,269,306)
Less: Ending Inventory	23,476,963	23,476,963
Cost of Goods Sold	-	-
Gross Profit	-	-
OPERATING EXPENSES		
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	-	-
SuppliesTaxes - Payroll	-	-
Taxes - Payroll	-	-
Taxes - Real Estate	-	-
Taxes - Other	-	-
Travel and Entertainment	-	-
Utilities	-	-
Other (attach schedule)	-	-
Total Operating Expenses Before Depreciation	-	-
Depreciation/Depletion/Amortization	-	-
Net Profit (Loss) Before Other Income & Expenses	\$ -	\$ -
OTHER OPERATING EXPENSES		
Other Income (attach schedule)	-	-
Interest Expense	-	-
Other Expense (attach schedule)	-	-
Net Profit (Loss) Before Reorganization Items	\$ -	\$ -
REORGANIZATION ITEMS		
Professional Fees	-	-
U.S. Trustee Quarterly Fees	-	-
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)	\$ -	\$ -

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

STATEMENT OF OPERATIONS - continuation sheet

BREAKDOWN OF OTHER CATEGORY	Month	Cumulative Filing to Date
Other Costs		
Intercompany LCOM to Syntax Groups	-	(6,269,306)
	-	(6,269,306)
Other Operating Expenses		
None		
Other Income		
None		
Other Expenses		
None		
Other Reorganization Expenses		
None		

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 postpetition obligations.

CURRENT ASSETS	BOOK VALUE	BOOK VALUE
	CURRENT REPORTING	PETITION DATE
Unrestricted Cash and Equivalents		
Restricted Cash and Cash Equivalents (see continuation sheet)		
Accounts Receivable (Net) [1]	\$ -	\$ 13,062,105
Notes Receivable		
Inventories	23,476,963	29,746,269
Prepaid Expenses		
Professional Retainers		
Other Current Assets (attach schedule)	5,891,023	5,891,023
TOTAL CURRENT ASSETS	\$ 29,367,986	\$ 48,699,397
PROPERTY & EQUIPMENT		
Real Property and Improvements	-	-
Machinery and Equipment		
Furniture, Fixtures and Office Equipment		
Leasehold Improvements		
Vehicles		
Less Accumulated Depreciation		
TOTAL PROPERTY & EQUIPMENT	\$ -	\$ -
OTHER ASSETS		
Loans to Insiders*	-	-
Other Assets (attach schedule)		
TOTAL OTHER ASSETS	\$ -	\$ -
TOTAL ASSETS	\$ 29,367,986	\$ 48,699,397
LIABILITIES AND OWNER EQUITY		
LIABILITIES NOT SUBJECT TO COMPROMISE (postpetition)	BOOK VALUE AT END OF	BOOK VALUE AT END OF
	CURRENT REPORTING MONTH	PETITION DATE
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 Postpetition Liabilities (attach schedule)		
TOTAL POSTPETITION LIABILITIES	\$ -	\$ -
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)		
Secured Debt		
Priority Debt		
Unsecured Debt	29,367,986	48,699,397
TOTAL PRE-PETITION LIABILITIES	\$ 29,367,986	\$ 48,699,397
TOTAL LIABILITIES	\$ 29,367,986	\$ 48,699,397
OWNER EQUITY		
Capital Stock		
Additional Paid-In Capital		
Partners' Capital Account		
Owner's Equity Account		
Retained Earnings - Pre-Petition		
Retained Earnings - Postpetition		
Adjustments to Owner Equity (attach schedule)		
Postpetition Contributions (Distributions) (Draws) (attach schedule)		
NET OWNER EQUITY	\$ -	\$ -
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ 29,367,986	\$ 48,699,397

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

[1] The bad debt of \$13,062,105 as of the petition date has been written off.

In re: Syntax-Brilliant SPE, Inc.
Debtor

Case No. 08-11408
Reporting Period: 12/1/08 - 12/31/08

BALANCE SHEET - continuation sheet

ASSETS		BOOK VALUE AT END OF	BOOK VALUE ON
Other Current Assets		CURRENT REPORTING MONTH	PETITION DATE
	Inventory Purchase Deposit	\$ 5,891,023	\$ 5,891,023
	Total Other Current Assets	\$ 5,891,023	\$ 5,891,023
Other Assets			
LIABILITIES AND OWNER EQUITY		BOOK VALUE AT END OF	BOOK VALUE ON
Other Postpetition Liabilities		CURRENT REPORTING MONTH	PETITION DATE
Adjustments to Owner Equity			
Postpetition Contributions (Distributions) (Draws)			

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
Federal						
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other						
Total Federal Taxes						
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other:						
Total State and Local						
Total Taxes						

All post petition taxes have been paid when due and are current.

SUMMARY OF UNPAID POSTPETITION DEBTS

Attach aged listing of accounts payable.

	Current	0-30	Number of Days Past Due			Total
			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*						
Other:						
Other:						
Total Postpetition Debts						

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

Debtor had no unpaid postpetition debt as of 12/31/08.

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Accounts Receivable Reconciliation		Amount
Total Accounts Receivable at the beginning of the reporting period		\$ -
+ Amounts billed during the period		-
- Amounts collected during the period		-
Total Accounts Receivable at the end of the reporting period		\$ -
Accounts Receivable Aging		Amount
0 - 30 days old		
31 - 60 days old		
61 - 90 days old		
91+ days old		13,062,105
Total Accounts Receivable		\$ 13,062,105
Amount considered uncollectible (Bad Debt)		13,062,105
Accounts Receivable (Net)		\$ -

* \$13,062,105 written off as uncollectible

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