

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF SOUTH CAROLINA

In re: ) Chapter 11  
)  
TMG Liquidation Company, *et al.*, ) Case No. 11-03216-hb  
)  
Debtors.<sup>1</sup> ) (Joint Administration)  
\_\_\_\_\_)

**MONTHLY OPERATING REPORT**  
**September 1, 2011 to September 30, 2011**

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**FINANCIAL BACKGROUND INFORMATION<sup>2</sup>**

1. **NAISC CODE:** 424950 **NATURE OF BUSINESS:** Paint Sundries Distribution

2. **PREPARER:** State the name, address, telephone number and position of the person(s) who actually compiled the information contained in this report.

Patrick Rourke, CEO and President,  
P.O. Box 170247  
Spartanburg, SC 29301

3. **NUMBER OF EMPLOYEES** paid during this period:

<u>Payment Date</u>	<u># Employees Paid</u>
9/30/2011	1

4. Have there been any **CHANGES IN THE NATURE OF YOUR BUSINESS** since the last reporting period? NO.

5. Are all **BUSINESS LICENSES** current? N/A

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<sup>1</sup> The Debtors and the last four digits of their respective tax identification numbers are: TMG Liquidation Company (4224); MTrans Liquidation Company (9048); MP Sundries Liquidation Company, LLC (8882); MSupply Liquidation Company, LLC (5878); MPFT Liquidation Company, LLC (8544); FSP Liquidation Company (9186); and FSG Liquidation Company (3506).

<sup>2</sup> This Monthly Operating Report contains the financial background information for each of the above-captioned debtors and is prepared on a consolidated basis.



6. **PRE-PETITION ACCOUNTS RECEIVABLE:**

NONE.

7. **POST-PETITION ACCOUNTS RECEIVABLE:**

NONE.

8. **POST-PETITION ACCOUNTS PAYABLE:**

NONE.

9. **TAXES:** Are all taxes being paid to the proper taxing authorities when due? YES

10. **ESCROW ACCOUNTS.** Are you utilizing your tax account only for deposits and payment of payroll and sales taxes? NO

If no, explain: The sole employee of TMG Liquidation Company was retained on a 1099 basis and as such is responsible for remitting his own payroll tax payments.

11. Are all **BOOKS AND RECORDS** of the debtor(s) being maintained monthly and are all current? YES

12. **INSURANCE EXPIRATION STATEMENT.** Policy expiration dates are:

See attached Exhibit 3.

13. **ACTIONS OF DEBTOR.** During the last month, did the Debtors:

(A) Fail to defend or not oppose any action seeking to dispossess the debtor from control or custody of any asset of the estate? No.

(B) Maintain such stock, inventory, raw materials, insurance, employees and other resources as are necessary to preserve and maintain the going-concern value of the assets of the debtor? YES, however, the Debtors sold substantially all of their assets to MG Distribution Company, LLC on July 29, 2011 pursuant to the Court's Order Authorizing and Approving (A) the Sale of Substantially all Assets of the Debtors Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, (B) the Assumption, Assignment and Sale of Certain Executory Contracts and Unexpired Leases, (C) Extension of Time to Assume or Reject Certain Unexpired Leases, (D) Settlement, the Settlement Term Sheet and Disbursement of Sale Proceeds, and (E) Granting Related Relief entered on July 25, 2011 (Docket No. 367). The Debtors filed their Report of Sale and Notice of Assignment and Assumption of Certain Contracts on August 5, 2011 (Docket No. 407). As such, there is no longer a going-concern value associated with the Debtors' assets.

14. **TRANSFER OR SALE OF PROPERTY.** Did the debtor or any person with control over any of the debtor's assets transfer, convey or abandon any of the debtor's assets to another party during the period of this report other than as set forth herein (including sales by creditors)? NO.

15. **PAYMENTS TO SECURED CREDITORS** and the **CASH DISBURSEMENTS SUMMARY REPORT** during reporting period:

See attached Exhibit 4.

16. **PAYMENTS TO PROFESSIONALS** (Attorneys, Accountants, Real Estate Agents, Auctioneers, Appraisers, etc.), during reporting period:

See attached Exhibit 5.

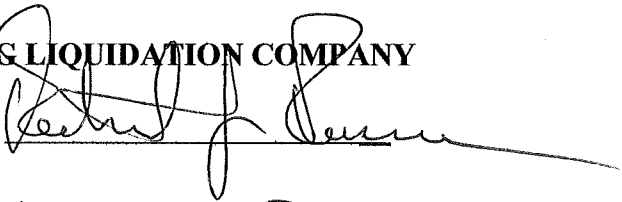
17. **QUARTERLY U.S. TRUSTEE FEES** paid during reporting period:


NONE.

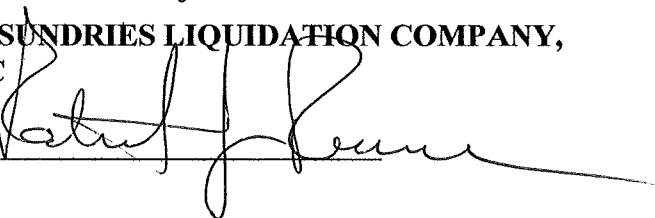
18. **VERIFICATION:** I declare under penalty of perjury that the information contained in this monthly operating report (including attached schedules) is true and correct to the best of my knowledge, information and belief.

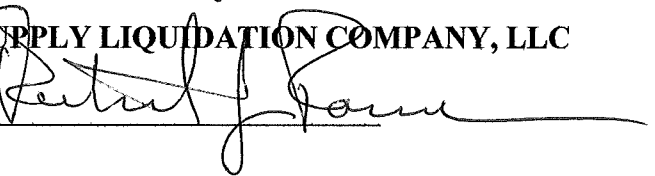
Dated: October 19, 2011

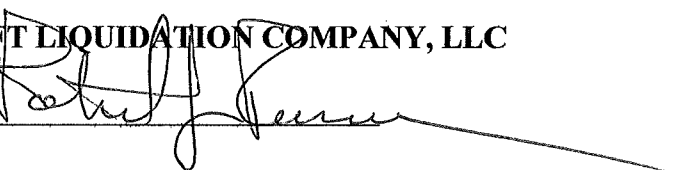
Name/Title: Patrick Rourke, CEO/President  
Address: P.O. Box 170247  
Spartanburg, SC 39301

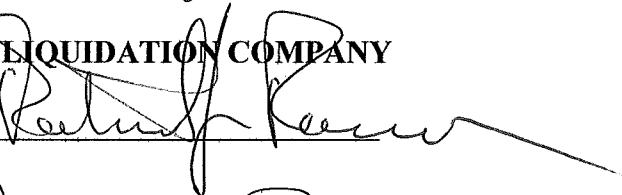
**TMG LIQUIDATION COMPANY**  
By: 


**MTRANS LIQUIDATION COMPANY**  
By: 

**MP SUNDRIES LIQUIDATION COMPANY, LLC**  
By: 

**MSUPPLY LIQUIDATION COMPANY, LLC**  
By: 

**MPFT LIQUIDATION COMPANY, LLC**  
By: 

**FSP LIQUIDATION COMPANY**  
By: 

**FSG LIQUIDATION COMPANY**  
By: 

The Merit Group, Inc., et al. Case No. 11-03216  
 Monthly Operating Report, September 30, 2011  
 Pre-Closing Debtor Accounts  
 Cash Reconciliation Report By Bank<sup>1</sup>

	Regions Merit Supply Disbursement XXXXXX5795	Regions Merit Paint Sundries Disbursement XXXXXX5787	Regions The Merit Group Funding Account XXXXXX4950	Regions The Merit Group FBO Regions Bank <sup>2</sup> XXXXXX7772	Regions The Merit Group Payroll <sup>3</sup> XXXXXX5817	Regions The Merit Group ACH Account XXXXXX7802	Regions The Merit Group Disbursement XXXXXX14812	BoA The Merit Group <sup>4</sup> XXXXXX1441	Total
Beginning Balance (8/31/2011):	\$ -	\$ -	\$ -	\$ -	\$ 13,780.06	\$ -	\$ -	\$ 28,968.22	\$ 42,748.28
<b>Receipts:</b>									
Accounts Receivable Receipts	-	-	-	-	-	-	-	-	-
Electronic Payment Receipts (Credit/Debit/EBT)	-	-	-	-	-	-	-	-	-
Store Cash Deposits	-	-	-	-	-	-	-	-	-
Other Receipts - New Company Collections	-	-	-	1,951,391.16	-	-	-	73,297.01	2,024,688.17
Other Receipts - New Company Funding	-	-	-	-	-	-	-	-	-
Other Receipts - ADP Stale Checks	-	-	-	-	-	-	-	-	-
Other Receipts - Transfer from Payroll Acct	-	-	-	-	-	-	-	-	-
Credit Facility Borrowings	-	-	-	-	-	-	-	-	-
<b>Disbursements (Show Amounts as Negative):</b>									
Payroll Disbursements (August Payments Employees)	-	-	-	-	(3,633.93)	-	-	-	(3,633.93)
Payroll Disbursements (O/S Checks that Cleared)	-	-	-	-	-	-	-	-	-
Business Disbursements (ACH & Wires)	-	-	-	-	-	-	-	-	-
Business Disbursements (O/S Checks that Cleared)	-	-	-	-	-	-	-	-	-
Returned Items	-	-	-	-	-	-	-	-	-
Other Disbursements - New Co Expenses	-	-	-	-	-	-	-	(97,403.80)	(97,403.80)
Other Disbursements - Transfer to Funding Acct	-	-	-	-	-	-	-	-	-
Bank Fees	-	-	-	(3,336.53)	-	-	-	-	(3,336.53)
Transfers of New Company Receipts to New Co	-	-	-	(1,948,054.63)	-	-	-	-	(1,948,054.63)
Credit Facility Repayments	-	-	-	-	(10,146.13)	-	-	-	(10,146.13)
<b>Total Change in Cash:</b>									
Ending Balance (9/30/11):	\$ -	\$ -	\$ -	\$ -	\$ (13,780.06)	\$ -	\$ -	\$ (24,106.79)	\$ (37,886.85)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,861.43	\$ 4,861.43

**Footnotes:**  
<sup>1</sup>During the month of September 2011, three of the Debtors pre-closing accounts remained open to allow outstanding checks to clear and to facilitate the Buyer's transition to new accounts. Of these three remaining accounts, account #5817 was closed on September 23, 2011. Account #7772 and account #1441 will be closed by October 21, 2011. All activity in these accounts was funded by the Buyer.  
<sup>2</sup>Represents a lockbox account. This account remained open to allow the Buyer to continue to receive customer payment of Accounts Receivable which were acquired pursuant to the Asset Purchase Agreement. Upon receipt, these payments were transferred to the Buyer.  
<sup>3</sup>Represents the Debtors pre-closing payroll disbursement account.  
<sup>4</sup>Represents the account primarily related to the "cash & carry" business in New York. Any cash payments received were acquired by the Buyer pursuant to the Asset Purchase Agreement and were transferred to the Buyer upon receipt.

TMG Liquidation Company, et al. Case No. 11-03216  
 Monthly Operating Report, September 30, 2011  
 Cash Reconciliation Report By Bank - Post Closing Accounts

	Regions XXXXXXXX8529	Regions XXXXXXXX8510	SunTrust DIP Account* XXXXXXXXXX2964	SunTrust Cure Cost Funds XXXXXXXXXX3277	Total All Accounts
<b>Beginning Balance (8/31/2011):</b>	\$ -	\$ -	\$ 5,506,531.76	\$ 115,656.32	\$ 5,622,188.08
<b>Receipts:</b>					
Accounts Receivable Receipts	-	-	-	-	-
Electronic Payment Receipts (Credit/Debit/EBT)	-	-	-	-	-
Store Cash Deposits	-	-	-	-	-
Other Receipts	-	65,132.41	-	132.41	65,264.82
Credit Facility Borrowings	-	-	-	-	-
<b>Disbursements (Show Amounts as Negative):</b>					
Payroll Disbursements	-	-	-	-	-
Business Disbursements	-	-	(463,267.41)	-	(463,267.41)
Returned Items	-	-	-	-	-
Other Disbursements	-	-	-	-	-
Bank Fees	-	-	(117.41)	(117.41)	(234.82)
Credit Facility Repayments	-	-	-	-	-
<b>Total Change in Cash:</b>	-	-	(398,252.41)	15.00	(398,237.41)
<b>Ending Balance (9/30/11):</b>	\$ -	\$ -	\$ 5,108,279.35	\$ 115,671.32	\$ 5,223,950.67

**Cash Reconciliation:**

Ending Bank Balance (8/31/11)	\$ 5,622,188.08
Deposits	65,264.82
Disbursements	(463,267.41)
Bank Fees	(234.82)
Other	-
Ending Bank Balance (9/30/11)	\$ 5,223,950.67
Outstanding Checks (Negative)	(6,499.03)
Ending Book Balance (9/30/11)	\$ 5,217,451.64

\*Note: \$65,000 (of the \$65,132.41) received in the SunTrust DIP account represents the return of post petition security deposits and are for the benefit of Regions Bank.



TMG Liquidation Company, et al. Case No. 11-03216  
Monthly Operating Report, September 1 to September 30, 2011  
Exhibit 2 - Other Taxes and Licenses

Description	Taxing Authority	Amount
NONE		-
		<u>\$ -</u>



TMG Liquidation Company, et al. Case No. 11-03216  
 Monthly Operating Report, September 1 to September 30, 2011  
 Exhibit 3 - Insurance Expiration Statement

Type of Policy	Insurance Co/Broker	Limits	Deductible/SIR	Effective Dates	Premium
Umbrella	Travelers/Gregory & Appel Insurance	Liability Limit Each Occurrence \$15,000,000; General Aggregate \$15,000,000; Products/Completed Operations Aggregate \$15,000,000; Retained Limit \$10,000	\$10,000	1/1/2011 - 1/1/2012	\$30,589
Crime	Travelers/Gregory & Appel Insurance	Employee Dishonesty \$500,000 Deductible \$5,000; Forgery or Alteration \$100,000 Deductible \$5,000; Theft, Disappearance & Destruction: Inside Premises \$50,000 Deductible \$5,000 Outside Premises \$50,000 Deductible \$5,000; ERISA \$500,000 Deductible \$0; Computer Fraud \$100,000 Deductible \$5,000	\$5,000	1/1/2011 - 1/1/2012	\$3,244
Transportation	The Hartford/Gregory & Appel Insurance	Hand and Edge Tools Shipped from Vietnam, China, India to United States of America Deductible \$2,500 Per Conveyance \$300,000 Default Limits(based on Per Conveyance) Per Vessel, On Deck BOL: \$30,000 Disaster \$600,000 Per Barge \$30,000 Per Aircraft \$300,000 Per Mail \$5,000; Warehousing: Domestic: \$25,000; Foreign: \$25,000; Domestic transit: \$25,000; Salesman samples: Included; Expediting expense: \$50,000; Installation/exhibition/processing:\$50,000; War Risk & Terrorism Included	\$2,500	1/1/2011 to Until Cancelled	\$3,510
Workers Compensation	Zurich American Insurance Co/Gregory & Appel Insurance	Named States AL, AR, AZ, CA, CT ,FL,GA, ID, IL, IN, KS, KY, LA, MA, MD, ME, MI, MO, NC, NH, NJ, NM, NY, OK, PA, RI, SC, TX, UT, VA; Employer's Liability: Each Accident \$1,000,000 Disease Policy Limit \$1,000,000 Disease Each Employee \$1,000,000	\$0	1/1/2011 to 1/1/2012	\$418,839
Business Auto	Zurich American Insurance Co/Gregory & Appel Insurance	Liability CSL \$1,000,000 Any Auto PIP per person limit included Medical Payments Ea per \$5,000 All Owned Autos; Uninsured Motorists – Statutory All Owned Autos; Underinsured Motorists – Statutory All Owned Autos; Hired Car Physical Damage Limit \$50,000 Hired Car Comprehensive Deductible \$250 Hired Car Collision Deductible \$500; Comprehensive Per EDIC template All Owned Autos; Collision Per EDIC template All Owned Autos	\$250 - Comprehensive; \$500 - Collision; Comprehensive/ Collision for Tractors - \$1000	1/1/2011 to 1/1/2012	\$18,702
General Liability	Zurich American Insurance Co/Gregory & Appel Insurance	General Aggregate \$2,000,000; Products/Completed Operations Aggregate \$2,000,000; Personal & Advertising Injury \$1,000,000; Each Occurrence \$1,000,000; Damage to Rented Premises \$500,000; Medical Expense (Any One Person) \$10,000; Employee Benefit Liability \$1,000,000 Each Employee (Occurrence Form); Annual Aggregate \$2,000,000; Welding Health Hazard Exclusion	\$1,000 deductible on Employee Benefit Claims only	1/1/2011 to 1/1/2012	\$35,568
Property	Zurich American Insurance Co/Gregory & Appel Insurance	\$63,105,000 Blanket Buildings, Contents, EDP; Coinsurance 100%; Valuation Replacement Cost; Deductible \$5,000; Blanket Business Income with Extra Expense \$14,110,000 with deductible of 24 hours.	\$5,000	1/1/2011 to 1/1/2012	\$111,974
Fiduciary Liability and Directors & Officers Liability	Chubb Group/Gregory & Appel Insurance	Limit of Liability \$2,000,000; Aggregate Limit \$2,000,000 Deductible \$10,000 (Insuring Clause A No Deductible)	\$10,000	7/1/2010 to 9/1/11	\$11,408



TMG Liquidation Company, et al. Case No. 11-03216  
Monthly Operating Report, September 1 to September 30, 2011  
Exhibit 5 - Payments to Professionals

<u>Vendor Name</u>	<u>Amount</u>	<u>Service</u>
COLE, SCHOTZ, MEISEL, FORMAN & LEONARD	100,627.17	Legal & Consulting
JH COHN, LLP	32,093.56	Legal & Consulting
MCCARTHY LAW FIRM, LLC	31,829.93	Legal & Consulting
ALVAREZ & MARSAL*	106,635.43	Legal & Consulting
MCNAIR LAW FIRM*	192,081.32	Legal & Consulting
	<u>\$ 463,267.41</u>	

\*Payments were issued in August 2011 but did not clear until September 2011 (these payments were reflected in the August 2011 Monthly Operating Report).

TMG Liquidation Company  
Summary Disbursements by Company

	2011					
	May (17-31)	June	July	August	September	Total
<b>MSupply Liquidation Company, LLC</b>						
Business Disbursements	\$ -	\$ 16,358.69	\$ 13,893.21	\$ -	\$ -	\$ 30,251.90
<b>MP Sundries Liquidation Company, LLC</b>						
Business Disbursements	19,864.10	2,978,392.04	5,520,032.56	-	-	8,518,288.70
<b>TMG Liquidation Company</b>						
Business Disbursements	6,469,458.53	14,564,587.95	5,363,666.28	232,394.83	463,267.41	27,093,375.00
Payroll Disbursements	393,201.00	1,311,670.55	1,114,899.29	11,108.41	-	2,830,879.25
<b>Total<sup>1</sup></b>	<b>\$ 6,882,523.63</b>	<b>\$ 18,871,009.23</b>	<b>\$12,012,491.34</b>	<b>\$ 243,503.24</b>	<b>\$ 463,267.41</b>	<b>\$ 38,472,794.85</b>

Note:

<sup>1</sup>The disbursement amount reported herein for July 2011 excludes the disbursements made pursuant to the Court's order approving the Debtors' sale of substantially all of their assets to MG Distribution, LLC and as set forth in greater detail in that certain Report of Sale and Notice of Assignment and Assumption of Certain Contracts filed by the Debtors on August 5, 2011 (Docket No. 407).



**Regions Bank**  
 Washington ST  
 101 East Washington Street  
 Greenville, SC 29601

THE MERIT GROUP  
 1310 UNION ST  
 SPARTANBURG SC 29302-3342

ACCOUNT # ██████████ 5817

Cycle 060  
 Enclosures 23  
 Page 0  
 1 of 2

**COMMERCIAL ANALYZED CHECKING**  
 September 1, 2011 through September 30, 2011

**SUMMARY**

Beginning Balance	\$13,780.06	Minimum Balance	\$0
Deposits & Credits	\$0.00 +		
Withdrawals	\$13,446.43 -		
Fees	\$0.00 -		
Automatic Transfers	\$0.00 +		
Checks	\$333.63 -		
Ending Balance	\$0.00		

**WITHDRAWALS**

09/07	ADP TX/FINCL Svc ADP - Tax Five Star Grou 42SD9 1312016Vv	906.24
09/07	Employment Devel Edd Etlpmt 110708736	312.85
09/22	ADP TX/FINCL Svc ADP - Tax Five Star Grou 42SD9 1369730Vv	2,081.21
09/23	Regn Loan Trans	10,146.13
<b>Total Withdrawals</b>		<b>\$13,446.43</b>

**CHECKS**

Date	Check No.	Amount	Date	Check No.	Amount
09/06	11035	119.96	09/06	11037	60.00
09/06	11036	141.67	09/02	19700 *	12.00
<b>Total Checks</b>					<b>\$333.63</b>

\* Break In Check Number Sequence.

**DAILY BALANCE SUMMARY**

Date	Balance	Date	Balance	Date	Balance
09/02	13,768.06	09/07	12,227.34	09/23	0.00
09/06	13,446.43	09/22	10,146.13		



Regions Bank  
Washington ST  
101 East Washington Street  
Greenville, SC 29601

THE MERIT GROUP  
1310 UNION ST  
SPARTANBURG SC 29302-3342

ACCOUNT # [REDACTED] 5817

	060
Cycle	23
Enclosures	0
Page	2 of 2

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**REMINDER: CHANGES TO YOUR DEPOSIT AGREEMENT (INCLUDING ARBITRATION TERMS) ARE IN EFFECT AS OF JULY 21, 2011. PLEASE GO TO REGIONS.COM/AGREEMENTS OR VISIT YOUR BRANCH FOR AN AMENDMENT TO YOUR CURRENT AGREEMENT.**

For all your banking needs, please call 1-800-REGIONS (734-4667), or visit us on the Internet at [www.regions.com](http://www.regions.com).

Thank You For Banking With Regions!

REGIONS BANK  
CORPORATE ACCOUNT  
RECONCILEMENT BALANCE SHEET

=====

ACCOUNT NAME: THE MERIT GROUP ACCOUNT NUMBER: ██████████ 5817  
ATTN ROB MCCREDIE

1310 UNION ST  
SPARTANBURG SC 29302

=====

OUTSTANDING SETTLEMENT CUTOFF DATE: 09/30/11

PREVIOUS OUTSTANDING BALANCE			36,321.32
AMOUNT CHANGES	+	.00	
STOPS REMOVED	+	.00	
DELETIONS	-	.00	
TOTAL ADJUSTMENTS TO PREVIOUS OUTSTANDING	+		.00
ISSUE FILE	+	.00	
MANUAL	+	.00	
REJECTED		.00	
NEXT PERIOD ISSUES		.00	
NEW ISSUES (NEW ADDED)	+		.00
CANCELED ISSUES	-		.00
STOPPED ISSUES	-		.00
CHECKS PAID THIS PERIOD	+	333.63	
CHECKS PAID-NO-ISSUE	-	321.63	
ISSUES RECVD FOR PREV PNI	+	.00	
PAID CHECKS MATCHED TO ISSUES	-		12.00
CURRENT OUTSTANDING BALANCE	=		36,309.32
TOTAL OUTSTANDING FROM RECON REPORTS			36,309.32

=====

RECONCILEMENT OF DEBITS CUTOFF DATE: 09/30/11

CHECKS PAID ON RECONCILEMENT		333.63
DEBIT ADJUSTMENTS	-	.00
CREDIT ADJUSTMENTS	+	.00
MISCELLANEOUS DEBITS POSTED	+	13,446.43
TOTAL RECONCILIATION OF DEBITS	=	13,780.06

=====

BANK STATEMENT TOTAL DEBITS 13,780.06

COMPLETED BY: *E. Waller*

DATE: 10.4.11



# Bank of America

Bank of America, N.A.  
P.O. Box 25118  
Tampa, FL 33622-5118

Page 1 of 3  
Statement Period  
09/01/11 through 09/30/11  
EO P PA 0A 57  
Enclosures 0  
Account Number [REDACTED] 1441

BD 10/07 0 0005 173 999 001053 #01 AV 0.340

THE MERIT GROUP INC  
DEBTOR-IN-POSSESSION CASE# 11-03216  
1310 UNION ST  
SPARTANBURG SC 29302-3342

Our Online Banking service allows you to check balances, track account activity and more.  
With Online Banking you can also view up to 18 months of this statement online.  
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For additional information on service, you may call:  
1-888-BUSINESS (1-888-287-4637)

Or you may write to:  
Bank of America, N.A.  
P.O. Box 25118  
Tampa, FL 33622-5118

## Deposit Accounts

### Business Economy Checking

THE MERIT GROUP INC DEBTOR-IN-POSSESSION CASE# 11-03216

#### Your Account at a Glance

Account Number	[REDACTED] 1441	Statement Beginning Balance	\$28,968.22
Statement Period	09/01/11 through 09/30/11	Amount of Deposits/Credits	\$73,297.01
Number of Deposits/Credits	20	Amount of Withdrawals/Debits	\$97,403.80
Number of Withdrawals/Debits	4	Statement Ending Balance	\$4,861.43
Number of Deposited Items	18		
Number of Days in Cycle	30	Average Ledger Balance	\$57,093.88
		Service Charge	\$403.80

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THE MERIT GROUP INC  
DEBTOR-IN-POSSESSION CASE# 11-03216

Page 2 of 3  
Statement Period  
09/01/11 through 09/30/11  
EO P PA 0A 87  
Enclosures 0  
Account Number [REDACTED] 1441

**Deposits and Credits**

Date Posted	Amount (\$)	Description	Bank Reference
09/01	4,500.00	Counter Credit	813004370957935
09/01	3,000.00	Counter Credit	813004370957937
09/01	2,500.00	Counter Credit	813004270219989
09/02	6,820.67	Deposit	813004370163915
09/02	6,209.24	Deposit	813004370163864
09/02	5,945.91	Deposit	813004270345883
09/02	2,361.59	Deposit	813004270345881
09/02	2,134.22	Deposit	813004370163861
09/02	1,967.67	Deposit	813004270345885
09/08	5,632.35	Deposit	813004270546337
09/12	1,115.36	Counter Credit	813004370838780
09/12	715.81	Deposit	813004370883377
09/13	2,393.42	Counter Credit	813004170927247
09/13	1,860.87	Counter Credit	813004170927245
09/16	14,027.43	Counter Credit	813004170409619
09/19	3,513.06	Counter Credit	813004570368680
09/19	500.00	Counter Credit	813004170886204
09/22	3,621.41	Deposit	813004470498769
09/29	3,500.00	Counter Credit	813004170184508
09/29	978.00	Counter Credit	813004470591292

**Withdrawals and Debits  
Checks**

Check Number	Amount (\$)	Date Posted	Bank Reference
1037	87,000.00	09/26	813006992009015

**Other Debits**

Date Posted	Amount (\$)	Description	Bank Reference
09/01	10,000.00	SC Tr transfer to Chk 9787 Banking Ctr Spartanburg Main #0073100 SC Confirmation# 0590760257	957509017530021
09/30	292.80	Cash Deposit Processing	
09/30	111.00	Cash Deposit Processing	

**Daily Ledger Balances**

Date	Balance (\$)	Date	Balance (\$)	Date	Balance (\$)
09/01	28,968.22	09/13	66,125.33	09/26	787.23
09/02	54,407.52	09/16	80,152.76	09/29	5,265.23
09/08	60,039.87	09/19	84,165.82	09/30	4,861.43
09/12	61,871.04	09/22	87,787.23		



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00087951 01 AT 0.362 001  
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ACCOUNT # [REDACTED] 7772

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**CORP ZBA MULTI-DIRECTIONAL**  
September 1, 2011 through September 30, 2011

**SUMMARY**

Beginning Balance	\$0.00	Minimum Balance	\$0
Deposits & Credits	\$1,951,391.16	+	
Withdrawals	\$1,948,054.63	-	
Fees	\$3,336.53	-	
Automatic Transfers	\$0.00	+	
Checks	\$0.00	-	
Ending Balance	\$0.00		

**DEPOSITS & CREDITS**

09/01	Hrtland Pmt Sys Txns/Fees Lancaster	650000001179921	28,829.17
09/01	Lumber3848 Payment Lancaster-Schu	003501	7,560.39
09/01	Wugona, Inc. Data 0005The Merit		293.23
09/01	Hrtland Pmt Sys Txns/Fees Merit Supply	650000001179913	155.45
09/02	Wire Transfer Kativo Costa R		4,467.24
09/02	Wire Transfer Centro DE Pint		2,504.60
09/02	Sherwin-Williams Corpcredit 0854Lancaster	10119314	223,733.78
09/02	Hrtland Pmt Sys Txns/Fees Lancaster	650000001179921	54,690.91
09/02	Hrtland Pmt Sys Txns/Fees Merit Supply	650000001179913	1,915.25
09/02	Ace Hardware Epospymnts Lancaster Schu	000002000381987	1,338.58
09/02	Sis Inc Payments Lancaster Lancas		1,213.21
09/06	Wire Transfer 057451643030		15,740.02
09/06	Lumber3848 Payment Lancaster-Schu	003501	38,935.42
09/06	Lumber3848 Payment Lancaster-Schu	003501	21,938.16
09/06	Hrtland Pmt Sys Txns/Fees Lancaster	650000001179921	11,643.64
09/06	Ace Hardware Epospymnts Lancaster Schu	000002000348608	7,708.15
09/06	Hrtland Pmt Sys Txns/Fees Lancaster	650000001179921	6,083.50
09/06	Hrtland Pmt Sys Txns/Fees Merit Supply	650000001179913	770.48
09/06	Hrtland Pmt Sys Txns/Fees Merit Supply	650000001179913	521.69
09/06	Lumber3848 Payment Lancaster-Schu	003501	49.40
09/07	Duckwall-Alco Payment Lancaster	9018746	41,943.48
09/07	Lumber3848 Payment Lancaster-Schu	003501	8,567.04
09/07	Fastenal Company Direct Pay Lancaster	1018000189	755.39
09/07	Ace Hardware Epospymnts Lancaster Schu	000002000411361	515.42
09/08	Wire Transfer Kativo Costa R		6,385.58
09/08	Hrtland Pmt Sys Txns/Fees Lancaster	650000001179921	24,908.33
09/08	Lumber3848 Payment Lancaster-Schu	003501	6,898.33
09/08	Ace Hardware Epospymnts Lancaster Schu	000002000408150	4,961.53
09/08	Hrtland Pmt Sys Txns/Fees Merit Supply	650000001179913	1,613.90
09/08	Fastenal Company Direct Pay Lancaster	1018000189	49.54
09/09	Sherwin-Williams Corpcredit 0812Lancaster	10120007	381,598.16
09/09	Hrtland Pmt Sys Txns/Fees Lancaster	650000001179921	18,392.60
09/09	Duckwall-Alco Payment Lancaster	9018804	4,709.75
09/09	Ace Hardware Epospymnts Lancaster Schu	000002000394739	2,376.04



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**DEPOSITS & CREDITS (CONTINUED)**

09/09	Hrtland Pmt Sys Txns/Fees.Merit Supply 650000001179913	1,004.82
09/09	Meeks Build - Cr Payments G010 A	705.74
09/12	Lumber3848 Payment Lancaster-Schu 003501	13,514.29
09/12	Hrtland Pmt Sys Txns/Fees.Lancaster 650000001179921	10,668.28
09/12	Hrtland Pmt Sys Txns/Fees.Lancaster 650000001179921	2,940.28
09/12	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	2,524.85
09/12	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	2,015.02
09/12	Miami Corp Payments Merit Supply 21845	821.28
09/13	Ace Hardware Epospymnts Lancaster Schu 000002000145810	3,054.78
09/14	Hrtland Pmt Sys Txns/Fees.Lancaster 650000001179921	15,081.84
09/14	Meeks Build - Cr Payments G010 A	2,731.21
09/14	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	1,818.97
09/15	Wire Transfer Lg - Sourcing	32,761.19
09/15	Wire Transfer The Paint Depo	13,450.74
09/15	Wire Transfer Dijtham Aruba	1,441.09
09/15	Hrtland Pmt Sys Txns/Fees.Lancaster 650000001179921	12,169.63
09/15	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	1,955.27
09/15	Ace Hardware Epospymnts Lancaster Schu 000002000416068	1,197.19
09/16	Sherwin-Williams Corpcredit 0764Lancaster 10120768	351,462.52
09/16	Duckwall-Alco Payment Lancaster 9018998	60,043.78
09/16	Ace Hardware Epospymnts Lancaster Schu 000002000404656	4,816.81
09/16	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	1,320.50
09/19	Wire Transfer Lg - Sourcing	62,671.89
09/19	Wire Transfer Lg - Sourcing	43,493.38
09/19	Wire Transfer Lg - Sourcing	29,552.68
09/19	Wire Transfer Lg - Sourcing	27,718.48
09/19	Ace Hardware Epospymnts Lancaster Schu 000002000079705	12,647.73
09/19	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	3,403.14
09/19	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	324.87
09/21	Duckwall-Alco Payment Lancaster 9019093	29,401.60
09/21	Meeks Build - Cr Payments G010 A	2,574.65
09/21	Directions CU Lancaster John's Color C	800.00
09/21	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	140.60
09/22	Wire Transfer Susana Olivia	1,042.53
09/22	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	281.27
09/22	Fastenal Company Direct Pay Lancaster 1018000189	61.92
09/23	Wire Transfer Sayer Lack Mex	2,202.12
09/23	Duckwall-Alco Payment Lancaster 9019163	38,609.81
09/23	National Oilwell Supl Pymnt 0007Lancaster 11543-Sh_r01	938.16
09/23	White Cap Constr Py09/20/11 Lancaster	276.00
09/23	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	166.43
09/23	Wugona, Inc. Data 0005The Merit	81.61
09/26	Wire Transfer Lg - Sourcing	37,278.20
09/26	Wire Transfer Lg - Sourcing	29,874.81
09/26	Wire Transfer Lg - Sourcing	17,424.28
09/26	Wire Transfer Lg - Sourcing	17,211.00
09/26	Miami Corp Payments Merit Supply 21845	2,839.68
09/26	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	323.17
09/26	Draexlmaier Auto 022000020 0005Merit Supp	301.96
09/26	Hrtland Pmt Sys Txns/Fees Merit Supply 650000001179913	289.80



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**DEPOSITS & CREDITS (CONTINUED)**

09/27	Wire Transfer Lg - Sourcing	16,548.86
09/27	Hajoca Corp A/P Lancaster 3903005 8206696	523.95
09/28	Wire Transfer 057451643030	42,936.96
09/28	Duckwall-Alco Payment Lancaster 9019381	20,663.16
09/28	Meeks Build - Cr Payments G010 A	3,289.11
09/28	Glasscraft Door Payments Merit Supply	1,374.02
09/28	Directions CU Lancaster John's Color C	1,207.08
09/29	Wire Transfer Kativo Costa R	11,407.20
09/29	National Oilwell Supl Pymnt 0007Lancaster 11543-Sh_r01	421.75
09/30	Duckwall-Alco Payment Lancaster 9019470	19,191.86
09/30	Wugona, Inc. Data 0005The Merit	1,845.30
09/30	Miami Corp Payments Merit Supply 21845	182.70
<b>Total Deposits &amp; Credits</b>		<b>\$1,951,391.16</b>

**WITHDRAWALS**

09/01	Transfer to 0152308472	36,838.24
09/02	Transfer to 0152308472	289,963.57
09/06	Transfer to 0152308472	103,390.46
09/07	Transfer to 0152308472	51,781.33
09/08	Transfer to 0152308472	44,817.21
09/09	Transfer to 0152308472	405,450.58
09/12	Transfer to 0152308472	32,484.00
09/13	Transfer to 0152308472	3,054.78
09/14	Transfer to 0152308472	19,632.02
09/15	Transfer to 0152308472	62,975.11
09/16	Transfer to 0152308472	417,643.61
09/19	Transfer to 0152308472	179,812.17
09/21	Transfer to 0152308472	32,916.85
09/22	Transfer to 0152308472	1,385.72
09/23	Transfer to 0152308472	42,274.13
09/26	Transfer to 0152308472	105,542.90
09/27	Transfer to 0152308472	17,072.81
09/28	Transfer to 0152308472	69,470.33
09/29	Transfer to 0152308472	11,828.95
09/30	Transfer to 0152308472	19,719.86
<b>Total Withdrawals</b>		<b>\$1,948,054.63</b>

**FEES**

09/09	Analysis Charge 08-11	2,005.53
09/09	Analysis Explicit Charge 08-11	1,331.00
<b>Total Fees</b>		<b>\$3,336.53</b>



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**DAILY BALANCE SUMMARY**

Date	Balance	Date	Balance	Date	Balance
09/01	0.00	09/13	0.00	09/23	0.00
09/02	0.00	09/14	0.00	09/26	0.00
09/06	0.00	09/15	0.00	09/27	0.00
09/07	0.00	09/16	0.00	09/28	0.00
09/08	0.00	09/19	0.00	09/29	0.00
09/09	0.00	09/21	0.00	09/30	0.00
09/12	0.00	09/22	0.00		

**REMINDER: CHANGES TO YOUR DEPOSIT AGREEMENT (INCLUDING ARBITRATION TERMS) ARE IN EFFECT AS OF JULY 21, 2011. PLEASE GO TO REGIONS.COM/AGREEMENTS OR VISIT YOUR BRANCH FOR AN AMENDMENT TO YOUR CURRENT AGREEMENT.**

For all your banking needs, please call 1-800-REGIONS (734-4667) or visit us on the Internet at [www.regions.com](http://www.regions.com).

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 09/30/2011



Account Statement



THE MERIT GROUP INC DIP  
 CASE 11-3216-HB  
 DIP ACCOUNT  
 PAT ROURKE  
 PO BOX 170247  
 SPARTANBURG SC 29301-0024

Questions? Please call  
 1-800-786-8787

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Account Summary	Account Type	Account Number	Statement Period
	TOTAL BUSINESS BANKING	██████████2964	09/01/2011 - 09/30/2011

Description	Amount	Description	Amount
Beginning Balance	\$5,506,531.76	Average Balance	\$5,162,390.59
Deposits/Credits	\$65,132.41	Average Collected Balance	\$5,160,223.92
Checks	\$463,267.41	Number of Days in Statement Period	30
Withdrawals/Debits	\$117.41		
Ending Balance	\$5,108,279.35		

Deposits/ Credits	Date	Amount	Serial #	Description
	09/12	15.00		SERVICE CHARGE/FEE REFUND
	09/12	117.41		IMPRINTED CHECK CHARGE REFUND
	09/12	45,000.00		ATM DEPOSIT
	09/26	20,000.00		ATM DEPOSIT

Deposits/Credits: 4 Total Items Deposited: 2

Checks	Check Number	Amount	Date Paid	Check Number	Amount	Date Paid	Check Number	Amount	Date Paid
	2001	192,081.32	09/06	2003	32,093.56	09/06	2005	100,627.17	09/07
	2002	106,635.43	09/07	2004	31,829.93	09/09			

Checks: 5

Withdrawals/ Debits	Date Paid	Amount	Serial #	Description
	09/07	117.41		IMPRINTED CHECK/DEPOSIT CHARGE DELUXE CHECK CHK ORDERS

Withdrawals/Debits: 1

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	09/01	5,506,531.76	5,506,531.76	09/12	5,088,279.35	5,043,279.35
	09/06	5,282,356.88	5,282,356.88	09/13	5,088,279.35	5,088,279.35
	09/07	5,074,976.87	5,074,976.87	09/26	5,108,279.35	5,088,279.35
	09/09	5,043,146.94	5,043,146.94	09/27	5,108,279.35	5,108,279.35



SUNTRUST BANK  
 P O BOX 622227  
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Account Statement

THE MERIT GROUP INC. DIP  
 DIP ACCOUNT  
 P.O. BOX 12000  
 SPANGLER RD, SC 29301

DATE 9-1-11

PAY TO THE ORDER OF McClain Law Firm P.A. \$192,081.32  
 One hundred ninety two thousand eighty one and 32/100 DOLLARS & 32/100

SUNTRUST  
 FOR July Fees

*[Signature]*

Ck # 2001 09/06 \$192,081.32

THE MERIT GROUP INC. DIP  
 DIP ACCOUNT  
 P.O. BOX 12000  
 SPANGLER RD, SC 29301

DATE 9-1-11

PAY TO THE ORDER OF McCathy Law Firm LLC \$31,829.93  
 Thirty one thousand eight hundred twenty nine and 93/100 DOLLARS & 93/100

SUNTRUST  
 FOR July Fees

*[Signature]*

Ck # 2004 09/09 \$31,829.93

THE MERIT GROUP INC. DIP  
 DIP ACCOUNT  
 P.O. BOX 12000  
 SPANGLER RD, SC 29301

DATE 9-1-11

PAY TO THE ORDER OF Alvarez & Mural LLC \$106,635.43  
 One hundred six thousand six hundred thirty five and 43/100 DOLLARS & 43/100

SUNTRUST  
 FOR July Fees

*[Signature]*

Ck # 2002 09/07 \$106,635.43

THE MERIT GROUP INC. DIP  
 DIP ACCOUNT  
 P.O. BOX 12000  
 SPANGLER RD, SC 29301

DATE 9-1-11

PAY TO THE ORDER OF Cole, Schatz, Meisel, Farnum & Leonard P.A. \$100,627.17  
 One hundred thousand six hundred twenty seven and 17/100 DOLLARS & 17/100

SUNTRUST  
 FOR July Fees

*[Signature]*

Ck # 2005 09/07 \$100,627.17

THE MERIT GROUP INC. DIP  
 DIP ACCOUNT  
 P.O. BOX 12000  
 SPANGLER RD, SC 29301

DATE 9-1-11

PAY TO THE ORDER OF J. H. Cohn LLP \$32,093.56  
 Thirty two thousand ninety three and 56/100 DOLLARS & 56/100

SUNTRUST  
 FOR July Fees

*[Signature]*

Ck # 2003 09/06 \$32,093.56



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Account Statement



THE MERIT GROUP INC DIP  
 CASE 11-3216-HB  
 DIP CURE COST FUNDS  
 PAT ROURKE  
 PO BOX 170247  
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Account Summary	Account Type	Account Number	Statement Period
	TOTAL BUSINESS BANKING	██████████3277	09/01/2011 - 09/30/2011

Description	Amount	Description	Amount
Beginning Balance	\$115,656.32	Average Balance	\$115,646.25
Deposits/Credits	\$132.41	Average Collected Balance	\$115,646.25
Checks	\$0.00	Number of Days in Statement Period	30
Withdrawals/Debits	\$117.41		
Ending Balance	\$115,671.32		

Deposits/Credits	Date	Amount	Serial #	Description
	09/12	15.00		SERVICE CHARGE/FEE REFUND
	09/12	117.41		IMPRINTED CHECK CHARGE REFUND
Deposits/Credits: 2				Total Items Deposited: 0

Withdrawals/Debits	Date Paid	Amount	Serial #	Description
	09/07	117.41		IMPRINTED CHECK/DEPOSIT CHARGE DELUXE CHECK      CHK ORDERS
Withdrawals/Debits: 1				

Balance Activity History	Date	Balance	Collected Balance	Date	Balance	Collected Balance
	09/01	115,656.32	115,656.32	09/12	115,671.32	115,671.32
	09/07	115,538.91	115,538.91			

