

UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEVADA

In re: NEVADA CANCER INSTITUTE, a Nevada  
nonprofit corporation, Debtor

Case No. 2:11-bk-28676 (MKN)

CHAPTER 11  
MONTHLY OPERATING REPORT  
(GENERAL BUSINESS CASE)

SUMMARY OF FINANCIAL STATUS

MONTH ENDED: 1/31/2012 PETITION DATE: 12/2/2011

1. Debtor in possession (or trustee) hereby submits this Monthly Operating Report on the Accrual Basis of accounting (or if checked here the Office of the U.S. Trustee or the Court has approved the Cash Basis of Accounting for the Debtor).  
Dollars reported in \$1

	End of Current Month	End of Prior Month	As of Petition Filing <sup>(1)</sup>
<b>2. Asset and Liability Structure</b>			
a. Current Assets <sup>(2)</sup>	\$ 14,065,529	\$ 18,310,222	\$ 16,449,000
b. Total Assets <sup>(3,4)</sup>	\$ 97,215,000	\$ 163,263,071	\$ 169,975,000
c. Current Liabilities <sup>(5)</sup>	\$ 1,675,976	\$ 1,959,477	\$ 1,170,036
d. Total Liabilities <sup>(6),(7)</sup>	\$ 143,601,660	\$ 161,742,161	\$ 1,875,000
<b>3. Statement of Cash Receipts &amp; Disbursements for Month</b>			<b>Cumulative (Case to Date)</b>
a. Total Receipts	\$ 2,248,095	\$ 2,335,195	\$ 4,583,291
b. Total Disbursements	\$ 3,593,071	\$ 1,803,475	\$ 5,396,546
c. Excess (Deficiency) of Receipts Over Disbursements (a - b)	\$ (1,344,976)	\$ 531,720	\$ (813,256)
d. Cash Balance Beginning of Month	\$ 2,915,000	\$ 2,383,280	\$ 2,383,280
e. Cash Balance End of Month (c + d)	\$ 1,570,024	\$ 2,915,000	\$ 1,570,024
	<b>Current Month</b>	<b>Prior Month</b>	<b>Cumulative (Case to Date)</b>
<b>4. Profit/(Loss) from the Statement of Operations <sup>(4)</sup></b>	\$ (49,583,000)	\$ (3,157,289)	\$ (52,740,289)
<b>5. Accounts Receivable (Pre and Post Petition) <sup>(2)</sup></b>	\$ 6,062,529	\$ 9,950,151	
<b>6. Post-Petition Liabilities</b>	\$ 1,675,976	\$ 1,959,477	
<b>7. Past Due Post-Petition Accounts Payable (over 30 days)</b>	\$ 143,226	\$ -	

At the end of this reporting month:

	Yes	No
8. Have any payments been made on pre-petition debt, other than payments in the normal course to secured creditors or lessors? (if yes, attach listing including date of payment, amount of payment and name of payee)		X
9. Have any payments been made to professionals? (if yes, attach listing including date of payment, amount of payment and name of payee)		X <sup>(8)</sup>
10. If the answer is yes to 8 or 9, were all such payments approved by the court?	X	
11. Have any payments been made to officers, insiders, shareholders, relatives? (if yes, attach listing including date of payment, amount and reason for payment, and name of payee)	X - See Schedule I	
12. Is the estate insured for replacement cost of assets and for general liability?	X	
13. Are a plan and disclosure statement on file?	X	
14. Was there any post-petition borrowing during this reporting period?		X
15. Check if paid: Post-petition taxes <u>X</u> ; U.S. Trustee Quarterly Fees <u>X</u> ; Check if filing is current for: Post-petition tax reporting and tax returns: <u>    </u>		
(Attach explanation, if post-petition taxes or U.S. Trustee Quarterly Fees are not paid current or if post-petition tax reporting and tax return filings are not current.) See Schedule J		

I declare under penalty of perjury I have reviewed the above summary and attached financial statements, and after making reasonable inquiry believe these documents are correct.

Date: 2/29/2012

  
Responsible Individual

(1) These amounts are based on the Debtor's unaudited financial statements for the month ending November 30, 2011, and may differ from the amounts listed in the Debtor's Schedules of Assets (the "Schedules") and Liabilities and Statement of Financial Affairs (the "SOFA"), which were prepared using the Debtor's unaudited financial statements for the month ending September 30, 2011.

(2) On January 31, 2012, the date of the closing of the sale of certain of the Debtor's assets to the Regents of the University of California on behalf of its UC San Diego Health System ("UCSD" and the "UCSD Sale"), the Debtor was required to make a \$4,500,000 payment to UCSD, resulting in a decrease in Current Assets. The cure payments that the Debtor was required to make in connection with the UCSD Sale (which totaled approximately \$1,500,000) were not made until the first week of February 2012 and thus are not reflected on this Monthly Operating Report.

(3) This amount is inclusive of \$15,000,000 comprising the Engelstad Endowment Fund, which was transferred into escrow prepetition in accordance with an amendment to the gift agreement governing those funds. The Engelstad Endowment Fund is described in detail on the SOFA and in numerous pleadings filed with the Court.

(4) As noted, the UCSD Sale closed on January 31, 2012. The reduction in the total assets category from December 2011 to January 2012 was caused by the UCSD Sale and subsequent write off of the assets sold to UCSD. Additionally, the assets were sold for less than book value, generating a Net Income loss on the Debtor's Income Statement.

(5) Disbursements were unusually high in January 2012 due to the payment of \$941,670 in closing costs to UCSD.

(6) This amount reflects the total amount of secured claims, without taking into account the value of the collateral securing the claims.

(7) The \$18,000,000 in cash consideration paid by UCSD upon the closing of the UCSD sale was transferred to the agent for the Debtor's prepetition secured lenders (the "Lenders"), in partial satisfaction of the Lenders' secured claims against the estate. The balance above represents the remaining amount of the secured claims asserted against the Debtor's estate. It is expected that the remaining secured claims against the Debtor's estate will be resolved under the Debtor's plan of reorganization.

(8) Payments to professionals on account of December 2011 and January 2012 fees were not disbursed until February 2012.



112867612030100000000001

Revised 1/1/98

**STATEMENT OF OPERATIONS**  
**(General Business Case)**

For the Month Ended 01/31/12

			<b>Current Month</b>	<b>Cumulative (Case to Date)</b>	<b>Next Month Forecast</b>
<u>Actual</u>	<u>Forecast</u>	<u>Variance</u>			
<b>Revenues:</b>					
\$ 1,144,000	\$ 1,117,857	\$ 26,143	1 Gross Sales	\$ 2,137,570	\$ -
\$ -	\$ -	\$ -	2 less: Sales Returns & Allowances	\$ -	\$ -
\$ 1,144,000	\$ 1,117,857	\$ 26,143	3 Net Sales	\$ 2,137,570	\$ -
\$ 593,558	\$ 278,571	\$ (314,987)	4 less: Cost of Goods Sold (Schedule 'B')	\$ 1,110,289	\$ -
\$ 550,442	\$ 839,286	\$ (288,844)	5 Gross Profit	\$ 1,027,281	\$ -
\$ 1,443	\$ -	\$ 1,443	6 Interest	\$ 3,093	\$ -
\$ 284,000	\$ -	\$ 284,000	7 Other Income: Grants/Pharm Contracts	\$ 778,000	\$ -
\$ 130,447	\$ -	\$ 130,447	8 UMC Revenue	\$ 306,792	\$ -
\$ 65,110	\$ 114,714	\$ (49,604)	9 Other Revenue	\$ 72,665	\$ 20,000
\$ 54,000	\$ -	\$ 54,000	10 Release from restrictions for Operations/Development	\$ 96,800	\$ -
<b>\$ 1,085,442</b>	<b>\$ 954,000</b>	<b>\$ 131,442</b>	<b>11 Total Revenues</b>	<b>\$ 2,284,631</b>	<b>\$ 20,000</b>
<b>Expenses:</b>					
\$ 18,225	\$ -	\$ (18,225)	12 Compensation to Owner(s)/Officer(s)	\$ 18,225	\$ -
\$ 992,003	\$ 188,000	\$ (804,003)	13 Salaries	\$ 2,023,037	\$ -
\$ -	\$ -	\$ -	14 Commissions	\$ -	\$ -
\$ 84,749	\$ -	\$ (84,749)	15 Contract Labor/Non BK Professional Services	\$ 393,749	\$ 50,000
<b>Rent/Lease:</b>					
\$ 193,000	\$ -	\$ (193,000)	16 Personal Property	\$ 343,970	\$ -
\$ -	\$ -	\$ -	17 Real Property	\$ -	\$ -
\$ 47,110	\$ -	\$ (47,110)	18 Insurance	\$ 90,110	\$ 45,000
\$ -	\$ -	\$ -	19 Management Fees	\$ -	\$ -
\$ 504,000	\$ 500,000	\$ (4,000)	20 Depreciation	\$ 1,008,000	\$ 250,000
<b>Taxes:</b>					
\$ 62,783	\$ 61,429	\$ (1,354)	21 Employer Payroll Taxes	\$ 126,853	\$ -
\$ 11,035	\$ -	\$ (11,035)	22 Real Property Taxes	\$ 14,207	\$ 100,000
\$ -	\$ -	\$ -	23 Other Taxes	\$ -	\$ -
\$ -	\$ -	\$ -	24 Other Selling	\$ -	\$ -
\$ -	\$ -	\$ -	25 Other Administrative - Pharma Supplies	\$ -	\$ -
\$ 257,000	\$ -	\$ (257,000)	26 Interest/Debt Service	\$ 1,054,000	\$ -
\$ -	\$ -	\$ -	27 Other Expenses:	\$ -	\$ -
\$ 285,000	\$ 278,571	\$ (6,429)	28 Materials, supplies & services	\$ 455,050	\$ -
\$ 145,989	\$ 5,571	\$ (140,418)	29 Employee - Fringe Benefits	\$ 294,973	\$ -
\$ (46,000)	\$ 21,250	\$ 67,250	30 Bad Debt Expense	\$ (136,000)	\$ -
\$ 434,513	\$ 10,000	\$ (424,513)	31 Other Operating Expenses	\$ 716,566	\$ 30,000
\$ -	\$ -	\$ -	32	\$ -	\$ -
\$ -	\$ -	\$ -	33	\$ -	\$ -
\$ -	\$ -	\$ -	34	\$ -	\$ -
\$ -	\$ -	\$ -	35	\$ -	\$ -
<b>\$ 2,989,406</b>	<b>\$ 1,044,035</b>	<b>\$ (1,945,372)</b>	<b>36 Total Expenses</b>	<b>\$ 6,402,740</b>	<b>\$ 475,000</b>
<b>\$ (1,903,964)</b>	<b>\$ (90,034)</b>	<b>\$ (1,813,930)</b>	<b>37 Subtotal</b>	<b>\$ (4,118,108)</b>	<b>\$ (455,000)</b>
<b>Reorganization Items:</b>					
\$ (535,536)	\$ (861,786)	\$ (326,250)	38 <b>Professional Fees</b>	\$ (1,478,681)	\$ (955,000)
\$ -	\$ -	\$ -	39 Provisions for Rejected Executory Contracts	\$ -	\$ -
\$ -	\$ -	\$ -	40 Interest Earned on Accumulated Cash from Resulting Chp 11 Case	\$ -	\$ -
\$ (47,137,000)	\$ -	\$ (47,137,000)	41 Gain or (Loss) from Sale of Equipment	\$ (47,137,000)	\$ -
\$ (6,500)	\$ -	\$ 6,500	42 U.S. Trustee Quarterly Fees	\$ (6,500)	\$ -
\$ -	\$ -	\$ -	43	\$ -	\$ -
<b>\$ (47,679,036)</b>	<b>\$ (861,786)</b>	<b>\$ (46,817,250)</b>	<b>44 Total Reorganization Items</b>	<b>\$ (48,622,181)</b>	<b>\$ (955,000)</b>
<b>\$ (49,583,000)</b>	<b>\$ (951,820)</b>	<b>\$ (48,631,180)</b>	<b>45 Net Profit (Loss) Before Federal &amp; State Taxes</b>	<b>\$ (52,740,289)</b>	<b>\$ (1,410,000)</b>
\$ -	\$ -	\$ -	46 Federal & State Income Taxes	\$ -	\$ -
<b>\$ (49,583,000)</b>	<b>\$ (951,820)</b>	<b>\$ (48,631,180)</b>	<b>47 Net Profit (Loss)</b>	<b>\$ (52,740,289)</b>	<b>\$ (1,410,000)</b>

Attach an Explanation of Variance to Statement of Operations (For variances greater than +/- 10% only): See Schedule K

**BALANCE SHEET**  
**(General Business Case)**  
For the Month Ended 01/31/12

Assets		<u>From Schedules</u>	<u>Market Value</u>
<b>Current Assets <sup>(1)</sup></b>			
1	Cash and cash equivalents - unrestricted		\$ 1,570,024
2	Cash and cash equivalents - restricted <sup>(2)</sup>		\$ 6,173,976
3	Accounts receivable (net)	A	\$ 6,062,529
4	Inventory	B	\$ -
5	Prepaid expenses and other		\$ 259,000
6	Professional retainers		\$ -
7	Other: _____		\$ -
8	_____		\$ -
9	<b>Total Current Assets</b>		<b>\$ 14,065,529</b>
<b>Property and Equipment (Market Value) <sup>(3,4,5)</sup></b>			
10	Real property	C	\$ 61,278,442
11	Machinery and equipment	D	\$ 85,707
12	Furniture and fixtures	D	\$ 881,699
13	Office equipment	D	\$ -
14	Leasehold improvements	D	\$ -
15	Vehicles	D	\$ -
16	Other: _____	D	\$ -
17	_____	D	\$ -
18	<b>Total Property and Equipment</b>		<b>\$ 62,245,847</b>
<b>Other Assets</b>			
19	Loans to shareholders		\$ -
20	Loans to affiliates		\$ -
21	Pledge Receivables - Non-current		\$ 5,000,000
22	Assets Limited as to Use - Non-current		\$ 15,350,000
23	Other Assets		\$ 553,624
24	_____		\$ -
25	<b>Total Other Assets</b>		<b>\$ 20,903,624</b>
26	<b>Total Assets</b>		<b>\$ 97,215,000</b>

**NOTE:**

Indicate the method used to estimate the market value of assets (e.g., appraisals; familiarity with comparable market prices, etc.) and the date the value was determined.  
- On Balance Sheet at Net Book Value.

(1) On January 31, 2012, the date of the closing of the sale of certain of the Debtor's assets to the Regents of the University of California on behalf of its UC San Diego Health System ("UCSD" and the "UCSD Sale"), the Debtor was required to make a \$4,500,000 deposit (the "Philanthropic Commitment") into UCSD's bank account, resulting in a decrease in Current Assets. The cure payments that the Debtor was required to make in connection with the UCSD Sale (which totaled approximately \$1,500,000) were not made until the first week of February and thus are not reflected on this Monthly Operating Report.

(2) In January 2012, donors made restricted donations of \$5,000,000 to the Debtor pursuant to the *Order Granting Debtor's Motion Pursuant to Bankruptcy Code Sections 105(a), 363(b) and 363(c) for Order Authorizing the Deposit of Donor-Restricted Donations Into Escrow Account* [Docket No. 141] for the express charitable purpose of helping to fund the Debtor's philanthropic commitment to UCSD. The Debtor is not in receipt of these donations; the funds were deposited directly into an escrow account. The total donations escrowed prior to the closing of the UCSD sale was approximately \$7,670,000. A portion of these escrowed donations were used to satisfy a portion of the Debtor's philanthropic commitment to UCSD upon the closing UCSD Sale on January 31, 2012. On the Balance Sheet, these donations are debited to Cash and Cash Equivalents - restricted and credited to Temporarily Restricted assets; as such these donations are not included on and do not impact the Statement of Operations or the Statement of Cash Flows.

(3) This is the net book value of the Debtor's real property and does not reflect the market value of the property. This real estate is highly specialized, subject to significant land use restrictions and is encumbered by secured claims, all of which makes it difficult to ascertain the market value, if any, for such property, particularly in the current economic climate.

(4) Based on the information available to the Debtor, the book value of these assets does not reflect the market value of such assets.

(5) As noted, upon the closing of the UCSD Sale, the assets sold to UCSD were written off. The Debtor's remaining fixed assets include the Research Building, the Vacant Land, the Administration Building Parcel, the Alta Hualapai Land (each as defined in the Schedules), and furnitures and fixtures located in the Research Building, provided, however, that certain of these assets are encumbered by liens and secured claims. Accumulated Depreciation on the purchased assets was estimated at \$13 mm.

**Liabilities and Equity****(General Business Case)****Liabilities From Schedules****Post-Petition****Current Liabilities <sup>(1)</sup>**

27	Salaries and wages		\$	-
28	Payroll taxes		\$	17,587
29	Real and personal property taxes		\$	3,172
30	Income taxes		\$	-
31	Sales taxes		\$	-
32	Notes payable (short term)		\$	-
33	Accounts payable (trade)	A	\$	336,211
34	Real property lease arrearage		\$	-
35	Personal property lease arrearage		\$	-
36	Accrued professional fees		\$	1,296,825
37	Current portion of long-term post-petition debt (due within 12 months)		\$	-
38	Other:		\$	-
39	Accrued Employee Health Insurance		\$	22,180
40			\$	-
41	<b>Total Current Liabilities</b>		\$	1,675,976
42	<b>Long-Term Post-Petition Debt, Net of Current Portion</b>		\$	-
43	<b>Total Post-Petition Liabilities</b>		\$	1,675,976

**Pre-Petition Liabilities (allowed amount)**

44	Secured claims <sup>(2), (3)</sup>	F	\$	81,389,287
45	Priority unsecured claims	F	\$	154,189
46	General unsecured claims	F	\$	60,382,208
47	<b>Total Pre-Petition Liabilities</b>		\$	141,925,684
48	<b>Total Liabilities</b>		\$	143,601,660

**Net Assets <sup>(4,5)</sup>**

49	Unrestricted Net Assets		\$	(17,271,976)
50	Temporarily Restricted		\$	11,929,406
51	Permanently Restricted		\$	15,349,000
52	Cancellation of Debt		\$	(56,393,090)
53	<b>Total Net Assets</b>		\$	(46,386,660)
54	<b>Total Liabilities and Net Assets</b>		\$	97,215,000

(1) As noted, the UCSD Sale closed on January 31, 2012. On that date, the Debtor ceased operations and separated from its remaining employees. In addition, UCSD hired certain of the Debtor's former employees, and assumed certain of the liabilities associated with those employees. To account for this change, the Debtor wrote off all payroll and employee-related liabilities, except for accrued payroll taxes and employee-related health insurance payments that will not be paid until February 2012. As such, the current liabilities listed hereon consist of postpetition trade payables and accrued professional fees.

(2) This amount reflects the total amount of secured claims, without taking into account the value of the collateral securing the claims.

(3) The \$18,000,000 in cash consideration paid by UCSD upon the closing of the UCSD sale was transferred to the agent for the Debtor's prepetition secured lenders (the "Lenders"), in partial satisfaction of the Lenders' secured claims against the estate. The balance above represents the remaining amount of the secured claims asserted against the Debtor's estate. It is expected that the remaining secured claims against the Debtor's estate will be resolved under the Debtor's plan of reorganization.

(4) In January 2012, donors made restricted donations of \$5,000,000 to the Debtor pursuant to the *Order Granting Debtor's Motion Pursuant to Bankruptcy Code Sections 105(a), 363(b) and 363(c) for Order Authorizing the Deposit of Donor-Restricted Donations Into Escrow Account* [Docket No. 141] for the express charitable purpose of helping to fund the Debtor's philanthropic commitment to UCSD. The Debtor is not in receipt of these donations; the funds were deposited directly into an escrow account. The total donations escrowed prior to the closing of the UCSD sale was approximately \$7,670,000. A portion of these escrowed donations were used to satisfy a portion of the Debtor's philanthropic commitment to UCSD upon the closing UCSD Sale on January 31, 2012. On the Balance Sheet, these donations are debited to Cash and Cash Equivalents - restricted and credited to Temporarily Restricted assets; as such these donations are not included on and do not impact the Statement of Operations or the Statement of Cash Flows.

(5) The negative Unrestricted Net Asset balance represents the assets sold to UCSD for less than book value.

**SCHEDULES TO THE BALANCE SHEET**  
(General Business Case)

**Schedule A**

**Accounts Receivable and (Net) Payable**

<b>Receivables and Payables Agings</b>	<b>Accounts Receivable</b> <u>[Pre and Post Petition]</u>	<b>Accounts Payable</b> <u>[Post Petition]</u>	<b>Past Due</b> <u>Post Petition Debt</u>
0 -30 Days	\$ 1,206,971	\$ 192,985	
31-60 Days	\$ 312,495	\$ 143,226	
61-90 Days	\$ 202,669	\$ -	\$ 143,226
91+ Days	\$ 629,877	\$ -	
Total accounts receivable/payable	<u>\$ 2,352,012</u>	<u>\$ 336,211</u>	
Allowance for doubtful accounts	\$ 246,483		
Grant & CTO Receivables	\$ 930,000		
Pledge Receivables	\$ 1,756,000		
Other Receivables, net	\$ 1,271,000		
Accounts receivable (net)	<u>\$ 6,062,529</u>		

**Schedule B**

**Inventory/Cost of Goods Sold**

<u>Types and Amount of Inventory(ies)</u>	<u>Inventory(ies)</u> <u>Balance at</u> <u>End of Month</u>	<u>Cost of Goods Sold</u>  <u>Inventory Beginning of Month</u>	492,021
		Add -	
Retail/Restaurants -		Net purchase	1,117,442
Product for resale	-	Direct labor	-
		Manufacturing overhead	-
Distribution -		Freight in	-
Products for resale	-	Other:	-
Manufacturer -			
Raw Materials	-		
Work-in-progress	-	Less -	
Finished goods	-	Inventory End of Month	-
		Shrinkage	-
Other - Explain	-	Buyer Use <sup>(1)</sup>	544,728
Medical drugs		Sale of Inventory, at MV <sup>(2)</sup>	471,178
		Cost of Goods Sold	<u>593,558</u>
<u>TOTAL</u>	<u>\$0</u>		

**Method of Inventory Control**

Do you have a functioning perpetual inventory system?

Yes X No \_\_\_\_\_

How often do you take a complete physical inventory?

Weekly \_\_\_\_\_  
 Monthly \_\_\_\_\_  
 Quarterly \_\_\_\_\_  
 Semi-annually \_\_\_\_\_  
 Annually X

Date of last physical inventory was \_\_\_\_\_ 1/31/2012 0:00

Date of next physical inventory is \_\_\_\_\_ N/A

**Inventory Valuation Methods**

Indicate by a checkmark method of inventory used.

Valuation methods -

FIFO cost X  
 LIFO cost \_\_\_\_\_  
 Lower of cost or market \_\_\_\_\_  
 Retail method \_\_\_\_\_  
 Other \_\_\_\_\_  
 Explain \_\_\_\_\_

(1) On January 31, 2012, in conjunction with the closing of the UCSD Sale, UCSD transferred \$544,728 to the Debtor for the purchase of inventory from Oncology Supply for use in February of 2012 to ensure that patient care at the outpatient cancer treatment facility the Debtor sold to UCSD would not be disrupted during the transition in ownership.

(2) The Debtor sold its ending inventory balance to UCSD in conjunction with the closing of the UCSD Sale.

**Schedule C  
Real Property**

Description	<u>Cost</u>	<u>Net Book Value</u> <sup>(1,3)</sup>
Building	\$ 54,961,500	\$ 42,006,267
Land	\$ 19,272,175	\$ 19,272,175
<b>Total</b>	<b>\$ 74,233,675</b>	<b>\$ 61,278,442</b>

**Schedule D  
Other Depreciable Assets**

Description	<u>Cost</u>	<u>Net Book Value</u> <sup>(2,3)</sup>
Machinery & Equipment -		
Research	\$ 112,140	\$ 85,707
<b>Total</b>	<b>\$ 112,140</b>	<b>\$ 85,707</b>

Furniture & Fixtures -		
Furniture/Fixtures	\$ 1,153,625	\$ 881,699
<b>Total</b>	<b>\$ 1,153,625</b>	<b>\$ 881,699</b>

Office Equipment -		
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

Leasehold Improvements -		
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

Vehicles -		
<b>Total</b>	<b>\$ -</b>	<b>\$ -</b>

(1) This is the net book value of the Debtor's real property and does not reflect the market value of the property. This real estate is highly specialized, subject to significant land use restrictions and is encumbered by secured claims, all of which makes it difficult to ascertain the market value, if any, for such property, particularly in the current economic climate.

(2) Based on the information available to the Debtor, the book value of these assets does not reflect the market value of such assets.

(3) On January 31, 2012, the Debtor completed an asset sale to UCSD; at which point a substantial amount of the Debtor's fixed assets were written off. The remaining fixed assets include the research building, land not included in the Asset Purchase Agreement ("APA") and furnitures/fixtures still possessed within the Debtor's research building. Accumulated Depreciation on the purchased assets was estimated at \$13 mm. Values above represent best estimates of acquired value, accumulated depreciation and net book value for the Debtor's remaining assets.

**Schedule E**  
**Aging of Post-Petition Taxes**  
(As of End of the Current Reporting Period)

Taxes Payable	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
<b>Federal</b>					
Income Tax Withholding	\$ -	\$ -	\$ -	\$ -	\$ -
FICA - Employee	\$ -	\$ -	\$ -	\$ -	\$ -
FICA - Employer <sup>(1)</sup>	\$ 17,587	\$ -	\$ -	\$ -	\$ 17,587
Unemployment (FUTA)	\$ -	\$ -	\$ -	\$ -	\$ -
Income	\$ -	\$ -	\$ -	\$ -	\$ -
Other (Attach List)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Federal Taxes</b>	<b>\$ 17,587</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 17,587</b>
<b>State and Local</b>					
Income Tax Withholding	\$ -	\$ -	\$ -	\$ -	\$ -
Unemployment (UT)	\$ -	\$ -	\$ -	\$ -	\$ -
Disability Insurance (DI)	\$ -	\$ -	\$ -	\$ -	\$ -
Empl. Training Tax (ETT)	\$ -	\$ -	\$ -	\$ -	\$ -
Sales	\$ -	\$ -	\$ -	\$ -	\$ -
Excise	\$ -	\$ -	\$ -	\$ -	\$ -
Real property	\$ 3,172	\$ -	\$ -	\$ -	\$ 3,172
Personal property	\$ -	\$ -	\$ -	\$ -	\$ -
Income	\$ -	\$ -	\$ -	\$ -	\$ -
Other (Attach List)	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total State &amp; Local Taxes</b>	<b>\$ 3,172</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,172</b>
<b>Total Taxes</b>	<b>\$ 20,759</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 20,759</b>

**Schedule F**  
**Pre-Petition Liabilities**

<u>List Total Claims For Each Classification -</u>	<u>Claimed Amount</u>	<u>Allowed Amount<sup>(2)</sup></u>
Secured claims (a) <sup>(3),(4)</sup>	\$ 81,389,287	N/A
Priority claims other than taxes	\$ 99,325	N/A
Priority tax claims	\$ 54,864	N/A
General unsecured claims	\$ 60,382,208	N/A

**Schedule G**  
**Rental Income Information**  
Not applicable to General Business Cases

**Schedule H**  
**Recapitulation of Funds Held at End of Month**

	<u>Account 1</u>	<u>Account 2</u>	<u>Account 3</u>	<u>Account 4</u>
Bank	Bank of America	Bank of America	Bank of America	Bank of America
Account Type	DIP Checking	DIP Checking	DIP	DIP
Account No.	5010-1263-2606	5010-1263-2680	5010-1263-2664	5010-1263-2693
Account Purpose	Operating	Employee Benefit	UMC	Federal
Balance, End of Month	\$ 1,117,624	\$ 14,442	\$ 3,541	\$ -
	<u>Account 5</u>	<u>Account 6<sup>(5)</sup></u>	<u>Account 7<sup>(6)</sup></u>	<u>Account 8<sup>(6)</sup></u>
Bank	Bank of America	Bank of America	Bank of America	Bank of America
Account Type	DIP	Pre Petition Operating	Trust Fund	Trust Fund
Account No.	5010-1263-2648	0049-6184-4660	5010-1096-6248	5010-1095-9909
Account Purpose	Merchant Services	Pre Petition Operating	Restricted Cash	Patient Cares Committee
Balance, End of Month	\$ 6,485	\$ -	\$ 798,223	\$ -
Total Funds on Hand for all Accounts	<u>\$ 1,940,314</u>			

(1) Refer to Schedule J.

(2) The general deadline for filing proofs of claim against the Debtor was January 30, 2012. The Debtor is in the process of analyzing the claims filed in its case.

(3) This amount reflects the total amount of secured claims, without taking into account the value of the collateral securing the claims.

(4) The \$18,000,000 in cash consideration paid by UCSD upon the closing of the UCSD sale was transferred to the agent for the Debtor's prepetition secured lenders (the "Lenders"), in partial satisfaction of the Lenders' secured claims against the estate. The balance above represents the remaining amount of the secured claims asserted against the Debtor's estate. It is expected that the remaining secured claims against the Debtor's estate will be resolved under the Debtor's plan of reorganization.

(5) In connection with its chapter 11 filing, the Debtor requested that Bank of America close this account in accordance with the Guidelines and opened a new debtor-in-possession operating account. Bank of America asserts that there is a negative balance of \$2,936 in this account and that it cannot close the account until the Debtor repays such negative balance. The Debtor disputes this contention, and is continuing its efforts to close this account in compliance with the Guidelines.

(6) The Debtor has maintained these prepetition accounts pursuant to the *Final Order Granting Debtor's Emergency Motion Pursuant to Local Bankruptcy Rule 4001(e) for Order Authorizing Maintenance of Certain Prepetition Bank Accounts and Related Relief*. See Docket No. 285. These accounts have been converted to debtor-in-possession accounts that satisfy the requirements of Bankruptcy Code section 345.

Attach copies of the month end bank statement(s), reconciliation(s), and the check register(s) to the Monthly Operating Report.

**STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS <sup>(1)</sup>**

Increase/(Decrease) in Cash and Cash Equivalents

For the Month Ended 01/31/12

	Actual <u>Current Month</u>	Cumulative <u>(Case to Date)</u>
<b>Cash Receipts</b>		
1 Rent/Leases Collected	-	194,000
2 Cash Received from Sales	1,330,811	2,591,006
3 Interest Received	-	-
4 Borrowings	-	-
5 Funds from Shareholders, Partners, or Other Insiders	-	-
6 <u>Payment from UCSD for the Purchase of Medical Supplies</u>	544,728	544,728
7 <u>Grants/CTO</u>	84,355	165,355
8 <u>Pledge Payments/Donations</u>	225,075	-
9 <u>Other Cash Receipts</u>	63,126	-
10 <b>Total Cash Receipts</b>	<u>2,248,095</u>	<u>4,583,291</u>
<b>Cash Disbursements</b>		
12 Payments for Inventory	1,005,728	1,555,728
13 Selling	-	-
14 Administrative	-	-
15 Capital Expenditures	-	-
16 Principal Payments on Debt	-	-
17 Interest Paid	-	-
18 Rent/Lease:		
19     Personal Property	10,938	174,713
20     Real Property	-	-
21 Amount Paid to Owner(s)/Officer(s)		
22     Salaries	19,116	19,116
23     Draws	-	-
24     Commissions/Royalties	-	-
25     Expense Reimbursements	-	-
26     Other	-	-
27 Salaries/Commissions (less employee withholding)	776,739	1,509,863
28 Management Fees	-	-
29 Taxes:		
30     Employee Withholding	290,185	492,969
31     Employer Payroll Taxes	133,328	183,696
32     Real Property Taxes	-	-
33     Other Taxes	-	348
34 Other Cash Outflows:		
35 <u>Closing Costs (UCSD Sale)</u>	941,760	941,760
36 <u>Insurance</u>	-	42,887
37 <u>Other Payments</u>	358,321	393,087
38 <u>401k /403b</u>	56,956	82,380
39 <b>Total Cash Disbursements:</b>	<u>3,593,071</u>	<u>5,396,546</u>
40 <b>Net Increase (Decrease) in Cash</b>	<u>(1,344,976)</u>	<u>(813,256)</u>
41 <b>Cash Balance, Beginning of Period</b>	<u>2,915,000</u>	<u>2,383,280</u>
42 <b>Cash Balance, End of Period</b>	<u>1,570,024</u>	<u>4,485,024</u>

(1) In January 2012, donors made restricted donations of \$5,000,000 to the Debtor pursuant to the *Order Granting Debtor's Motion Pursuant to Bankruptcy Code Sections 105(a), 363(b) and 363(c) for Order Authorizing the Deposit of Donor-Restricted Donations Into Escrow Account* [Docket No. 141] for the express charitable purpose of helping to fund the Debtor's philanthropic commitment to UCSD. The Debtor is not in receipt of these donations; the funds were deposited directly into an escrow account. The total donations escrowed prior to the closing of the UCSD sale was approximately \$7,670,000. A portion of these escrowed donations were used to satisfy a portion of the Debtor's philanthropic commitment to UCSD upon the closing UCSD Sale on January 31, 2012. On the Balance Sheet, these donations are debited to Cash and Cash Equivalents - restricted and credited to Temporarily Restricted assets; as such these donations are not included on and do not impact the Statement of Operations or the Statement of Cash Flows.



**STATEMENT OF CASH FLOWS <sup>(1)</sup>**  
**(Optional) Increase/(Decrease) in Cash and Cash Equivalents**  
**For the Month Ended 01/31/12**

	<b>Actual Current Month</b>	<b>Cumulative (Case to Date)</b>
<b>Cash Flows From Operating Activities</b>		
1 Cash Received from Sales	\$ 1,330,811	\$ 2,591,006
2 Rent/Leases Collected	\$ -	\$ 194,000
3 Misc Revenue	\$ -	\$ -
4 Grants / CTO	\$ 84,355	\$ 165,355
5 Pledge Payments/Donations	\$ 225,075	\$ 1,025,075
6 Interest Received	\$ -	\$ -
7 Cash Paid to Suppliers	\$ 1,005,728	\$ 1,005,728
8 Cash Paid for Selling Expenses	\$ -	\$ 550,000
9 Cash Paid for Administrative Expenses	\$ -	\$ -
10 Cash Paid for Rents/Leases:		
11 Personal Property	\$ 10,938	\$ 174,713
12 Real Property	\$ -	\$ -
13 Cash Paid for Interest	\$ -	\$ -
14 Cash Paid for Net Payroll and Benefits	\$ 776,739	\$ 1,509,863
15 Cash Paid to Owner(s)/Officer(s)		
16 Salaries	\$ 19,116	\$ 19,116
17 Draws	\$ -	\$ -
18 Commissions/Royalties	\$ -	\$ -
19 Expense Reimbursements	\$ -	\$ -
20 Other	\$ -	\$ -
21 Cash Paid for Taxes Paid/Deposited to Tax Acct.		
22 Employer Payroll Tax	\$ 133,328	\$ 183,696
23 Employee Withholdings	\$ 290,185	\$ 492,969
24 Real Property Taxes	\$ -	\$ -
25 Other Taxes	\$ -	\$ 348
26 Cash Paid for General Expenses	\$ -	\$ 34,765
27 Endowment	\$ -	\$ -
28 Insurance	\$ -	\$ 42,887
29 401k/403b	\$ 56,956	\$ 82,380
30 Other Outflows	\$ 358,321	\$ 358,321
31 Other Inflows	\$ 63,126	\$ 63,126
32 <b>Net Cash Provided (Used) by Operating Activities before Reorganization Items</b>	<b>\$ (947,944)</b>	<b>\$ (416,223)</b>
33 <b>Cash Flows From Reorganization Items</b>		
34 Interest Received on Cash Accumulated Due to Chp 11 Case	\$ -	\$ -
35 Professional Fees Paid for Services in Connection with Chp 11 Case	\$ -	\$ -
36 U.S. Trustee Quarterly Fees	\$ -	\$ -
37 Payment from UCSD for the Purchase of Medical Supplies	\$ (544,728)	\$ (544,728)
38 Closing Costs (UCSD Sale)	\$ 941,760	\$ 941,760
39 <b>Net Cash Provided (Used) by Reorganization Items</b>	<b>\$ (397,032)</b>	<b>\$ (397,032)</b>
40 <b>Net Cash Provided (Used) for Operating Activities and Reorganization Items</b>	<b>\$ (1,344,976)</b>	<b>\$ (813,255)</b>
41 <b>Cash Flows From Investing Activities</b>		
42 Capital Expenditures	\$ -	\$ -
43 Proceeds from Sales of Capital Goods due to Chp 11 Case	\$ 18,000,000	\$ 18,000,000
44		
45 <b>Net Cash Provided (Used) by Investing Activities</b>	<b>\$ 18,000,000</b>	<b>\$ 18,000,000</b>
46 <b>Cash Flows From Financing Activities</b>		
47 Net Borrowings (Except Insiders)	\$ -	\$ -
48 Net Borrowings from Shareholders, Partners, or Other Insiders	\$ -	\$ -
49 Principal Payments	\$ 18,000,000	\$ 18,000,000
50 Restricted Contributions/Investment Income received	\$ -	\$ -
51 <b>Net Cash Provided (Used) by Financing Activities</b>	<b>\$ (18,000,000)</b>	<b>\$ (18,000,000)</b>
52 <b>Net Increase (Decrease) in Cash and Cash Equivalents</b>	<b>\$ (1,344,976)</b>	<b>\$ (813,255)</b>
53 <b>Cash and Cash Equivalents at Beginning of Month</b>	<b>\$ 2,915,000</b>	<b>\$ 5,298,280</b>
54 <b>Cash and Cash Equivalents at End of Month</b>	<b>\$ 1,570,024</b>	<b>\$ 4,485,024</b>

(1) In January 2012, donors made restricted donations of \$5,000,000 to the Debtor pursuant to the *Order Granting Debtor's Motion Pursuant to Bankruptcy Code Sections 105(a), 363(b) and 363(c) for Order Authorizing the Deposit of Donor-Restricted Donations Into Escrow Account* [Docket No. 141] for the express charitable purpose of helping to fund the Debtor's philanthropic commitment to UCSD. The Debtor is not in receipt of these donations; the funds were deposited directly into an escrow account. The total donations escrowed prior to the closing of the UCSD sale was approximately \$7,670,000. A portion of these escrowed donations were used to satisfy a portion of the Debtor's philanthropic commitment to UCSD upon the closing USCD Sale on January 31, 2012. On the Balance Sheet, these donations are debited to Cash and Cash Equivalents - restricted and credited to Temporarily Restricted assets; as such these donations are not included on and do not impact the Statement of Operations or the Statement of Cash Flows.

As of January 31, 2012

In re: Nevada Cancer Institute, Case No. 2:11-bk-28676 (MKN)

Schedule I - Payments to Insiders

Nevada Cancer Institute

<b>Payee/Insider</b>	<b>Date Paid</b>	<b>Amount Paid-Gross</b>	<b>Amount Paid-Net</b>	<b>Reason</b>
Kestner, Julie	1/15/2012	\$ 6,305.97	\$ 3,177.51	Payroll
Kestner, Julie	1/30/2012	\$ 6,305.97	\$ 3,177.51	Payroll
Kestner, Julie	1/31/2012	\$ 17,517.95	\$ 8,829.65	Severance/PTO Payout/Stub Payroll
Madar, Lisa	1/15/2012	\$ 2,806.71	\$ 1,965.59	Payroll
Madar, Lisa	1/30/2012	\$ 2,806.71	\$ 1,965.59	Payroll
<b>Total</b>		<b>\$ 35,743.31</b>	<b>\$ 19,115.85</b>	

As of January 31, 2012

In re: Nevada Cancer Institute, Case No. 2:11-bk-28676 (MKN)

Schedule J - Tax Reporting

Nevada Cancer Institute

**Tax Reporting**

- Tax Form 990 for 2010 has not been filed as of 1/31/2012.

- The Debtor utilizes a third party payroll company, Paychex, Inc., to process its payroll and file its employer tax returns (Tax Form 941).

The tax returns filed by Paychex for the second and third quarter of 2011 contained errors, and must be revised and re-filed by Paychex.

The Debtor received refunds totaling \$17,587 from these returns, which refunds may have to be returned to the IRS after the corrected returns are prepared and submitted.

- Tax Form 941 Q4 Filed

- Amended Tax Form 941 for Q2 and Q3 are still open.

As of January 31, 2012

In re: Nevada Cancer Institute, Case No. 2:11-bk-28676 (MKN)

Schedule K - Budget to Actuals Variance Explanations

Nevada Cancer Institute

Current Month - December, 2011					
	Actual	Forecast	Variance	% Variance	Variance Explanation
Cost of Good Sold	\$593,558	\$278,571	\$314,987	113%	Original Budget was based off of a January 20th expected close; thus lower anticipated COGS.
Interest	\$1,443	\$0	\$1,443	0%	Immaterial balance.
Grants/Pharm Contracts	\$284,000	\$0	\$284,000	0%	Based on historical projections; difficult to estimate with precision.
UMC Revenue	\$130,447	\$0	\$130,447	0%	Based on historical projections; difficult to estimate with precision.
Other Revenue	\$65,110	\$114,714	(\$49,604)	-43%	Based on historical projections; difficult to estimate with precision.
Release from restrictions for Operations/Development	\$54,000	\$0	\$54,000	0%	Based on historical projections; difficult to estimate with precision.
Total Revenues	\$1,085,442	\$954,000	\$131,442	14%	Due to the inability to accurately estimate an unpredictable revenue stream.
Compensation to Owner(s)/Officer(s)	\$18,225	\$0	\$18,225	0%	Immaterial balance
Salaries	\$992,003	\$188,000	\$804,003	428%	Original Budget was based off of a January 20th expected close and fewer working days and employees; additionally severance payments were not included.
Contract Labor/Professional Services	\$84,749	\$0	\$84,749	0%	Original Budget was based off of a January 20th expected close and less need for contract labor/professional services.
Rent Expense: Personal Property	\$193,000	\$0	\$193,000	0%	Under budgeted.
Insurance	\$47,110	\$0	\$47,110	0%	Immaterial balance.
Real Property Taxes	\$11,035	\$0	\$11,035	0%	Immaterial balance.
Interest/Debt Service	\$257,000	\$0	\$257,000	0%	Continued to accrue for Debt Service payments despite negotiations for payments to secured creditors.
Employee - Fringe Benefits	\$145,989	\$5,571	\$140,418	2521%	Immaterial balance.
Bad Debt Expense	(\$46,000)	\$21,250	(\$67,250)	-316%	Estimate based on historical collection rates
Total Expenses	\$2,989,406	\$1,044,035	\$1,945,372	186%	Explained by line item above.
Subtotal	(\$1,903,964)	(\$90,034)	(\$1,813,930)	2015%	Explained by line item above.
Professional Fees	(\$535,536)	(\$861,786)	\$326,250	-38%	Over accrued for in budget.
Gain or (Loss) from Sale of Equipment	(\$47,137,000)	\$0	(\$47,137,000)	0%	Did not include the loss on sale in Budget.
U.S. Trustee Quarterly Fees	(\$6,500)	\$0	(\$6,500)	0%	Timing issue: Budgeted expense in December of 2011; actual expense in January of 2012.
Total Reorganization Items	(\$47,679,036)	(\$861,786)	(\$46,817,250)	5433%	Explained by line item above.
Net Profit (Loss) Before Federal & State Taxes	(\$49,583,000)	(\$951,820)	(\$48,631,180)	5109%	Explained by line item above.
Net Profit (Loss)	(\$49,583,000)	(\$951,820)	(\$48,631,180)	5109%	Explained by line item above.



## Fax Cover Sheet

---

**From:**

Name: Mierez, Gretchen R.  
Fax Number:  
Office Number:

**To:**

Name: Mr Kraus  
Company:  
Fax Number: 4155209577  
Office Number:

Fax Notes:

---

---

Date and time of the transmission: Thursday, February 02, 2012 2:16:34 PM

Number of pages including cover sheet: 05

---

The information contained in this FAX message is intended only for the confidential use of the designated recipient named above. This message may contain contractual and proprietary information and as such is private and confidential. If you are not the intended recipient or an agent responsible for delivering it to the intended recipient, you are hereby notified that you have received this document in error, and that any review, dissemination, distribution or copying of this message is strictly prohibited. If you have received this communication in error, please notify us immediately by telephone and return the message to us by mail.



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

Page 1 of 3  
 Statement Period  
 01/01/12 through 01/31/12  
 E0 P PA 0A 45 0095842  
 Enclosures 0  
 Account Number 5010 1263 2664

01336 001 SCM999 0

NEVADA CANCER INSTITUTE  
 UMC LOCATION  
 DEBTOR IN POSSESSION CASE 11-28676  
 1 BREAKTHROUGH WAY  
 LAS VEGAS, NV 89135-3011

**Customer Service Information**  
[www.bankofamerica.com](http://www.bankofamerica.com)

<p>For additional information or service, you may call:   1.888.400.9009</p>	<p>Or you may write to:   Bank of America, N.A.                  P.O. Box 25118                  Tampa, FL 33622-5118</p>
---	--

**Deposit Accounts**

**Full Analysis Business Checking**

NEVADA CANCER INSTITUTE UMC LOCATION  
 DEBTOR IN POSSESSION CASE 11-28676

**Your Account at a Glance**

Account Number	5010 1263 2664	Statement Beginning Balance	\$2,798.30
Statement Period	01/01/12 through 01/31/12	Amount of Deposits/Credits	\$787.24
Number of Deposits/Credits	8	Amount of Withdrawals/Debits	\$44.91
Number of Withdrawals/Debits	1	Statement Ending Balance	\$3,540.63
Number of Days in Cycle	31	Average Ledger Balance	\$2,889.10
		Service Charge	\$0.00

**Deposits and Credits**

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
01/09		25.00	BankCard Des:Merch Set1 ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902509006456764
01/17		25.00	BankCard Des:Merch Set1 ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902517006050273

NEVADA CANCER INSTITUTE  
 UMC LOCATION  
 DEBTOR IN POSSESSION CASE 11-28676

Page 2 of 3  
 Statement Period  
 01/01/12 through 01/31/12  
 E0 P PA 0A 45  
 Enclosures 0  
 Account Number 5010 1263 2664

**Deposits and Credits - Continued**

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
01/25		300.00	BankCard Des:Merch Setl ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902525007122986
01/26		75.00	BankCard Des:Merch Setl ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902526002016414
01/27		60.00	BankCard Des:Merch Setl ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902527006805209
01/30		15.00	BankCard Des:Merch Setl ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902530002514770
01/31		15.00	Counter Credit	813002250523290
01/31		272.24	Counter Credit	813002250523135

**Withdrawals and Debits**

**Other Debits**

Date Posted	Customer Reference	Amount (\$)	Description	Bank Reference
01/03		44.91	BankCard Des:Merch Fees ID:192708190019213 Indn:Nevada Cancer Inst Umc Co ID:1210001927 Ccd	902503008043000

**Daily Ledger Balances**

Date	Balance (\$)	Date	Balance (\$)	Date	Balance (\$)
01/01	2,798.30	01/17	2,803.39	01/27	3,238.39
01/03	2,753.39	01/25	3,103.39	01/30	3,253.39
01/09	2,778.39	01/26	3,178.39	01/31	3,540.63

### How To Balance Your Bank of America Account

**FIRST, start with your Account Register/Checkbook:**

- 1. List your Account Register/Checkbook Balance here ..... \$ \_\_\_\_\_
- 2. Subtract any service charges or other deductions not previously recorded that are listed on this statement ..... \$ \_\_\_\_\_
- 3. Add any credits not previously recorded that are listed on this statement (for example interest) ..... \$ \_\_\_\_\_
- 4. This is your NEW ACCOUNT REGISTER BALANCE ..... \$ \_\_\_\_\_

**NOW, with your Account Statement:**

- 1. List your Statement Ending Balance here ..... \$ \_\_\_\_\_
- 2. Add any deposits not shown on this statement ..... \$ \_\_\_\_\_

**SUBTOTAL** ..... \$ \_\_\_\_\_

- 3. List and total all outstanding checks, ATM, Check Card and other electronic withdrawals

Checks, ATM, Check Card, Electronic Withdrawals		Checks, ATM, Check Card, Electronic Withdrawals		Checks, ATM, Check Card, Electronic Withdrawals	
Date/Check #	Amount	Date/Check #	Amount	Date/Check #	Amount

- 4. TOTAL OF OUTSTANDING CHECKS, ATM, Check Card and other electronic withdrawals ..... \$ \_\_\_\_\_
- 5. Subtract total outstanding checks, ATM, Check Card and other electronic withdrawals from Subtotal  
This Balance should match your new Account Register Balance ..... \$ \_\_\_\_\_

Upon receipt of your statement, differences, if any, should be reported to the bank promptly in writing and in accordance with provisions in your deposit agreement.

### IMPORTANT INFORMATION FOR BANK DEPOSIT ACCOUNTS

**Change of Address.** Please call us at the telephone number listed on the front of this statement to tell us about a change of address.

**Deposit Agreement.** When you opened your account, you received a deposit agreement and fee schedule and agreed that your account would be governed by the terms of these documents, as we may amend them from time to time. These documents are part of the contract for your deposit account and govern all transactions relating to your account, including all deposits and withdrawals. Copies of both the deposit agreement and fee schedule, which contain the current version of the terms and conditions of your account relationship, may be obtained at our banking centers.

**Electronic Transfers: In case of errors or questions about your electronic transfers**  
 If you think your statement or receipt is wrong or if you need more information about an electronic transfer (e.g., ATM transactions, direct deposits or withdrawals, point-of-sale transactions) on the statement or receipt, telephone or write us at the address and number listed on the front of this statement as soon as you can. We must hear from you no later than 60 days after we sent you the FIRST statement on which the error or problem appeared.

- \* Tell us your name and account number.
- \* Describe the error or the transfer you are unsure about, and explain as clearly as you can why you believe there is an error or why you need more information.
- \* Tell us the dollar amount of the suspected error.

For consumer accounts used primarily for personal, family or household purposes, we will investigate your complaint and will correct any error promptly. If we take more than 10 business days (10 calendar days if you are a Massachusetts customer) (20 business days if you are a new customer, for electronic transfers occurring during the first 30 days after the first deposit is made to your account) to do this, we will recredit your account for the amount you think is in error, so that you will have use of the money during the time it takes us to complete our investigation.

For other accounts, we investigate, and if we find we have made an error, we credit your account at the conclusion of our investigation.

**Reporting Other Problems.** You must examine your statement carefully and promptly. You are in the best position to discover errors and unauthorized transactions on your account. If you fail to notify us in writing of suspected problems or unauthorized transactions within the time periods specified in the deposit agreement (which periods are no more than 60 days after we make the statement available to you and in some cases are 30 days or less), we are not liable to you for, and you agree not to make a claim against us for the problems or unauthorized transactions.

**Direct Deposits.** If you have arranged to have direct deposits made to your account at least once every 60 days from the same person or company, you may call us at the telephone number listed on the front of this statement to find out if the deposit was made as scheduled.



