

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. (1) CASE NUMBER: 09-17787

OFFICE OF THE UNITED STATES TRUSTEE - BALTIMORE DIVISION
 MONTHLY OPERATING REPORT
 CHAPTER 11
 BUSINESS DEBTORS

Form 2-A
 COVER SHEET AND QUESTIONNAIRE

For Period Ended September 30, 2013

Accounting Method: Accrual Basis Cash Basis

THIS REPORT IS DUE 20 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each Required Document: Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. File the original with the Clerk of Court. Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Disbursements Summary (Form 2-F)
<input type="checkbox"/>	<input checked="" type="checkbox"/>	6. Narrative (Form 2-G)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts (See Exhibit A)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts (See Exhibit A)

QUESTIONNAIRE

Yes No

Please answer the questions below:

- | | | |
|---|----------------|--------------|
| 1. Is the business still operating? | <u> X </u> (2) | <u> </u> |
| 2. Were any assets (other than inventory) sold this month? | <u> </u> | <u> X </u> |
| 3. Were all employees timely paid this month? | <u> X </u> | <u> </u> |
| 4. Are all insurance policies and operating licenses current and in effect? | <u> X </u> (3) | <u> </u> |
| 5. Did you open any new bank accounts this month? | <u> </u> | <u> X </u> |
| 6. Did you deposit all receipts into your DIP account this month? | <u> X </u> | <u> </u> |
| 7. Have all taxes been timely paid (payroll, sales, etc.)? | <u> X </u> | <u> </u> |
| 8. Are you current on U.S. Trustee quarterly fees payments? | <u> X </u> | <u> </u> |

I declare under penalty of perjury that the following Monthly Operating Report, and any statements and attachments thereto are true, accurate and correct to the best of my belief.

Executed on: 10/22/13 Print Name: Joel I. Sher

Signature: 

Title: Chapter 11 Trustee

- (1) Includes the following Debtors: TMST, Inc. f/k/a Thornburg Mortgage, Inc. (Case No. 09-17787), TMST Home Loans, Inc. f/k/a Thornburg Mortgage Home Loans, Inc. (Case No. 09-17791), TMST Hedging Strategies, Inc. f/k/a Thornburg Mortgage Hedging Strategies, Inc. (Case No. 09-17792), and TMST Acquisition Subsidiary, Inc. f/k/a Thornburg Acquisition Subsidiary, Inc. (Case No. 09-17790). The Adfitech, Inc. Monthly Operating Report is filed separately under Case No. 09-17788.
- (2) The Chapter 11 Trustee is in the process of winding-up all operations.
- (3) TMST Home Loans, Inc. is currently in the process of withdrawing state licenses due to the sale of the Servicing Portfolio.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT (1)
 For Period: 9/1/2013 to 9/30/2013

CASH FLOW SUMMARY	Current Month	Accumulated
Beginning Cash Balance	\$ 30,150,789 (2)	\$ 16,847,967 (2)
2. Cash Receipts		
Operations	1,096	28,043,795
Sale of Assets	-	81,041,433
Loans/advances	-	18,364,080
Other	2,177,643 (3)	39,795,032
Account Transfer	-	106,536,048
Total Cash Receipts	<u>\$ 2,178,739</u>	<u>\$ 273,780,388</u>
3. Cash Disbursements		
Operations	223,042	27,587,569
Professional fees/U.S. Trustee fees	240,176	30,843,769
Other	-	93,794,660
Account Transfer	-	106,536,048
Total Cash Disbursements	<u>\$ 463,218</u>	<u>\$ 258,762,045</u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	<u>1,715,521</u>	<u>15,018,343</u>
5. Ending Cash Balance (to Form 2-C)	<u>\$ 31,866,310 (4)</u>	<u>\$ 31,866,310 (4)</u>

CASH BALANCE SUMMARY		Bank Balance	Deposits In Transit	Outstanding Checks	Book Balance
Account Name/Number	Institution				
<u>xxxxxx2822</u>	<u>New Mexico Bank & Trust</u>	16,551,782	0	150	16,551,632
<u>xxxxxx1807</u>	<u>New Mexico Bank & Trust</u>	5,527	0	0	5,527
<u>xxxxxx2954</u>	<u>New Mexico Bank & Trust</u>	1,196	0	0	1,196
<u>xxxxxx2989</u>	<u>New Mexico Bank & Trust</u>	4,555	0	0	4,555
<u>xxxxxx5856</u>	<u>New Mexico Bank & Trust</u>	446,393	0	0	446,393
<u>xxxxxx2842</u>	<u>New Mexico Bank & Trust</u>	4,000,000	0	0	4,000,000
<u>xxxxxx9638</u>	<u>The Bank of New York Mellon</u>	1,002	0	0	1,002
<u>xxxxxx9639</u>	<u>The Bank of New York Mellon</u>	0	0	0	0
<u>xxxxxx9681</u>	<u>SunTrust Bank</u>	10,856,006	0	0	10,856,006
<u>xxxxxx5972</u>	<u>SunTrust Bank</u>	0	0	0	0
		<u>\$ 31,866,460</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ 31,866,310 (4)</u>

(1) The term "cash" as used herein includes all forms of currency (e.g., checks, cash, money orders, etc.)

(2) Accumulated beginning cash balance is the cash available at the commencement of the case.
Current month beginning cash balance equals the previous month's ending balance.

(3) On August 27, 2013, The Bankruptcy Court granted the Trustee's motion for Approval of Settlement and Compromise of Controversies between the Trustee and Liberty Mutual Insurance Company, for a settlement amount of \$2.275 million less attorney's fees and costs. Liberty Mutual will return the remaining collateral as the penal bonds expire less claims and attorney's fees and costs.

(4) Current Month, Accumulated, and Book cash balances are the same.

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DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.CASE NO: 09-17787

Form 2-B

CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 9/1/2013 to 9/30/2013

CASH DISBURSEMENTS DETAIL

Account No:

xxxxxxx2822

(attach additional sheets as necessary)

Date	Check No.	Payee	Description (Purpose)	Amount
9/4/2013	WIRE	ADP Inc.	Payroll - Direct deposits	\$ 16,947
9/5/2013	WIRE	ADP, Inc.	Payroll taxes	8,843
9/11/2013	WIRE			57,690
9/11/2013	WIRE			14,625
9/11/2013	WIRE	Tydings & Rosenberg LLP	Professional services	2,101
9/11/2013	WIRE	Goldin Associates, LLC	Professional services	81,607
9/11/2013	WIRE	Shapiro Sher Guinot & Sandler	Professional services	152,091
9/12/2013	7984			27,200
9/12/2013	7985	Legalink, Inc.	Professional services	7,322
9/12/2013	7986	MIDCON Data Services LLC	Document Storage	2,065
9/12/2013	7987	Bloomberg LP	Information Services	1,082
9/12/2013	7988	Susman Godfrey LLP	Professional services	819
9/12/2013	7989	Epiq Bankruptcy Solutions, LLC	Professional services	4,377
9/12/2013	7990	FrontBridge Technologies, Inc.	Microsoft Exchange Hosted Services	2,575
9/12/2013	7991	Lighthouse Document Solutions	Professional services	1,689
9/12/2013	7992	First Interstate Plaza	Office Lease_Rent	5,527
9/12/2013	7993	Crystal Springs	Office Supplies	22
9/12/2013	7994	Iron Mountain Information Management	Document Storage	617
9/12/2013	7995	American Stock Transfer & Trust	Transfer Agent	1,936
9/12/2013	7996	FedEX	Shipping	120
9/12/2013	7997	TBCConsulting	Contract Services	52,060
9/18/2013	WIRE	ADP Inc.	Payroll - Direct deposits	14,513
9/19/2013	WIRE	ADP, Inc.	Payroll taxes	7,135
Total Cash Disbursements				\$ <u>462,965</u> (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

**Form 2-B
CASH RECEIPTS STATEMENT**

For Period: 9/1/2013 to 9/30/2013

CASH RECEIPTS DETAIL

(attach additional sheets as necessary)

Account No:

xxxxxxx2822

Date	Payor	Description (Purpose)	Amount
9/4/2013	Liberty Mutual Insurance Company	Settlement and Compromise	\$ 2,177,643
9/25/2013	Wells Fargo Bank	Credit Risk Advisor Fee	463
9/25/2013	Wells Fargo Bank	Credit Risk Advisor Fee	181
9/25/2013	Wells Fargo Bank	Reinvestment Income	40
9/25/2013	Residential Funding	Credit Risk Advisor Fee	412
Total Cash Receipts			\$ <u>2,178,739</u> (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

**Form 2-B
CASH RECEIPTS STATEMENT**

For Period: 9/1/2013 to 9/30/2013

CASH RECEIPTS DETAIL

(attach additional sheets as necessary)

Account No:

xxxxxxx1807

Date	Payor	Description (Purpose)	Amount
9/30/2013	New Mexico Bank & Trust	Interest Paid	\$ 0
Total Cash Receipts			<u>\$ 0</u> (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
 For Period: 9/1/2013 to 9/30/2013

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No: xxxxxxx2989

Date	Check No.	Payee	Description (Purpose)	Amount
9/13/2013	ACH	ADP Financial Services	Payroll processing	\$ 105
9/20/2013	ACH	ADP Financial Services	Payroll processing	42
9/27/2013	ACH	ADP Financial Services	Payroll processing	105
Total Cash Disbursements				\$ <u>252</u> (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 2

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787Form 2-C
COMPARATIVE BALANCE SHEETFor Period Ended: September 30, 2013

ASSETS	Current Month	Petition Date (1)
Current Assets:		
Cash and Cash Equivalents (from Form 2-B)	31,866,310	\$ 16,848,967
Accounts Receivable (from Form 2-E) (2)	402,977	9,403,326
Other Current Assets (List):		
<u>Prepaid expenses & retainers (2)</u>	310,626	4,807,453
<u>Accrued interest receivable</u>	-	47,878
Total Current Assets	<u>32,579,913</u>	<u>31,107,624</u>
Fixed Assets:		
Equipment, Furniture and Fixtures	1,201,340	1,201,340
Total Fixed Assets	<u>1,201,340</u>	<u>1,201,340</u>
Less: Accumulated Depreciation	1,201,340	533,109
Net Fixed Assets	-	668,231
Other Assets (List):		
<u>Restricted cash</u>	-	201,432,689
<u>Mortgage servicing portfolio</u>	-	87,104,385
<u>Investment in subsidiaries (3)</u>	(6,000,000)	21,244,747
<u>Loan held for sale (4)</u>	-	8,359,404
<u>Deposits (5)</u>	1,330,000	300,000
TOTAL ASSETS	<u>\$ 27,909,913</u>	<u>\$ 350,217,080</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E) (2)	\$ 155,141	\$ -
Post-petition Accrued Professional Fees (from Form 2-E) (2)	4,661,251	-
Post-petition Taxes Payable (from Form 2-E)	-	-
Other Post-petition Payable(List):		
<u>Contingent obligations (6)</u>	3,296,287	-
Total Post Petition Liabilities	<u>8,112,678</u>	<u>-</u>
Pre Petition Liabilities:		
Secured Debt	-	-
Unsecured Debt (3)	3,347,413,881	3,664,898,118
Total Pre Petition Liabilities	<u>3,347,413,881</u>	<u>3,664,898,118</u>
TOTAL LIABILITIES	<u>3,355,526,559</u>	<u>3,664,898,118</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	3,640,741,359	3,640,741,359
Retained Earnings - Prepetition	(6,955,422,396)	(6,955,422,396)
Retained Earnings - Post-petition (7)	(12,935,609)	-
TOTAL OWNERS' EQUITY	<u>(3,327,616,646)</u>	<u>(3,314,681,037)</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>\$ 27,909,913</u>	<u>\$ 350,217,080</u>

(1) Petition date values are taken from the Debtors' balance sheet as of the petition date or are the values listed on the Debtors' schedules.

(2) On March 05, 2012, the Trustee's motion with The Bankruptcy Court seeking approval of a settlement of all claims asserted against SAF Financial, Inc., Orrick, Herrington & Sutcliffe LLP, Thornburg Mortgage Advisory Corporation and other individual defendants, was approved. As a result of the settlement, the Defendants made a Settlement Payment of \$6.5 million to TMST, Inc. The Settlement Payment includes payment of various amounts by all of the Defendants, including the return by Orrick of a \$334,533 retainer, the return by Orrick of \$163,818 TMST paid for post-petition services, and a waiver by Orrick of \$449,718 in unpaid fees and expenses incurred post-petition for which it was not paid. As part of the Settlement, TMST alleviated from its balance sheet, a \$250,000 retainer paid to TMAC, \$492,482 in accounts receivable from TMAC, and \$549,457 in unpaid fees to TMAC.

(3) Pre-petition unsecured debt includes a \$1.1 billion fair value adjustment for Senior Subordinated Secured Notes recorded under GAAP. Total pre-petition liabilities prior to the fair value adjustment is \$4,542,124,192.

On March 15, 2010 the Second Amended Chapter 11 Plan of Reorganization for ADFITECH, Inc. became effective. TMST Home Loans interests were deemed cancelled on the Effective Date and Senior Notes Guarantee Claims against TMST, Inc. were reduced by \$38.6 million under the plan.

On February 22, 2012, The Bankruptcy Court issued its decision in the MSR Litigation on the question of allocation of proceeds from the sale of TMHL's Servicing Portfolio. The Bankruptcy Court determined certain Counterparties held a security interest equal to 95% of the proceeds from the sale of the Servicing Portfolio and the estate held an interest in 5% of those proceeds. Furthermore the Bankruptcy Court determined that the Counterparties security interest did not extend to any reimbursements obtained from the sale of the Servicing Portfolio. In order to resolve all remaining issues in the MSR Litigation and to implement the Bankruptcy Courts decision, the Trustee transferred \$71,670,314 from SunTrust Bank to the Collateral Agent for the benefit of the Counterparties on September 13, 2012, \$413,319 on December 17, 2012, and \$2,253,360 on May 28, 2013. The parties agreed that the Trustee retains the right to seek the surcharge or recovery of any portion of the MSR Sale Commission from the Counterparties, and therefore the \$2,253,360 remains subject to the Trustee's surcharge claims.

- (4) On July 23, 2013, The Bankruptcy Court granted the Trustee's motion for Approval of Settlement and Compromise of Controversies among the Trustee, Luxury Mortgage Corp., and Commonwealth Land Title Insurance Co., for a settlement amount of \$1 million with respect to the mortgage loan purchased from Luxury Mortgage Corp.
- (5) On August 27, 2013, The Bankruptcy Court granted the Trustee's motion for Approval of Settlement and Compromise of Controversies between the Trustee and Liberty Mutual Insurance Company, for a settlement amount of \$2.275 million, less attorney's fees and costs. Liberty Mutual will return the remaining collateral as the penal bonds expire less claims and attorney's fees and costs.
- (6) Includes cash payments received that will require bankruptcy court ruling to resolve ownership issues.
- (7) Post-petition Retained Earning includes a loss of \$4.2 million related to 2009, income of \$3 million related to 2010, a loss of \$10.2 million related to 2011 and a loss of \$1 million related to 2012.

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DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.CASE NO: 09-17787

Form 2-D
PROFIT AND LOSS STATEMENT

For Period From: September 1, 2013 to September 30, 2013

	Current Month	Post-petition Accumulated Total (1)
Operating Revenue		
Interest income (2)	\$ -	\$ 5,719,535
Mortgage servicing income	1,096	21,878,543
Net Operating Revenue	1,096	27,598,078
Total interest expense / (benefit) (3)	-	(1,195,076)
Gross Profit	1,096	28,793,154
Operating Expenses		
Officer Compensation	-	895,390
Selling, General and Administrative	133,929	31,209,059
Rents and Leases	5,527	1,073,617
Depreciation, Depletion and Amortization	-	668,240
Other (list): _____	-	-
	-	-
Total Operating Expenses	139,456	33,846,306
Operating Income / (Loss)	(138,360)	(5,053,152)
Non-Operating Income / (Expenses)		
Earnings from subsidiaries	-	3,368,902
Other Non-Operating Income (4)	-	26,342,813
Net Non-Operating Income / (Expenses)	-	29,711,715
Reorganization Expenses		
Legal and Professional Fees	440,620	35,263,930
Other Reorganization Expense	134,790	2,625,095
Total Reorganization Expenses	575,410	37,889,025
Net Income / (Loss) Before Income Taxes	(713,770)	(13,230,462)
Federal and State Income Tax Expense / (Benefit) (5)	-	(294,853)
NET INCOME / (LOSS)	\$ (713,770)	\$ (12,935,609)

(1) Accumulated Totals include all revenue and expenses since the petition date.

(2) Accumulated total includes approximately \$4.5 million of \$24.1 million in certain Owner Trust residual interest distributions that may require bankruptcy court ruling to resolve ownership issues. To be conservative, the Company has not recorded a \$19.6 million receivable or the related income.

(3) Accumulated total reflects amortization of derivatives.

(4) Accumulated total includes a \$.9 million loss from the settlement with respect to the mortgage loan purchased from Luxury Mortgage Corp., \$.4 million class action settlement distribution from Wells Fargo Mortgage-Backed Certificate Litigation, a \$3 million payment under Zuni Joint Prosecution Agreement related to settlement with Countrywide Home Loans, Inc. and Bank of America, a \$.6 million settlement from SAF Financial, et al., a \$100 thousand settlement from Big Tree, Inc., an approximately \$1 million settlement from Bank of America, an \$8 million gain on the reorganization of Adfitech, Inc., a \$.3 million gain on the servicing portfolio, a \$.3 million loss incurred on the whole loan liquidation and a \$.9 million gain on cancellation of auction swaps agreements by CSFB and RBS as reported in each entity's respective bankruptcy claim filings.

(5) In early January 2010, the Trustee signed a Consent Agreement with the Internal Revenue Service to change TMST, Inc.'s method of accounting related to the reporting of taxable income associated with REMIC regular interests. Due to the large 2009 operating losses for TMST, Inc. no tax liability was incurred.

For tax year 2010, the Trustee was advised TMST, Inc. no longer qualified as a REIT and filed a consolidated return. Due to prior net operating losses, no tax liability was incurred in 2010, 2011 or 2012.

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DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

CASE NO: 09-17787

Form 2-E
SUPPORTING SCHEDULES

For Period: September 1, 2013 to September 30, 2013

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld						
Federal	\$ -	\$ 5,604	\$ 5,604	9/5/2013	Wire	\$ -
		4,440	4,440	9/19/2013	Wire	-
State	-	1,100	1,100	9/5/2013	Wire	-
		906	906	9/19/2013	Wire	-
FICA Tax Withheld	-	1,134	1,134	9/5/2013	Wire	-
		949	949	9/19/2013	Wire	-
Employer's FICA Tax	-	1,005	1,005	9/5/2013	Wire	-
		840	840	9/19/2013	Wire	-
Unemployment Tax						
Federal	-	-	-			-
		-	-			-
State	-	-	-			-
		-	-			-
Sales, Use & Excise Taxes	-	-	-			-
Property Taxes	-	-	-			-
Accrued Income Tax						
Federal	-	-	-			-
State	-	-	-			-
TOTALS	<u>\$ -</u>	<u>\$ 15,978</u>	<u>\$ 15,978</u>			<u>\$ -</u>

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premiums Paid Through</u>
Workers' Compensation	The Cincinnati Insurance Co.	\$ 1,000,000/incident	7/1/2014	6/30/2014
General Liability (1)	The Cincinnati Insurance Co.	\$ 1,000,000/incident	8/11/2014	8/10/2014
Property (Fire, Theft) (2)	N/A			
Vehicle (2)	N/A			
Directors & Officers (Excess)	N/A			
Directors & Officers (Primary)	N/A			
Trustee Surety Bond	Liberty Mutual Insurance Company	35,000,000	10/28/2013	10/28/2013

(1) Effective August 1, 2013, General Liability Insurance was renewed by The Cincinnati Insurance Co.
 (2) Commercial Property and Vehicle coverage are included in the General Liability Commercial Package policy.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.CASE NO: 09-17787

Form 2-E
SUPPORTING SCHEDULES
For Period: 9/1/2013 to 9/30/2013

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable (1)</u>	<u>Post Petition Accounts Payable (2)</u>
Under 30 days	\$ -	\$ 489,790
30 to 60 days	-	407,353
61 to 90 days	-	408,321
91 to 120 days	-	133,010
Over 120 days	-	3,377,917
Unavailable	<u>283,719 (3)</u>	
Total Post Petition	<u>283,719</u>	
Pre Petition Amounts	<u>119,258 (3)</u>	
Total Accounts Receivable	402,977	
Less: Bad Debt Reserve	-	
Net Accounts Receivable (to Form 2-C)	<u>\$ 402,977</u>	
	Total Post Petition Accounts Payable	<u>\$ 4,816,391</u>

(1) See Exhibit B for Accounts Receivable Aging

(2) See Exhibit C for Accounts Payable Aging

(3) Receivable amounts include balances due from multiple mortgage loan holders. Aging of the balances due is not available.

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due * (1)</u>
Debtor's Counsel (2)	\$ -	\$ -	\$ -		\$ -
Debtor's Special Counsel (3)	-	-	-		-
Debtor's Financial Advisor	-	-	-		191
Creditors' Committee's Counsel	100,000	8,149	2,101		96,523
Unsecured Creditors' Financial Advisor	-	-	-		10,591
Chapter 11 Trustee (4)	-	50,000	-		3,500,000
Trustee's Counsel	-	200,000	152,091		695,183
Trustee's Financial Advisor	-	80,000	81,607		283,277
Trustee's Tax Advisor (5)	-	-	-		48,737
Trustee's Consultant	-	-	-		17,483
Claims Agent	-	5,000	4,377		9,266
Total	<u>\$ 100,000</u>	<u>\$ 343,149</u>	<u>\$ 240,176</u>		<u>\$ 4,661,251</u>

* Balance due to include fees and expenses incurred but not yet paid.

(1) Includes estimates for amounts that may be due to professionals for which an invoice for services had not been received.

(2) Retainer Balance, net of outstanding fees, was returned to TMST, Inc. on August 3, 2010

(3) Orrick, Herrington & Sutcliffe LLP is no longer Debtors' Special Counsel. The balance due became the subject of an adversary proceeding filed against Orrick, Herrington & Sutcliffe LLP and other related parties. On March 05, 2012, the Trustee's motion with The Bankruptcy Court seeking approval of a settlement of all claims asserted against SAF Financial, Inc., Orrick, Herrington & Sutcliffe LLP, Thornburg Mortgage Advisory Corporation and other individual defendants, was approved. As a result of the settlement, the Defendants made a Settlement Payment of \$6.5 million to TMST, Inc. The Settlement Payment includes payment of various amounts by all of the Defendants, including the return by Orrick of a \$334,533 retainer, the return by Orrick of \$163,818 TMST paid for post-petition services, and a waiver by Orrick of \$449,718 in unpaid fees and expenses incurred post-petition for which it was not paid.

(4) Chapter 11 Trustee commission is an estimate based on time spent performing the Trustee function at customary rates and accumulated disbursements. The actual commission awarded is subject to Bankruptcy Court approval and will vary from the estimate.

(5) The Chapter 11 Trustee was authorized to retain KPMG LLP to provide tax compliance and consulting services on May 26, 2010 pursuant to their February 26, 2010 engagement letter. Payments for services rendered prior to February 28, 2010 are reported pursuant to the Ordinary Course Professional Compensation Procedures.

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DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.

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Form 2-E

SUPPORTING SCHEDULES

For Period: 9/1/2013 to 9/30/2013

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
<u>N/A</u>			

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

Rev. 4/2008

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Form 2-F
DISBURSEMENT SUMMARY
 For the Month Ended: September 30, 2013

QUARTERLY DISBURSEMENT CALCULATION

1.	Disbursements made in calendar quarter	TMST, Inc., et al.
	July 2013	\$ 1,023,828
	August 2013	483,418
	September 2013	463,217
	Quarterly Total	<u>\$ 1,970,463</u>

FEE SCHEDULE

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999.....	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999.....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more.....	\$30,000

Interest will be assessed on Chapter 11 quarterly fees not paid by the end of the month following the end of the calendar quarter pursuant to 31 U.S.C. Sec. 3717. The interest rate assessed is the rate in effect as determined by the Treasury Department at the time the account becomes past due.

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

System: 10/11/2013 12:30:21 PM
User Date: 10/11/2013

TMST, Inc. f/k/a Thornburg Mor
RECONCILIATION POSTING JOURNAL
Bank Reconciliation

Page: 1
User ID: nvelasco

Audit Trail Code: CMADJ00000138
Checkbook ID: TMA
Description: New Mexico Bank & Trust

Bank Statement Ending Balance: \$16,551,781.56
Bank Statement Ending Date: 9/1/2013
Cutoff Date: 9/30/2013

Statement Ending Balance	\$16,551,781.56
Outstanding Checks (-)	\$150.00
Deposits in Transit (+)	\$0.00
Adjusted Bank Balance	\$16,551,631.56
Checkbook Balance as of Cutoff	\$16,551,631.56
Adjustments	\$0.00
Adjusted Book Balance	\$16,551,631.56
Difference	\$0.00

System: 10/11/2013 12:30:24 PM
 User Date: 10/11/2013

TMST, Inc. f/k/a Thornburg Mor
 OUTSTANDING TRANSACTIONS REPORT
 Bank Reconciliation

Page: 1 **EXHIBIT A**
 User ID: nvelasco

Checkbook ID: TMA
 Description: New Mexico Bank & Trust
 Sorted By: Type

Type	Number	Date	Paid To/Rcvd From	Trx Amount
CHK	7891	4/19/2013	State of Missouri	(\$25.00)
CHK	7981	8/22/2013	State of New Mexico	(\$125.00)

2 Transaction(s)

Totals:
 Number of Payments 2
 Amount of Payments \$150.00
 Number of Deposits 0
 Amount of Deposits \$0.00

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 PHONE 505-946-2500 SANTA FE
 PHONE 575-762-4741 CLOVIS
 NEW MEXICO BANK & TRUST
 PO BOX 1048
 ALBUQUERQUE NM 87103-1048



Right now may be the perfect time to buy a new or used auto as 2014 models continue rolling onto dealer lots and auto loan rates are still low. Smart borrowers shop for financing and obtain pre-approval before visiting car dealerships. Getting pre-approved for a car loan is the closest you can come to reaping the benefit of paying with cash while not having to save up for months or years in advance. Act now while rates are low. Call or visit a personal banker today!

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TMST INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

*****822
 PAGE NUMBER 1
 STATEMENT DATE 09-30-13
 ENC 33

ACCOUNT TYPE:	REGULAR CHECKING
ACCOUNT NUMBER:	*****822
BEGINNING BALANCE 08-31-13	14,939,829.81
+ DEPOSITS AND OTHER CREDITS	2,178,738.89
- CHECKS AND OTHER WITHDRAWALS	566,787.14
- SERVICE FEES	.00
ENDING BALANCE 09-30-13	16,551,781.56

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
09/04/13	WIRE IN NIHILL & RIEDLEY PC	2,177,642.68
09/25/13	WIRE IN RESIDENTIAL FUNDING CO	412.04
09/25/13	WIRE IN WELLS FARGO	181.44
09/25/13	WIRE IN WELLS FARGO	462.96
09/25/13	WIRE IN WELLS FARGO	39.77
TOTAL # CREDITS	5	TOTAL CREDITS 2,178,738.89

CHECKS PAID

NUMBER	AMOUNT	DATE	NUMBER	AMOUNT	DATE
7961	118.80	09/04/13	7982*	5,526.83	09/03/13
7962	2,575.00	09/03/13	7983	1,704.00	09/05/13
7963	4,931.39	09/03/13	7984	27,200.00	09/23/13
7964	240.63	09/03/13	7985	7,322.23	09/20/13
7965	17,222.50	09/05/13	7986	2,065.20	09/20/13
7967*	2,065.20	09/04/13	7987	1,081.88	09/23/13
7968	624.85	09/03/13	7988	819.40	09/23/13
7969	1,612.88	09/04/13	7989	4,377.17	09/20/13
7970	36.39	09/03/13	7990	2,575.00	09/20/13
7972*	674.00	09/04/13	7991	1,689.42	09/24/13
7973	180.00	09/05/13	7992	5,526.83	09/24/13
7974	1,258.00	09/04/13	7993	22.48	09/20/13
7975	47,991.00	09/03/13	7994	617.05	09/23/13
7977*	2,835.51	09/16/13	7995	1,936.00	09/23/13
7978	6,639.00	09/04/13	7996	120.33	09/23/13
7979	12.83	09/03/13	7997	52,059.75	09/20/13
7980	7,573.13	09/03/13			
TOTAL # CHECKS PAID		33	TOTAL CHECKS PAID	211,234.68	

OTHER WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
09/04/13	WIRE OUT ADP TAX SVCS INC. REV	16,946.65
09/05/13	WIRE OUT ADP PAYROLL TAX DEPOS	8,843.01
09/11/13	WIRE OUT [REDACTED]	57,690.00
09/11/13	WIRE OUT Tydings Rosenberg	2,101.40
09/11/13	WIRE OUT Goldin Associates	81,607.13
09/11/13	WIRE OUT Shapiro Sher Guinot &	152,090.93
09/11/13	WIRE OUT [REDACTED]	14,625.00
09/18/13	WIRE OUT ADP TAX SVCS INC. REV	14,513.30
09/19/13	WIRE OUT ADP PAYROLL TAX DEPOS	7,135.04
TOTAL # OTHER WITHDRAWALS	9	TOTAL OTHER WITHDRAWALS 355,552.46

CONTINUED ON NEXT PAGE

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TMST INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

PAGE NUMBER *****822
 STATEMENT DATE 2
 09-30-13

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
08/31/13	14,939,829.81	09/11/13	16,682,581.94	09/20/13	16,589,676.26
09/03/13	14,870,317.76	09/16/13	16,679,746.43	09/23/13	16,557,901.60
09/04/13	17,018,645.91	09/18/13	16,665,233.13	09/24/13	16,550,685.35
09/05/13	16,990,696.40	09/19/13	16,658,098.09	09/25/13	16,551,781.56

CONTINUED ON NEXT PAGE

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THORNBURG MORTGAGE INC
 UTILITY ACCOUNT
 DIP CASE #09-17787
 2300 NORTH RIDGETOP RD
 SANTA FE NM 87506

*****807
 PAGE NUMBER 1
 STATEMENT DATE 09-30-13

ACCOUNT TYPE: BUSINESS PREMIUM MONEY MARKET
 ACCOUNT NUMBER: *****807

BEGINNING BALANCE 08-31-13	5,527.10
+ DEPOSITS AND OTHER CREDITS	.00
+ INTEREST PAID	.09
- CHECKS AND OTHER WITHDRAWALS	.00
- SERVICE FEES	.00
ENDING BALANCE 09-30-13	5,527.19

INTEREST SUMMARY

INTEREST EARNED FROM 09/01/13 THROUGH 09/30/13	
DAYS IN PERIOD 30	
INTEREST EARNED THIS PERIOD	.09
ANNUAL PERCENTAGE YIELD EARNED	.02%
INTEREST PAID THIS STATEMENT	.09
INTEREST WITHHELD THIS STATEMENT	.00
INTEREST PAID THIS YEAR	.97
INTEREST WITHHELD THIS YEAR	.00

DEPOSITS AND OTHER CREDITS

DATE	DESCRIPTION	AMOUNT
09/30/13	INTEREST PAID	.09
TOTAL # CREDITS	1	TOTAL CREDITS .09

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
08/31/13	5,527.10		
09/30/13	5,527.19		

END OF STATEMENT

PHONE 505-830-8100 ALBUQUERQUE
 PHONE 505-946-2500 SANTA FE
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 6925 0.4280 EX 0.000 23 3 762

Right now may be the perfect time to buy a new or used auto as 2014 models continue rolling onto dealer lots and auto loan rates are still low. Smart borrowers shop for financing and obtain pre-approval before visiting car dealerships. Getting pre-approved for a car loan is the closest you can come to reaping the benefit of paying with cash while not having to save up for months or years in advance. Act now while rates are low. Call or visit a personal banker today!

TMST HOME LOANS INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

*****954
 PAGE NUMBER 1
 STATEMENT DATE 09-30-13

ACCOUNT TYPE: REGULAR CHECKING
 ACCOUNT NUMBER: *****954

BEGINNING BALANCE	08-31-13	1,196.38
+ DEPOSITS AND OTHER CREDITS		.00
- CHECKS AND OTHER WITHDRAWALS		.00
- SERVICE FEES		.00
ENDING BALANCE	09-30-13	1,196.38

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
08/31/13	1,196.38		

END OF STATEMENT

PHONE 505-830-8100 ALBUQUERQUE
 PHONE 505-946-2500 SANTA FE
 PHONE 575-762-4741 CLOVIS
 NEW MEXICO BANK & TRUST
 PO BOX 1048
 ALBUQUERQUE NM 87103-1048



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 8389 0.4280 EX 0.000 23 3 2226

Right now may be the perfect time to buy a new or used auto as 2014 models continue rolling onto dealer lots and auto loan rates are still low. Smart borrowers shop for financing and obtain pre-approval before visiting car dealerships. Getting pre-approved for a car loan is the closest you can come to reaping the benefit of paying with cash while not having to save up for months or years in advance. Act now while rates are low. Call or visit a personal banker today!

TMST HOME LOANS INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

*****989
 PAGE NUMBER 1
 STATEMENT DATE 09-30-13

ACCOUNT TYPE: REGULAR CHECKING
 ACCOUNT NUMBER: *****989

BEGINNING BALANCE 08-31-13	4,806.76
+ DEPOSITS AND OTHER CREDITS	.00
- CHECKS AND OTHER WITHDRAWALS	252.14
- SERVICE FEES	.00
ENDING BALANCE 09-30-13	4,554.62

OTHER WITHDRAWALS

DATE	DESCRIPTION	AMOUNT
09/13/13	ADP PAYROLL FEES ADP - FEES GS ADVISORS, LLC	105.05
09/20/13	ADP PAYROLL FEES ADP - FEES GS ADVISORS, LLC	42.04
09/27/13	ADP PAYROLL FEES ADP - FEES GS ADVISORS, LLC	105.05
TOTAL # OTHER WITHDRAWALS	3	TOTAL OTHER WITHDRAWALS 252.14

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE
08/31/13	4,806.76	09/20/13	4,659.67
09/13/13	4,701.71	09/27/13	4,554.62

END OF STATEMENT

PHONE 505-830-8100 ALBUQUERQUE
 PHONE 505-946-2500 SANTA FE
 PHONE 575-762-4741 CLOVIS
 NEW MEXICO BANK & TRUST
 PO BOX 1048
 ALBUQUERQUE NM 87103-1048



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TMST HEDGING STRATEGIES INC
 DIP CASE # 09 17787
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

*****856
 PAGE NUMBER 1
 STATEMENT DATE 09-30-13

ACCOUNT TYPE: REGULAR CHECKING
 ACCOUNT NUMBER: *****856

BEGINNING BALANCE	08-31-13	446,393.00
+ DEPOSITS AND OTHER CREDITS		.00
- CHECKS AND OTHER WITHDRAWALS		.00
- SERVICE FEES		.00
ENDING BALANCE	09-30-13	446,393.00

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
08/31/13	446,393.00				

END OF STATEMENT

PHONE 505-830-8100 ALBUQUERQUE
 PHONE 505-946-2500 SANTA FE
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TMST INC
 125 LINCOLN AVE SUITE 100
 SANTA FE NM 87501

*****842
 PAGE NUMBER 1
 STATEMENT DATE 09-30-13

ACCOUNT TYPE: REGULAR CHECKING
 ACCOUNT NUMBER: *****842

BEGINNING BALANCE	08-31-13	4,000,000.00
+ DEPOSITS AND OTHER CREDITS		.00
- CHECKS AND OTHER WITHDRAWALS		.00
- SERVICE FEES		.00
ENDING BALANCE	09-30-13	4,000,000.00

BALANCE SUMMARY

DATE	BALANCE	DATE	BALANCE	DATE	BALANCE
08/31/13	4,000,000.00				

END OF STATEMENT

SUNTRUST BANK
 PO BOX 305183
 NASHVILLE TN 37230-5183

Page 1 of 2
 66/E00/0175/0 /72
 ██████████9681
 09/30/2013
 0000



Account Statement



JOEL I SHER CHAPTER 11 TRUSTEE
 FOR TMST INC
 CASE # 09-17787
 SHAPIRO, SHER, GUINOT, & SANDLER
 36 S CHARLES ST FL 20
 BALTIMORE MD 21201-3104

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Account Summary	Account Type	Account Number	Statement Period
	PRIMARY BUSINESS CHECKING	██████████9681	09/01/2013 - 09/30/2013

Description	Amount	Description	Amount
Beginning Balance	\$10,856,005.65	Average Balance	\$10,856,005.65
Deposits/Credits	\$.00	Average Collected Balance	\$10,856,005.65
Checks	\$.00	Number of Days in Statement Period	30
Withdrawals/Debits	\$.00		
Ending Balance	\$10,856,005.65		

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	09/30	10,856,005.65	10,856,005.65			

TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.
Accounts Receivable
As of September 30, 2013

Exhibit B

Post Petition	Date	Amount	Under 30 days	30 to 60 days	61 to 90 days	91 to 120 days	Over 120 days	Unavailable
Borrower Escrow Advance Balance	(1) Various	272,828	-	-	-	-	-	272,828
Borrower Corporate Advance Balance	(1) Various	10,828	-	-	-	-	-	10,828
Borrower Inspection Fees	(1) Various	63	-	-	-	-	-	63
Total Post Petition Accounts Receivable		\$ 283,719	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 283,719

Pre Petition	Date	Amount
Borrower Escrow Advance Balance	(1) Various	119,108
Borrower Inspection Fees	(1) Various	150
Total Pre Petition Accounts Receivable		\$ 119,258

(1) Receivable amounts include balances due from multiple mortgage loan holders. Aging of the balances due is not available.

TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.
Post Petition Accounts Payable
As of September 30, 2013

Exhibit C

Vendor	Date	Amount	Under 30 days	30 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Chapter 11 Trustee_Joel I. Sher	11/30/09	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/09	75,000	-	-	-	-	75,000
Quinn Emanuel Urquhart Oliver & Hedges	12/31/09	60,000	-	-	-	-	60,000
Chapter 11 Trustee_Joel I. Sher	01/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	02/28/10	75,000	-	-	-	-	75,000
Provititi Inc.	02/28/10	191	-	-	-	-	191
Chapter 11 Trustee_Joel I. Sher	03/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	04/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	06/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	07/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	10/31/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	11/30/10	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/10	75,000	-	-	-	-	75,000
J.H. Cohn LLP	01/31/11	3,749	-	-	-	-	3,749
Chapter 11 Trustee_Joel I. Sher	02/28/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	03/31/11	75,000	-	-	-	-	75,000
J.H. Cohn LLP	03/31/11	1,737	-	-	-	-	1,737
Chapter 11 Trustee_Joel I. Sher	04/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/11	75,000	-	-	-	-	75,000
J.H. Cohn LLP	05/31/11	1,664	-	-	-	-	1,664
Chapter 11 Trustee_Joel I. Sher	06/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	07/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	10/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	11/30/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/11	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	01/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	02/29/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	03/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	04/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	06/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	07/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	08/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	09/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	10/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	11/30/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	12/31/12	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	01/31/13	6,563	-	-	-	-	6,563
Chapter 11 Trustee_Joel I. Sher	01/31/13	75,000	-	-	-	-	75,000
Cohnreznick LLP (f/k/a J.H. Cohn LLP)	01/31/13	3,441	-	-	-	-	3,441
Broadsolutions, LLC	02/28/13	4,935	-	-	-	-	4,935
Chapter 11 Trustee_Joel I. Sher	02/28/13	75,000	-	-	-	-	75,000
Broadsolutions, LLC	03/31/13	5,985	-	-	-	-	5,985
Chapter 11 Trustee_Joel I. Sher	03/31/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	04/30/13	75,000	-	-	-	-	75,000
Chapter 11 Trustee_Joel I. Sher	05/31/13	75,000	-	-	-	-	75,000
Goldin Associates, LLC	05/31/13	18,162	-	-	-	-	18,162
Shapiro Sher Guinot & Sandler	05/31/13	45,261	-	-	-	-	45,261

TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al.
Post Petition Accounts Payable
As of September 30, 2013

Exhibit C

Vendor	Date	Amount	Under 30 days	30 to 60 days	61 to 90 days	91 to 120 days	Over 120 days
Tydings & Rosenberg LLP	05/31/13	1,230	-	-	-	-	1,230
Chapier 11 Trustee, Joel I. Sher	06/30/13	75,000	-	-	-	-	75,000
Goldin Associates, LLC	06/30/13	20,223	-	-	-	-	20,223
Shapiro Sher Guinot & Sandier	06/30/13	37,468	-	-	-	-	37,468
Tydings & Rosenberg LLP	06/30/13	320	-	-	-	-	320
Chapier 11 Trustee, Joel I. Sher	07/31/13	75,000	-	-	-	-	75,000
Goldin Associates, LLC	07/31/13	101,902	-	-	-	-	101,902
Shapiro Sher Guinot & Sandier	07/31/13	220,061	-	-	-	-	220,061
TMST Advisor	07/31/13	8,500	-	-	-	-	8,500
Tydings & Rosenberg LLP	07/31/13	2,858	-	-	-	-	2,858
Chapier 11 Trustee, Joel I. Sher	08/31/13	75,000	-	-	-	-	75,000
Epig Bankruptcy Solutions, LLC	08/31/13	4,266	-	-	-	-	4,266
Goldin Associates, LLC	08/31/13	62,990	-	-	-	-	62,990
KPMG LLP	08/31/13	48,737	-	-	-	-	48,737
Quinn Emmanuel Urquhart Oliver & Hedges	08/31/13	22,144	-	-	-	-	22,144
Shapiro Sher Guinot & Sandier	08/31/13	192,394	-	-	-	-	192,394
Tydings & Rosenberg LLP	08/31/13	1,823	-	-	-	-	1,823
AT&T TeleConference	09/01/13	7	7	-	-	-	-
TMST Contract Employee	09/01/13	3,500	3,500	-	-	-	-
The Cincinnati Insurance Company	09/09/13	239	239	-	-	-	-
tw telecom	09/10/13	1,258	1,258	-	-	-	-
FedEx	09/13/13	66	66	-	-	-	-
Susman Godfrey LLP	09/14/13	760	760	-	-	-	-
The Cincinnati Insurance Company	09/19/13	25	25	-	-	-	-
FedEx	09/20/13	52	52	-	-	-	-
TMST Employee	09/24/13	23	23	-	-	-	-
FrontBridge Technologies, Inc.	09/25/13	2,575	2,575	-	-	-	-
FedEx	09/27/13	130	130	-	-	-	-
TMST Contract Employee	09/27/13	3,300	3,300	-	-	-	-
Chapier 11 Trustee, Joel I. Sher	09/30/13	50,000	50,000	-	-	-	-
Crystal Springs	09/30/13	22	22	-	-	-	-
Epig Bankruptcy Solutions, LLC	09/30/13	5,000	5,000	-	-	-	-
Goldin Associates, LLC	09/30/13	80,000	80,000	-	-	-	-
Iron Mountain Information Management	09/30/13	535	535	-	-	-	-
Shapiro Sher Guinot & Sandier	09/30/13	200,000	200,000	-	-	-	-
TBC consulting	09/30/13	50,155	50,155	-	-	-	-
TMST Advisor	09/30/13	47,175	47,175	-	-	-	-
Tydings & Rosenberg LLP	09/30/13	8,149	8,149	-	-	-	-
Office of the U.S. Trustee	09/30/13	7,475	7,475	-	-	-	-
Payroll Accrual	09/30/13	29,344	29,344	-	-	-	-
Post Petition Accounts Payable		\$ 4,816,391	\$ 489,790	\$ 407,354	\$ 408,321	\$ 133,010	\$ 3,377,917

NOTE: Includes estimates for amounts that may be due to professionals for which an invoice for services had not been received. Amounts asserted by vendors may be subject to adjustments and bankruptcy court approval.

DEBTOR: TMST, Inc. f/k/a Thornburg Mortgage, Inc., et al. CASE NO: 09-17787

Exhibit D

For Period Ending September 30, 2013

**EXPLANATORY STATEMENT
RESERVATION OF RIGHTS AND GLOBAL FOOTNOTES
FOR MONTHLY OPERATING REPORT**

The Trustee reserve all rights to dispute the amount, allowance, priority, treatment and/or secured or other status of any and all claims against the Debtors or their estates referred to herein. The Trustee reserve the right to (a) amend and supplement this Monthly Operating Report from time to time, and (b) assert any and all potential claims and causes of action of the Debtors' estates regardless of whether such claim or cause of action is identified herein.

Any values presented are not and should not be deemed to be an admission, representation or waiver with respect to the actual value of any asset or amount of any liability or claim. The actual realizable value and/or fair market value of assets, liabilities and claims may differ significantly from the values presented.

The Trustee prepared this Monthly Operating Report with the assistance of his financial advisor, Goldin Associates, LLC ("Goldin"), based upon the information available to date. This Monthly Operating Report does not purport to present financial statements in accordance with Generally Accepted Accounting Principles, and the information contained herein has not been subjected to audit or review by Goldin or any other party on behalf of the Trustee.

This Explanatory Statement, Reservation of Rights and Global Footnotes is hereby incorporated by reference into, and comprises an integral part of, the Debtors' Monthly Operating Report and should be referred to and considered in connection with any review of the report.