

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF DELAWARE**

**In re: Tactical Intermediate Holdings, Inc., et al.**  
**Debtor**

**Case No. 14-11659 (KG)**  
**Reporting Period: August 31, 2014 through September 27, 2014**

**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.

<b>REQUIRED DOCUMENTS</b>	<b>Form No.</b>	<b>Document Attached</b>	<b>Explanation Attached</b>	<b>Affidavit/Supplement Attached</b>
Schedule of Cash Receipts and Disbursements	MOR-1	Yes		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1a	Yes		Declaration Attached
Schedule of Professional Fees Paid	MOR-1b	Yes		
Copies of bank statements				Declaration Attached
Cash disbursements journals				
Statement of Operations	MOR-2	Yes		
Balance Sheet	MOR-3	Yes		
Status of Postpetition Taxes	MOR-4	Yes		
Copies of IRS Form 6123 or payment receipt				
Copies of tax returns filed during reporting period				
Summary of Unpaid Postpetition Debts	MOR-4a	Yes		
Listing of aged accounts payable	MOR-4a			
Accounts Receivable Reconciliation and Aging	MOR-5	Yes		
Debtor Questionnaire	MOR-5a	Yes		

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

/s/ Paul Collins  
\_\_\_\_\_  
Signature of Authorized Individual\*

11/10/2014  
\_\_\_\_\_  
Date

Paul Collins  
\_\_\_\_\_  
Printed Name of Authorized Individual

Chief Financial 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.

**MONTHLY OPERATING REPORT**

**GENERAL NOTES AND DISCLAIMER**

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 Debtors.

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 Debtors in the future.



Tactical Intermediate Holdings, Inc., et al.

Debtors-in-Possession

MOR - 1

Consolidating Schedule of Receipts and Disbursements to Date  
for July 8, 2014 to September 27, 2014

In U.S. Dollars	Tactical Intermediate Holdings, Inc.	Tactical Holdings Operations, Inc.	Wellco Enterprises, Inc.	Ro-Search Incorporated	Mo-Ka Shoe Corporation	Altama Delta Corporation	Altama Delta (Puerto Rico) Corporation	Massif Holdings LLC	Massif Mountain Gear Company L.L.C.	Consolidated Tactical Intermediate Holdings, Inc., et al.
<b>Beginning Cash Balance</b>	\$ -	\$ 137,685	\$ 243,042	\$ 1,167	\$ -	\$ 100,558	\$ 5,848	\$ -	\$ 75,689	\$ 563,989
<b>Cash Receipts</b>										
Government Receipts	-	-	2,290,269	-	-	546,368	-	-	113,354	2,949,992
Commercial Receipts	-	-	366,102	-	-	232,574	-	-	2,061,664	2,660,340
Other Receipts	-	1,873	1,409	-	-	454	2,946	-	-	6,683
Footwear Asset Sale Proceeds [1]	-	86,367	3,234,200	296,722	-	2,700,974	197,884	-	-	6,516,147
Massif Asset Sale Proceeds [2]	-	-	-	-	-	-	-	-	10,295,149	10,295,149
DIP Loan Funding [3]	-	1,409,593	1,486,548	41,242	-	436,314	62,052	-	2,934,446	6,370,194
<b>Total Cash Receipts</b>	-	<b>1,497,833</b>	<b>7,378,528</b>	<b>337,964</b>	-	<b>3,916,684</b>	<b>262,882</b>	-	<b>15,404,613</b>	<b>28,798,504</b>
<b>Operating Disbursements</b>										
Payroll & Payroll Taxes	-	387,750	168,737	4,804	-	37,419	7,166	-	321,495	927,371
Benefits & 401(k) / IRA	-	49,054	1,508	-	-	6,106	-	-	40,635	97,304
Temporary Labor	-	-	7,195	-	-	-	-	-	3,908	11,103
Production Materials	-	-	67,163	-	-	-	-	-	607,232	674,395
Security Services	-	-	20,664	-	-	38,140	-	-	4,755	63,559
Rent	-	-	7,364	-	-	32,207	-	-	-	39,571
Freight	-	25,000	13,679	-	-	4,865	-	-	11,678	55,222
Capital Leases	-	20,603	-	-	-	-	-	-	-	20,603
Utilities	-	9,071	24,554	-	-	35,111	-	-	2,059	70,795
R&M / Supplies / Other Operating Expenses	-	4,795	116,871	157	-	19,720	1,193	-	101,631	244,366
Bank Fees	-	8,358	4,623	145	-	2,740	68	-	-	17,551
Taxes (Post-Petition)	-	154,349	39,716	-	-	47,068	-	-	-	337
Insurance (Post-Petition)	-	29	4,613	-	-	-	-	-	-	742
<b>Total Operating Disbursements</b>	-	<b>659,009</b>	<b>476,685</b>	<b>5,106</b>	-	<b>223,377</b>	<b>8,427</b>	-	<b>1,096,089</b>	<b>2,468,693</b>
<b>Non-Operating Disbursements</b>										
Professional Fees & Expenses (Escrow Funding) [4]	-	1,501,000	-	-	-	-	-	-	-	1,501,000
Houlihan Lokey Sale Fees Escrow Account Release [5]	-	850,000	-	-	-	-	-	-	-	850,000
IBM Credit Equipment Settlement [6]	-	70,000	-	-	-	-	-	-	-	70,000
Footwear Sale Process (Title Company Deposit)	-	3,000	-	-	-	-	-	-	-	3,000
Footwear Asset Sale Closing Costs [1]	-	88	3,306	303	-	2,761	202	-	-	6,660
Massif Asset Sale Closing Costs [2]	-	-	-	-	-	-	-	-	667,307	667,307
Massif Asset Sale Cash Balance Transfers [7]	-	-	-	-	-	-	-	-	3,200	3,200
US Trustee Fees	-	-	-	-	-	-	-	-	-	-
<b>Total Non-Operating Disbursements</b>	-	<b>2,424,088</b>	<b>3,306</b>	<b>303</b>	-	<b>2,761</b>	<b>202</b>	-	<b>670,507</b>	<b>3,101,167</b>
<b>First Day Motion Disbursements</b>										
Critical Vendors & Lien Claimants	-	-	129,881	-	-	15,030	-	-	900,105	1,045,017
Employee Wages & Benefits	-	36,539	30,016	2,412	-	52,635	1,369	-	40,322	163,294
Employee Expense Reimbursements	-	1,112	-	-	-	176	-	-	646	1,934
Utility Deposits - Adequate Assurance	-	43,250	-	-	-	-	-	-	-	43,250
Cash Management (Bank & Credit Card Processing Fees)	-	4,174	2,553	-	-	1,750	-	-	1,103	9,579
Taxes (Prepetition)	-	-	-	-	-	-	-	-	5,345	5,345
Insurance (Prepetition)	-	-	-	-	-	-	-	-	371	371
<b>Total First Day Motion Disbursements</b>	-	<b>85,075</b>	<b>162,450</b>	<b>2,412</b>	-	<b>69,591</b>	<b>1,369</b>	-	<b>947,893</b>	<b>1,268,790</b>
<b>Loan &amp; Prepetition Debt-Related Disbursements</b>										
Repayments of Prepetition Debt (Wells Fargo Only) [8]	-	420,906	3,020,769	253,917	-	2,305,232	178,470	-	9,616,764	15,796,058
Repayments of DIP Loan [3]	-	1,089,174	1,084,438	25,209	-	381,552	39,709	-	3,163,843	5,783,925
<b>Total Loan &amp; Prepetition Debt-Related Disbursements</b>	-	<b>1,510,080</b>	<b>4,105,208</b>	<b>279,126</b>	-	<b>2,686,784</b>	<b>218,179</b>	-	<b>12,780,606</b>	<b>21,579,984</b>
<b>Total Disbursements</b>	\$ -	\$ <b>4,678,252</b>	\$ <b>4,747,648</b>	\$ <b>286,947</b>	\$ -	\$ <b>2,982,512</b>	\$ <b>228,178</b>	\$ -	\$ <b>15,495,095</b>	\$ <b>28,418,633</b>
<b>Net Cash Flow Excluding Beginning Cash Balance</b>	\$ -	\$ <b>(3,180,419)</b>	\$ <b>2,630,880</b>	\$ <b>51,017</b>	\$ -	\$ <b>934,172</b>	\$ <b>34,704</b>	\$ -	\$ <b>(90,482)</b>	\$ <b>379,871</b>
									<b>Subtotal Including Beginning Cash Balance</b>	<b>943,860</b>
									<i>Escrow Funding Included in Cash</i>	<i>43,251</i>
									<i>Outstanding Checks [9]</i>	<i>(27,581)</i>
									<b>Ending Cash Balance</b>	<b>\$ 959,530</b>

[1] For purposes of allocating the Footwear asset sale proceeds, by Debtor entity, the Debtors utilized the calculation of each related entity's purchased assets as a percentage of the total purchase price. These percentages were also utilized to allocate the Footwear asset sale closing costs, by Debtor entity, which were comprised of non-debt related disbursements made to third parties including the distribution to the title company.

[2] For purposes of allocating the Massif asset sale proceeds, by Debtor entity, the Debtors utilized the calculation of each related entity's purchased assets as a percentage of the total purchase price. These percentages were also utilized to allocate the Massif asset sale closing costs, by Debtor entity, which were comprised of non-debt related disbursements made to third parties including the expense reimbursement and break-up fee payment to the Stalking Horse Bidder, cure amount disbursements to various vendors, and the balance retained by the Escrow Agent related to working capital amounts.

[3] For purposes of allocating DIP loan funding and repayments by Debtor entity, the Debtors utilized the calculation of each entity's total operating disbursements as a percentage of total operating disbursements amongst all Debtor entities.

[4] Represents funding of the Professional Fee Escrow Account, as required pursuant to the Approved Budget and Final Order Authorizing the Debtors to Obtain Postpetition Financing [Docket No. 158], entered on July 30, 2014. United States Trustee fees are included within the funding of the Professional Fee Escrow Account.

[5] Represents the release of previously escrowed funds within the Houlihan Lokey Sale Fees Escrow Account, pursuant to the Order Approving First and Final Fee Application of Houlihan Lokey Capital, Inc. [Docket No. 288], entered on September 17, 2014. The funds were released from the bank account on September 24, 2014.

[6] Represents the equipment settlement payment made to IBM Credit LLC, pursuant to the Order Approving Agreement Between the Debtors and IBM Credit LLC [Docket No. 281], entered on September 16, 2014.

[7] Represents cash balances related to the Massif Mountain Gear Company L.L.C. Flexible Spending and Petty Cash accounts that were transferred to the Purchaser upon the closing of the Massif asset sale.

[8] During the P814 reporting period (August 3, 2014 to August 30, 2014), for purposes of allocating repayments of prepetition debt obligations to Wells Fargo, by Debtor entity, the Debtors utilized the calculation of each of each related entity's purchased assets as a percentage of the total purchase price. The balance includes a payment made to Wells Fargo Equipment Finance related to an equipment loan. Note that during all other reporting periods, such repayments were allocated utilizing the same methodology as described above for DIP loan funding and repayments.

[9] Represents the balance of disbursements made during the period that were recorded to Cash in the Debtors' books and records within the period, however, had not cleared the Debtors' bank accounts as of September 27, 2014.

**Tactical Intermediate Holdings, Inc., et al.**  
**Debtors-in-Possession**  
**MOR - 1a**  
**Schedule of Bank Account Balances**  
**as of September 27, 2014**

Case #	Debtor Entity	Bank Name	Account Type / Purpose	Bank Account Ending in:	Book Balance
14-11664 (KG)	Altama Delta Corporation	Wells Fargo	Payroll Account	8708	\$ 2,380
14-11664 (KG)	Altama Delta Corporation	Wells Fargo	Collection Account	8711	-
14-11664 (KG)	Altama Delta Corporation	Wells Fargo	Disbursement Account	5516	(2,597)
14-11664 (KG)	Altama Delta Corporation	N/A	Petty Cash Account	N/A	175
14-11665 (KG)	Altama Delta (Puerto Rico) Corporation	Banco Popular	Payroll Account	5898	7,013
14-11665 (KG)	Altama Delta (Puerto Rico) Corporation	Banco Popular	Local Disbursement Account	4147	-
14-11665 (KG)	Altama Delta (Puerto Rico) Corporation	N/A	Petty Cash Account	N/A	146
14-11667 (KG)	Massif Mountain Gear Company L.L.C.	Wells Fargo	Collection Account	8259	-
14-11667 (KG)	Massif Mountain Gear Company L.L.C.	Wells Fargo	Disbursement Account	5524	-
14-11667 (KG)	Massif Mountain Gear Company L.L.C.	The Bancorp Bank	Flexible Spending Account (Massif)	2322	-
14-11667 (KG)	Massif Mountain Gear Company L.L.C.	N/A	Petty Cash Account	N/A	-
14-11660 (KG)	Massif Mountain Gear Company L.L.C.	Wells Fargo	Administrative Reserve Escrow Account	7311	250,000
14-11662 (KG)	Ro-Search Incorporated	Wells Fargo	Payroll Account	2010	387
14-11662 (KG)	Ro-Search Incorporated	Wells Fargo	Depository Account	8285	148
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Concentration Account (Idle)	8301	-
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Collection Concentration Account	8724	48,700
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Disbursement Concentration Account	5490	170,533
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Utilities Adequate Assurance Account	4213	42,931
14-11660 (KG)	Tactical Holdings Operations, Inc.	Regions Bank	Depository Account	3574	226
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Capps Equipment Escrow Account	0592	-
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Quarantined Inventory Backstop Escrow Account	0261	290,000
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	IBM Credit Escrow Account	0253	-
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Quarantined Inventory Storage Escrow Account	0618	-
14-11660 (KG)	Tactical Holdings Operations, Inc.	Wells Fargo	Houlihan Lokey Sale Fees Escrow Account	5444	-
14-11661 (KG)	Wellco Enterprises, Inc.	Wells Fargo	Flexible Spending Account (Footwear)	6528	1,279
14-11661 (KG)	Wellco Enterprises, Inc.	Wells Fargo	Payroll Account	2266	4,550
14-11661 (KG)	Wellco Enterprises, Inc.	Wells Fargo	Collection Account	2376	-
14-11661 (KG)	Wellco Enterprises, Inc.	Wells Fargo	Disbursement Account	5508	(5,211)
14-11661 (KG)	Wellco Enterprises, Inc.	Wells Fargo	Government Investigation Account (Idle)	1443	145,468
14-11661 (KG)	Wellco Enterprises, Inc.	N/A	Petty Cash Account	N/A	3,404
					\$ 959,530

The above captioned debtors (the "Debtors") hereby submit this attestation regarding bank account reconciliations in lieu of providing copies of bank statements.

"I attest that each of the Debtors' bank accounts is reconciled to monthly bank statements."

*/s/ Paul Collins*  
 Paul Collins  
 Chief Financial Officer

[1] Represents an escrow account established by the Debtors in conjunction with the sale of the Massif business to Samtech, LLC (the "Massif Purchaser"). The account was opened on August 28, 2014 and funded by the Massif Purchaser on August 29, 2014 with the balance required pursuant to the Funds Flow Memorandum to the Asset Purchase Agreement dated as of August 20, 2014.

[2] Represents the Debtors' adequate assurance deposit account for utility providers, which was opened on July 22, 2014. The account was subsequently funded on July 23, 2014 with the required adequate assurance deposit amount of \$43,250.

[3] Represents escrow accounts established by the Debtors in conjunction with the sale of the Footwear business to Original Footwear Holding Inc. (the "Footwear Purchaser"). Each of the accounts were opened on August 6, 2014 and funded by the Footwear Purchaser on August 15, 2014 with the balances required pursuant to the Funds Flow Memorandum to the Asset Purchase Agreement dated as of July 21, 2014.

[4] The accounts were closed on September 26, 2014.

[5] Represents an escrow account established by the Debtors in conjunction with the sale of both the Footwear and Massif businesses to the respective purchasers. The account was opened on August 13, 2014 and funded on August 15, 2014 by the Footwear Purchaser with the balance required pursuant to the Funds Flow Memorandum to the Asset Purchase Agreement dated as of July 21, 2014. The account was subsequently funded again on August 29, 2014 by the Massif Purchaser pursuant to the Funds Flow Memorandum to the Asset Purchase Agreement dated as of August 20, 2014.

Tactical Intermediate Holdings, Inc., *et al.*  
Debtors-in-Possession  
MOR - 1b  
Schedule of Professional Fees and Expenses Paid  
for August 31, 2014 to September 27, 2014

Payee	Period Covered	Amount Escrowed	Amount Approved	Payor	Check / Wire		Amount Paid for Period			Filing to Date		
					Number	Date	Escrowed Funds	Fees	Expenses	Escrowed Funds	Fees	Expenses
<b>Professional Fees &amp; Expenses Escrow Funding [1]</b>												
Professional Fees Escrow Account (c/o Klehr Harrison Harvey Branzburg LLP)	N/A	\$ -	N/A	Tactical Holdings Operations, Inc.	N/A	N/A	\$ -	N/A	N/A	\$ (1,501,000)	N/A	N/A
<b>Houlihan Lokey Sale Fees Escrow Account [2]</b>	N/A	-	N/A	Tactical Holdings Operations, Inc.	N/A	N/A	-	N/A	N/A	(850,000)	N/A	N/A
<b>Professional Fees &amp; Expenses Paid via Escrow [3]</b>												
Houlihan Lokey Capital, Inc. [4]	7/8/14 - 8/29/14	N/A	850,000	Houlihan Lokey Sale Fees Escrow Account	140924053805	9/24/14	N/A	850,000	-	N/A	850,000	-
<b>Total</b>		<b>\$ -</b>	<b>\$ 850,000</b>				<b>\$ -</b>	<b>\$ 850,000</b>	<b>\$ -</b>	<b>\$ (2,351,000)</b>	<b>\$ 850,000</b>	<b>\$ -</b>

[1] Represents funding of the Professional Fee Escrow Account, as required pursuant to the Approved Budget and Final Order Authorizing the Debtors to Obtain Postpetition Financing [Docket No. 158], entered on July 30, 2014.

[2] Represents funding of the Houlihan Lokey Sale Fees Escrow Account, as required pursuant to the Funds Flow Memorandum to the Asset Purchase Agreements dated as of July 21, 2014 (Footwear sale) and August 20, 2014 (Massif sale).

[3] Represents disbursements related to case professional fees or expenses made from the Professional Fees Escrow Account or Houlihan Lokey Sale Fees Escrow Account.

[4] The disbursement made to Houlihan Lokey Capital, Inc. during the reporting period was initiated directly from an account maintained by Wells Fargo. Immediately thereafter, Wells Fargo transferred the \$850,000 balance held within the Houlihan Lokey Sale Fees Escrow Account to reimburse their transfer.

Tactical Intermediate Holdings, Inc., et al.  
Debtors-in-Possession  
MOR - 2  
Consolidating Statement of Operations  
for August 31, 2014 to September 27, 2014

<i>In U.S. Dollars</i>	Tactical Intermediate Holdings, Inc.	Tactical Holdings Operations, Inc.	Wellco Enterprises, Inc.	Ro-Search Incorporated	Mo-Ka Shoe Corporation	Altama Delta Corporation	Altama Delta (Puerto Rico) Corporation	Massif Holdings LLC	Massif Mountain Gear Company L.L.C.	Intercompany Eliminations	Consolidated Tactical Intermediate Holdings, Inc., et al.
Government Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial Sales	-	-	42,434	-	-	-	-	-	-	-	42,434
Large-Contract Sales (Massif)	-	-	-	-	-	-	-	-	-	-	-
Small-Contract Sales (Massif)	-	-	-	-	-	-	-	-	-	-	-
Intercompany & Other Sales	-	-	-	-	-	-	-	-	-	-	-
Royalty Income	-	-	-	-	-	-	-	-	-	-	-
Returns, Discounts & Allowances	-	-	(52,569)	-	-	(16,039)	-	-	-	-	(68,608)
Outbound Freight	-	-	(457)	-	-	-	-	-	-	-	(457)
Commissions & Fees	-	-	-	-	-	-	-	-	-	-	-
Royalty Costs	-	-	-	-	-	-	-	-	-	-	-
<b>Net Sales</b>	-	-	<b>(10,591)</b>	-	-	<b>(16,039)</b>	-	-	-	-	<b>(26,630)</b>
Cost of Goods Sold at Standard	-	-	(231,872)	-	-	-	-	-	-	-	(231,872)
Direct Labor Variances	-	-	(17,917)	-	-	-	-	-	-	-	(17,917)
Manufacturing Variances	-	-	(263,741)	-	-	48,609	-	-	-	-	(215,132)
Manufacturing Overhead	-	-	(39,285)	(9)	-	(15,692)	(13,019)	-	-	-	(68,005)
Depreciation Expense (Machinery & Equipment)	-	-	-	-	-	-	-	-	-	-	-
Inbound Freight	-	-	-	-	-	-	-	-	-	-	-
<b>Total Cost of Goods Sold</b>	-	-	<b>(552,816)</b>	<b>(9)</b>	-	<b>32,917</b>	<b>(13,019)</b>	-	-	-	<b>(532,927)</b>
<b>Gross Profit / (Loss)</b>	-	-	<b>(563,407)</b>	<b>(9)</b>	-	<b>16,878</b>	<b>(13,019)</b>	-	-	-	<b>(559,557)</b>
SG&A Wages	-	(46,232)	(4,757)	-	-	-	-	-	-	-	(50,989)
SG&A Benefits & Taxes	-	(14,761)	(3,534)	-	-	-	-	-	(394)	-	(18,688)
Bank & Credit Card Fees	-	(4,375)	(2,282)	(67)	-	(1,389)	-	-	-	-	(8,113)
Business Development & Marketing / Promotions	-	-	-	-	-	-	-	-	-	-	-
Depreciation of Office Equipment	-	-	-	-	-	-	-	-	-	-	-
Office Rent & Maintenance	-	-	-	-	-	-	-	-	-	-	-
Office Supplies	-	(310)	(32,096)	-	-	-	-	-	-	-	(32,406)
Outside Commissions	-	-	-	-	-	-	-	-	-	-	-
Non-Restructuring Professional Fees	-	(1,282)	(6,009)	-	-	1,767	-	-	-	-	(5,523)
Property Taxes & Insurance	-	(4,747)	(5,006)	-	-	(5,006)	-	-	-	-	(14,759)
Research & Development	-	-	-	-	-	-	-	-	-	-	-
Samples	-	-	-	-	-	-	-	-	-	-	-
Software Maintenance & Computer Expense	-	(26,014)	-	-	-	-	-	-	-	-	(26,014)
Telephone & Other Utilities / Services	-	(1,265)	150	-	-	750	-	-	-	-	(365)
Trade Shows	-	-	-	-	-	-	-	-	-	-	-
Travel Expenses	-	(54)	-	-	-	-	-	-	-	-	(54)
All Other SG&A Expenses	-	(225)	19,065	34	-	(341)	-	-	(24,080)	-	(5,548)
<b>Total SG&amp;A Costs</b>	-	<b>(99,264)</b>	<b>(34,469)</b>	<b>(34)</b>	-	<b>(4,219)</b>	-	-	<b>(24,474)</b>	-	<b>(162,460)</b>
<b>Income / (Loss) from Operations</b>	-	<b>(99,264)</b>	<b>(597,876)</b>	<b>(43)</b>	-	<b>12,659</b>	<b>(13,019)</b>	-	<b>(24,474)</b>	-	<b>(722,017)</b>
Restructuring Professional Fees	-	(850,998)	-	-	-	-	-	-	-	-	(850,998)
Non-Cash Reorganization Income / (Expense)	-	-	-	-	-	-	-	-	-	-	-
Asset Sales Gain / (Loss)	-	-	-	-	-	-	-	-	-	-	-
DIP Loan Interest Expense	-	-	-	-	-	-	-	-	-	-	-
<b>Total Restructuring Expenses</b>	-	<b>(850,998)</b>	-	-	-	-	-	-	-	-	<b>(850,998)</b>
Interest Expense	-	(3,805)	-	-	-	-	-	-	(323)	-	(4,128)
Interest Expense Allocation to Corporate	-	3,805	(1,902)	-	-	(951)	(951)	-	-	-	-
PIK Interest Expense	-	-	-	-	-	-	-	-	-	-	-
Gain / (Loss) on Derivatives	-	-	-	-	-	-	-	-	-	-	-
Amortization	-	(10,056)	-	-	-	-	-	-	-	-	(10,056)
Management Fee Allocation to Corporate	-	6,136,602	(3,068,301)	-	-	(1,534,150)	(1,534,150)	-	-	-	0
Other Income / (Expenses)	-	(9,997)	(157,424)	-	-	-	-	-	(3,969)	-	(171,389)
<b>Total Other Expenses</b>	-	<b>6,116,549</b>	<b>(3,227,627)</b>	-	-	<b>(1,535,102)</b>	<b>(1,535,102)</b>	-	<b>(4,292)</b>	-	<b>(185,573)</b>
<b>Net Income / (Loss) Before Taxes</b>	-	<b>5,166,287</b>	<b>(3,825,503)</b>	<b>(43)</b>	-	<b>(1,522,442)</b>	<b>(1,548,121)</b>	-	<b>(28,766)</b>	-	<b>(1,758,588)</b>
Income Tax Benefit / (Expense)	-	(5,166,287)	(768,796)	369,194	(65,340)	(598,144)	(1,899,601)	-	(4,244,850)	-	(12,373,824)
<b>Net Income / (Loss)</b>	-	-	<b>(4,594,299)</b>	<b>369,150</b>	<b>(65,340)</b>	<b>(2,120,586)</b>	<b>(3,447,722)</b>	-	<b>(4,273,616)</b>	-	<b>(14,132,412)</b>
<b>EBITDA:</b>											
<i>Income / (Loss) from Operations</i>	-	(99,264)	(597,876)	(43)	-	12,659	(13,019)	-	(24,474)	-	(722,017)
<i>Add: Depreciation Expense</i>	-	-	-	-	-	-	-	-	-	-	-
<i>Add: Restructuring Professional Fees</i>	-	850,998	-	-	-	-	-	-	-	-	850,998
<b>EBITDA</b>	\$ -	\$ 751,733	\$ (597,876)	\$ (43)	\$ -	\$ 12,659	\$ (13,019)	\$ -	\$ (24,474)	\$ -	\$ 128,981

<i>In U.S. Dollars</i>	Tactical Intermediate Holdings, Inc.	Tactical Holdings Operations, Inc.	Welco Enterprises, Inc.	Ro-Search Incorporated	Mo-Ka Shoe Corporation	Altama Delta Corporation	Altama Delta (Puerto Rico) Corporation	Massif Holdings LLC	Massif Mountain Gear Company L.L.C.	Intercompany Eliminations	Consolidated Tactical Intermediate Holdings, Inc., et al.
Cash	\$ -	\$ 802,389	\$ 149,489	\$ 534	\$ -	\$ (42)	\$ 7,160	\$ -	\$ -	\$ -	\$ 959,530
Accounts Receivable	-	20,000	(84,886)	-	-	55,234	-	-	-	-	(9,652)
Net Intercompany Receivables / Payables	-	11,953,605	(38,689,116)	5,495,844	2,632,376	(28,066,071)	(5,102,906)	-	51,691,419	-	(84,850)
Inventory	-	-	2,775,152	-	-	-	-	-	-	-	2,775,152
Deferred Tax Assets - Current	-	-	-	-	-	-	-	-	-	-	-
Prepaid Expenses & Deposits - Current	-	229,690	175,254	5,000	-	58,036	-	-	-	-	467,979
<b>Total Current Assets</b>	-	<b>13,005,683</b>	<b>(35,674,107)</b>	<b>5,501,378</b>	<b>2,632,376</b>	<b>(27,952,844)</b>	<b>(5,095,746)</b>	-	<b>51,691,419</b>	-	<b>4,108,159</b>
Property, Plant & Equipment	-	43,413	75,577	3,500	-	265,830	-	-	-	-	388,320
Accumulated Depreciation	-	(10,853)	(18,897)	(875)	-	(73,842)	-	-	-	-	(104,467)
<b>Net Property, Plant and Equipment</b>	-	<b>32,560</b>	<b>56,680</b>	<b>2,625</b>	-	<b>191,988</b>	-	-	-	-	<b>283,853</b>
Intangible Assets	-	-	-	-	-	-	-	-	-	-	-
Deferred Tax Assets - Long-Term	-	-	-	-	-	-	-	-	-	-	-
Deposits	-	140,299	24,600	-	-	1,461	11,146	-	-	-	177,505
Other Non-Current Assets	-	-	(28,994)	-	-	-	-	-	-	-	(28,994)
Investments in Subsidiaries	-	63,610,240	8,448,483	-	-	-	-	-	-	(72,058,723)	-
<b>Total Other Assets</b>	-	<b>63,750,539</b>	<b>8,444,089</b>	-	-	<b>1,461</b>	<b>11,146</b>	-	-	<b>(72,058,723)</b>	<b>148,511</b>
<b>TOTAL ASSETS</b>	-	<b>76,788,782</b>	<b>(27,173,338)</b>	<b>5,504,003</b>	<b>2,632,376</b>	<b>(27,759,395)</b>	<b>(5,084,600)</b>	-	<b>51,691,419</b>	<b>(72,058,723)</b>	<b>4,540,523</b>
<b>Liabilities Not Subject to Compromise</b>											
DIP Loan Balance	-	(586,269)	-	-	-	-	-	-	-	-	(586,269)
Accounts Payable	-	(61,417)	(60,800)	-	-	(21,232)	-	-	(34,381)	-	(177,830)
Accrued Compensation	-	(116,013)	(6,544)	-	-	-	-	-	-	-	(122,557)
Accrued Liabilities - Current	-	(107,602)	(894)	-	-	(2,607)	-	-	-	-	(111,104)
Accrued Income Taxes - Current	-	-	-	-	-	-	-	-	-	-	-
Pension Liability - Long-Term	-	-	(17,150)	-	-	-	-	-	-	-	(17,150)
<b>Total Liabilities Not Subject to Compromise</b>	-	<b>(871,302)</b>	<b>(85,388)</b>	-	-	<b>(23,839)</b>	-	-	<b>(34,381)</b>	-	<b>(1,014,910)</b>
<b>Liabilities Subject to Compromise</b>											
Revolving Loan Balance (WF Debt)	-	(978,435)	-	-	-	-	-	-	-	-	(978,435)
Term Loan Balance (WF Debt)	-	(24,549,000)	-	-	-	-	-	-	-	-	(24,549,000)
Morristown, TN Mortgage Balance (WF Debt)	-	-	(1,764,813)	-	-	-	-	-	-	-	(1,764,813)
Capex Line Balance (WF Debt)	-	-	(397,329)	-	-	-	-	-	-	-	(397,329)
Accrued Amendment Fees (WF Debt)	-	(713,964)	-	-	-	-	-	-	-	-	(713,964)
Sponsor Loan Balance (GGC)	-	(7,000,000)	-	-	-	-	-	-	-	-	(7,000,000)
Accrued Cash Interest on Prepetition Debt (WF & GGC Debt)	-	(2,054,748)	-	-	-	-	-	-	-	-	(2,054,748)
Accrued PIK Interest on Prepetition Debt (WF & GGC Debt)	-	(5,483,798)	(47,003)	-	-	(12,489)	-	-	-	-	(5,543,290)
Accounts Payable	-	(2,059,195)	(1,597,544)	-	-	(3,808,933)	-	-	(500,000)	-	(7,965,673)
Accrued Accounts Payable	-	(1,296)	-	-	-	18,000	-	-	-	-	16,704
Accrued Net Federal & State Taxes	-	-	-	-	-	-	-	-	-	-	-
Accrued Bonus	-	-	-	-	-	-	(102,000)	-	-	-	(102,000)
Accrued Retirement Health Costs	-	-	(21,925)	-	-	-	-	-	-	-	(21,925)
Accrued Workers' Compensation	-	-	-	-	-	(54,700)	-	-	-	-	(54,700)
Accrued Inventory Variance	-	-	-	-	-	-	-	-	-	-	-
Accrued Property Taxes	-	-	-	-	-	-	-	-	-	-	-
Accrued Sales & Use Taxes	-	-	-	-	-	-	-	-	-	-	-
Accrued Audit Fees	-	(185,999)	-	-	-	-	-	-	-	-	(185,999)
Other Accrued Liabilities	-	(421,057)	(116,017)	-	-	(51,085)	(6,500)	-	-	-	(594,659)
Capital Lease Obligations - IBM Equipment	-	-	-	-	-	-	-	-	-	-	-
Capital Lease Obligations - Lexington, TN Warehouse	-	-	-	-	-	(770,092)	-	-	-	-	(770,092)
Capital Lease Obligations - FNCC Equipment	-	(273,849)	-	-	-	-	-	-	-	-	(273,849)
Deferred Gain on Assets	-	(2,406)	(5,150)	(247)	-	(17,537)	-	-	-	-	(25,340)
Deferred PRIDCO Grant	-	-	-	-	(277,683)	-	(192,227)	-	-	-	(469,910)
Pension Liability - Long-Term	-	-	(1,127,815)	-	-	-	-	-	-	-	(1,127,815)
<b>Total Liabilities Subject to Compromise</b>	-	<b>(43,723,746)</b>	<b>(5,077,597)</b>	<b>(247)</b>	<b>(277,683)</b>	<b>(4,696,837)</b>	<b>(300,728)</b>	-	<b>(500,000)</b>	-	<b>(54,576,838)</b>
<b>TOTAL LIABILITIES</b>	-	<b>(44,595,048)</b>	<b>(5,162,985)</b>	<b>(247)</b>	<b>(277,683)</b>	<b>(4,720,676)</b>	<b>(300,728)</b>	-	<b>(534,381)</b>	-	<b>(55,591,747)</b>
Common Stock	-	(5,272)	(1,300,746)	(2,000)	(118,500)	(23,060)	-	-	-	1,444,306	(5,272)
Additional Paid in Capital	-	(31,706,834)	(11,972,903)	(2,409,024)	(1,294,191)	(7,283,664)	-	-	-	22,959,782	(31,706,834)
Accumulated Comprehensive Income / (Loss)	-	-	837,297	-	-	-	-	-	-	-	837,297
Retained Earnings	-	(484,727)	26,391,987	(3,669,189)	(1,007,208)	27,774,875	-	-	(90,944,526)	47,654,635	5,715,848
Year-to-Date Profit	-	3,099	18,380,689	576,457	65,206	12,011,920	5,385,328	-	39,787,488	-	76,210,186
<b>Total Equity</b>	-	<b>(32,193,734)</b>	<b>32,336,324</b>	<b>(5,503,756)</b>	<b>(2,354,693)</b>	<b>32,480,071</b>	<b>5,385,328</b>	-	<b>(51,157,038)</b>	<b>72,058,723</b>	<b>51,051,224</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ -</b>	<b>\$ (76,788,782)</b>	<b>\$ 27,173,338</b>	<b>\$ (5,504,003)</b>	<b>\$ (2,632,376)</b>	<b>\$ 27,759,395</b>	<b>\$ 5,084,600</b>	<b>\$ -</b>	<b>\$ (51,691,419)</b>	<b>\$ 72,058,723</b>	<b>\$ (4,540,523)</b>



**Tactical Intermediate Holdings, Inc., et al.**  
**Debtors-in-Possession**  
**MOR - 4**  
**Consolidated Status of Postpetition Taxes**  
**for August 31, 2014 to September 27, 2014**

<i>In U.S. Dollars</i>	<b>Beginning Tax Liability</b>	<b>Amount Withheld or Accrued</b>	<b>Amount Paid</b>	<b>Date Paid</b>	<b>Check No. or EFT</b>	<b>Ending Tax Liability [1]</b>
<b>Federal</b>						
Withholding	\$ 14,446	\$ 17,106	\$ (27,770)	Various	Various	\$ 3,781
FICA - Employee	7,972	5,214	(12,111)	Various	Various	1,075
FICA - Employer	7,873	4,817	(11,713)	Various	Various	976
Unemployment	-	1	(1)	Various	Various	-
Income	-	-	-	N/A	N/A	-
<b>Total Federal Taxes</b>	<b>30,290</b>	<b>27,138</b>	<b>(51,595)</b>			<b>5,833</b>
<b>State and Local</b>						
Withholding	2,230	1,348	(3,241)	Various	Various	337
Sales & Use Tax	900	-	(900)	Various	Various	-
Unemployment	8	6	(14)	Various	Various	-
Property Tax	1,600	(1,600)	-	N/A	N/A	-
<b>Total State and Local</b>	<b>4,738</b>	<b>(246)</b>	<b>(4,155)</b>			<b>337</b>
<b>Total Taxes</b>	<b>\$ 35,028</b>	<b>\$ 26,892</b>	<b>\$ (55,751)</b>			<b>\$ 6,170</b>

[1] These amounts represent withholdings to be paid to the applicable taxing authorities in the ordinary course of business.

**Tactical Intermediate Holdings, Inc., et al.****Debtors-in-Possession****MOR - 4a****Consolidated Summary of Unpaid Postpetition Debts  
as of September 27, 2014**

<i>In U.S. Dollars</i>	<b>Number of Days Outstanding</b>					
	<b>Current</b>	<b>1-30</b>	<b>31-60</b>	<b>61-90</b>	<b>Over 90</b>	<b>Total</b>
Accounts Payable, Trade	\$ (47,223)	\$ (378)	\$ (29,817)	\$ (8,929)	\$ -	\$ (86,347)
Accounts Payable, Manual [1] [2]	(91,483)	-	-	-	-	(91,483)
	<b>\$ (138,706)</b>	<b>\$ (378)</b>	<b>\$ (29,817)</b>	<b>\$ (8,929)</b>	<b>\$ -</b>	<b>\$ (177,830)</b>

[1] Accounts Payable, Manual is not aged, however, represents current payable balances. Such amounts are subsequently vouchered into Accounts Payable, Trade within the following fiscal period.

[2] Primarily represents payables entered into the Debtors' financial reporting system subsequent to the period-end cut-off date. Such balances primarily relate to the timing of invoices issued by various vendors, in addition to miscellaneous other payable amounts.

**Tactical Intermediate Holdings, Inc., et al.**  
**Debtors-in-Possession**  
**MOR - 5**  
**Consolidated Summary of Accounts Receivable**  
**as of September 27, 2014**

<i>In U.S. Dollars</i>	Number of Days Outstanding						Total
	Current	1-30	31-60	61-90	91-120	Over 120	
Trade Receivables	\$ 5,366	\$ (39,362)	\$ 26,642	\$ 39,124	\$ 9,784	\$ 17,391	\$ 58,945
Allowance for Bad Debts [1]							(90,307)
Accounts Receivable, Other [1]							21,709
							\$ (9,652)

[1] Allowance for Bad Debts and Accounts Receivable, Other are not aged.

**Tactical Intermediate Holdings, Inc., et al.**  
**Debtors-in-Possession**  
**MOR - 5a**  
**Debtors' Questionnaire**  
**for August 31, 2014 to September 27, 2014**

	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 accounts(s). If an investment account has been opened, provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X