

**UNITED STATES BANKRUPTCY COURT
DISTRICT OF Delaware**

In re Point Blank Solutions, Inc.

Case No. 10-11255, 10-11257, 10-11258, 10-11259
Reporting Period: February 2011

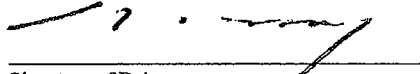
MONTHLY OPERATING REPORT

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.

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

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.



Signature of Debtor

03/21/2011

Date

Signature of Joint Debtor

Date

Signature of Authorized Individual*

Date

William Nanovsky

Printed Name of Authorized Individual

CFO

Title of Authorized Individual

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.



March 21, 2011

Office of the United States Trustee

Subject: Attestation Regard Bank Account Reconciliations

The debtor, Point Blank Solutions, Inc. and its subsidiaries, hereby submits this attestation regarding bank account reconciliations in lieu of providing copies of bank statements and copies of all account reconciliations.

The debtor has, on a timely basis, performed all bank account reconciliation in the ordinary course of its business. Copies of bank account statements and reconciliations are available for inspection upon request by the United States Trustee's Office.

A handwritten signature in black ink, appearing to read 'William T. Nanovsky', is written over a horizontal line.

Name: William T. Nanovsky
Position: Chief Financial Officer

Sworn to and Subscribed
before me on this 21st
day of March, 2011.

A handwritten signature in black ink, appearing to read 'Maryan F. Gallagher', is written over a horizontal line.
Notary Public

My Commission Expires: 9/8/2014

NOTARY PUBLIC-STATE OF FLORIDA
Maryan F. Gallagher
Commission # EE024128
Expires: SEP. 08, 2014
BONDED THRU ATLANTIC BONDING CO., INC.

Nationwide 800-413-5155
Phone 954-630-0900
Fax 954-630-9225

2102 SW 2nd Street • Pompano Beach, FL 33069 • www.pointblanksolutionsinc.com




March 21, 2011

Office of the United States Trustee

Subject: Attestation of Regard Post-Petition Taxes

The debtor, Point Blank Solutions, Inc. and its subsidiaries, hereby submits this attestation regarding post-petition taxes.

All post-petition taxes for the debtor, which are not subject to dispute or reconciliation, are current. There are no material tax disputes or reconciliations.



Name: William T. Nanovsky
Position: Chief Financial Officer

Sworn to and Subscribed
before me on this 21st
day of March, 2011.



Notary Public

My Commission Expires: 9/8/2014

NOTARY PUBLIC-STATE OF FLORIDA
Maryan F. Gallagher
Commission # EE024128
Expires: SEP. 08, 2014
BONDED THRU ATLANTIC BONDING CO., INC.

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Point Blank Solutions, Inc.
Consolidated Cash Receipts and Disbursements
For the month ended February 28, 2011

<u>Cash Receipts</u>	<u>Consolidated Total</u>
Cash Sales	\$ -
Accounts Receivable	6,543,915
Other Cash Collections	-
Interest Income	1,895
Transfers from DIP Account	-
Total Receipts	\$ 6,545,810

<u>Case Number</u>	<u>Consolidated Total</u>	<u>10-11255</u>	<u>10-11257</u>	<u>10-11259</u>
<u>Operating Disbursements</u>		<u>PBSI</u>	<u>PBBA</u>	<u>PACA</u>
Materials	\$ 4,965,838	\$ 14,206	\$ 4,406,081	\$ 545,552
Subcontractors	347,741	-	254,131	93,610
Payroll (1)	2,048,968	811,912	963,473	273,583
Insurance	281,556	279,764	1,254	538
Rent & Lease Payments	608,753	152,247	456,507	-
Supplies	135,705	28,184	80,808	26,712
Utilities	47,975	17,999	16,452	13,525
Freight	52,402	986	38,422	12,994
Repair & Maintenance	49,498	596	45,569	3,333
Testing Fees	91,586	54,830	36,756	-
Professional Fees- Ordinary Course	166,598	158,361	8,238	-
Other (See detail - Schedule of Other)	271,130	208,405	62,110	615
Subtotal	9,067,751	1,727,489	6,369,801	970,460

<u>Non-Operating Disbursements</u>				
DIP Interest & Fees	911,832	599,679	312,153	-
Cash Sweep to DIP financing	-	-	-	-
Other Disbursements	16,757	16,757	-	-
Board Fees & Expenses	-	-	-	-
CapEx	43,173	-	43,173	-
Subtotal	971,762	616,436	355,326	-

<u>Bankruptcy-Related Items</u>				
Debtor Professional Fees	1,572,760	1,572,760	-	-
Critical Vendor Payments	-	-	-	-
EC Professional Fees	32,000	32,000	-	-
UCC Professional Fees	216,002	216,002	-	-
US Trustee	-	-	-	-
Utility Deposits	-	-	-	-
Subtotal	1,820,763	1,820,763	-	-

Total Disbursements	\$ 11,860,276	\$ 4,164,688	\$ 6,725,127	\$ 970,460
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Net Cash Flow for the Month of February 2011	\$ (5,314,466)
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Beginning Cash Balance as of 1-31-11 Balance Sheet	\$ 12,849,684
Change in cash during February 2011	\$ (5,314,466)
Ending Cash Balance as of 2-28-11 Balance Sheet	\$ 7,535,218

Mor 1a	\$ 7,535,218
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Notes:

(1) Payroll includes the actual weekly payroll payments and payments recorded in Accounts Payable

Point Blank Solutions, Inc.

**Consolidated Cash Receipts and Disbursements - Schedule of Other in the MTD Tab
For the month ended February 28, 2011**

Case Number		10-11255	10-11257	10-11259
Category	Payment Amount	PBSI	PBBA	PACA
Other - Annual Licensing Fee	\$ 52,667	\$ 3,808	\$ 48,860	\$ -
Other - Associations (trade shows)	25,965	25,965	-	-
Other - AST stock listing	1,224	1,224	-	-
Other - Bank analysis fees	-	-	-	-
Other - Commissions	105,947	100,947	5,000	-
Other - Conference	-	-	-	-
Other - Credit inquires	8,957	8,957	-	-
Other - Document Shredding	100	-	100	-
Other - Document Storage	1,376	1,376	-	-
Other - Employee parking	1,500	1,500	-	-
Other - Employee shuttle service	1,928	474	1,454	-
Other - Engineering Services	-	-	-	-
Other - GSA Fees	-	-	-	-
Other - Marketing and Advertising	33,094	31,834	1,260	-
Other - Pest Control	133	-	133	-
Other - Petty Cash	219	-	-	219
Other - Public Relations	26,813	26,813	-	-
Other - Recruiting	1,400	1,400	-	-
Other - Taxes	2,950	2,451	104	396
Other - Templates	4,806	-	4,806	-
Other - Teleconferencing services	155	155	-	-
Other - Testing witness	-	-	-	-
Other - Training	1,500	1,500	-	-
Other - Travel & Entertainment	-	-	-	-
Other - Waste Disposal	-	-	-	-
Other - Water	394	-	394	-
	<u>\$ 271,130</u>	<u>\$ 208,405</u>	<u>\$ 62,110</u>	<u>\$ 615</u>

Point Blank Solutions, Inc.
Schedule of Bank Accounts and Balances
For the month ended February 28, 2011

Note: All bank accounts have been reconciled for the period presented.

<u>Company</u>	<u>Case Number</u>	<u>Name of Bank</u>	<u>Account Name</u>	<u>Bank Account #</u>	<u>Book Balance</u>
PACA	10-11259	Regions	Operating Account	xxxxxx1876	\$ 11,900
PBSI	10-11255		Cash Securities		89
PBBA	10-11257		Petty Cash		2,244
PACA	10-11259		Petty Cash		500
PBBA		Regions Bank	Commercial Money Market	xxxxxx2208	5,001,151
PBBA		Regions Bank	Commercial Money Market	xxxxxx2216	1,500,744
PBBA	10-11257	Regions Bank	Lock Box	xxxxxx7360	-
PACA	10-11259	Regions Bank	Lock Box	xxxxxx7379	(5,137)
PBSI	10-11255	Regions Bank	Collection Account	xxxxxx7344	-
PBSI	10-11255	Regions Bank	Operating Account	xxxxxx7352	2,050,518
PBSI	10-11255	Regions Bank	Disbursement Account	xxxxxx7536	(979,168)
PBSI	10-11555	Regions Bank	Payroll Account	xxxxxx7544	(47,623)
				Total	\$ 7,535,218

Point Blank Solutions, Inc.
 Schedule of Professional Fees paid
 For the month ended February 28, 2011
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<u>Payee</u>	<u>Period</u>	<u>Amount Approved</u>
CRG PARTNERS GROUP LLC	February	\$ 237,635
EPIQ SYSTEMS	February	20,125
PACHULSKI STANG ZIEHL & JOES LLP	February	1,315,000
Total Debtor Professional Fees		<u><u>\$ 1,572,760</u></u>

<u>Payee</u>	<u>Period</u>	<u>Amount Approved</u>
BAYARD PA	February	\$ 25,237
MORRISON COHEN LLP	February	6,763
Total EC Professional Fees		<u><u>\$ 32,000</u></u>

<u>Payee</u>	<u>Period</u>	<u>Amount Approved</u>
ARENT FOX LLP	February	\$ 121,756
CBIZ ACCOUNTING TAX & ADVISORY OF N	February	81,182
ERIC J. ROSENBLOOM	February	8,500
THE ROSNER LAW GROUP, LLC	February	4,565
Total UCC Professional Fees		<u><u>\$ 216,002</u></u>

CONSOLIDATING STATEMENT OF OPERATIONS

POINT BLANK SOLUTIONS, INC
For the Month Ended February 28, 2011

	<i>PBSI Case # 10-11255</i>	<i>PBBA Case # 10-11257</i>	<i>PACA- Case #10-11259</i>	<i>ELIMINATION</i>	<i>TOTAL</i>
	<i>PBSS Case # 10-11258</i>				
Gross Sales					
Outside Sales	\$ -	\$ 6,321,803	\$ 1,226,537	\$ -	\$ 7,548,340
Less: Discounts, Returns, and Allowances	-	(2,134)	(2,269)	-	(4,403)
Net Sales	-	6,319,669	1,224,268	-	7,543,937
Cost of Goods Sold		5,619,374	1,038,694	-	6,658,068
Gross Profit	-	700,295	185,574	-	885,869
Selling and Marketing	478,533	693	12,003	-	491,229
Research and Development	270,709	-	6,539	-	277,248
General and Administrative	768,916	235,186	(31,075)	-	973,027
Total Operating Expenses	1,518,158	235,879	(12,533)	-	1,741,504
Operating Income Before Non-Recurring Expenses	(1,518,158)	464,416	198,107	-	(855,635)
Non-Recurring Expenses					
Reorganization Expenses	2,788,070	-	-	-	2,788,070
Non-Recurring Professional Fees	-	-	-	-	-
Legal Settlements and Investigations	94,220	-	-	-	94,220
Total Non-Recurring Expenses	2,882,290	-	-	-	2,882,290
Operating Income After Non-Recurring Expenses	(4,400,448)	464,416	198,107	-	(3,737,925)
Other Income and (Expense)					
Interest (Expense)	-	(100,694)	-	-	(100,694)
Interest and Other Income	14,922	449	(43)	-	15,328
Minority Interest	-	(1,468)	-	-	(1,468)
Total Other Income (Expense)	14,922	(101,713)	(43)	-	(86,834)
Pre-Tax Income (Loss)	(4,385,526)	362,703	198,064	-	(3,824,759)
Net Income (Loss)	\$ (2,880,313)	\$ 362,703	\$ 198,064	\$ -	\$ (2,319,546)

CONSOLIDATING BALANCE SHEET

POINT BLANK SOLUTIONS, INC
For the Month Ended February 28, 2011

	<i>PBSI Case # 10-11255</i>	<i>PBBA Case # 10-11257</i>	<i>PACA- Case #10-11259</i>	<i>ELIMINATION</i>	<i>TOTAL</i>
ASSETS					
Current Assets					
Cash	\$ 89	\$ 7,527,866	\$ 7,263	\$ -	\$ 7,535,218
Accounts Receivable - Trade	101,882	9,083,576	1,691,501	-	10,876,959
Allowance for Doubtful Accounts - Trade	<u>(30,352)</u>	<u>(241,623)</u>	<u>(10,853)</u>	<u>-</u>	<u>(282,828)</u>
Accounts Receivable, Net	71,530	8,841,953	1,680,648	-	10,594,131
Other Receivables	<u>2,957,935</u>	<u>510,544</u>	<u>-</u>	<u>-</u>	<u>3,468,479</u>
Other Receivables, Net	2,957,935	510,544	-	-	3,468,479
Inventories	9,639,619	14,935,571	2,738,727	-	27,313,917
Inventory Reserves	<u>(9,610,153)</u>	<u>(1,982,501)</u>	<u>(4,610)</u>	<u>-</u>	<u>(11,597,264)</u>
Inventories, Net	29,466	12,953,070	2,734,117	-	15,716,653
Prepaid Expenses and Other Current Assets	1,285,009	2,684,024	356,383	-	4,325,416
Investments in Subs	7,904,681	-	-	(7,904,681)	-
Due To /From Subsidiaries	<u>(144,277,373)</u>	<u>122,732,294</u>	<u>21,545,079</u>	<u>-</u>	<u>-</u>
Deferred Tax Asset - Current	11,171,096	-	-	-	11,171,096
Deferred Tax Current Valuation	<u>(11,171,096)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(11,171,096)</u>
Deferred Tax Asset Current, Net	-	-	-	-	-
Total Current Assets	(132,028,663)	155,249,751	26,323,490	(7,904,681)	41,639,897
Plant, Property, and Equipment, net	2,770,054	1,708,928	170,132	-	4,649,114
Other Assets					
Deferred Financing Costs	-	-	-	-	-
Deferred Tax Asset - Non Current	9,586,614	-	-	-	9,586,614
Deferred Tax Non Current Valuation	<u>(9,586,614)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,586,614)</u>
Deferred Tax Non Current, Net	-	-	-	-	-
Deposits and Other Assets	<u>4,920</u>	<u>279,999</u>	<u>12,153</u>	<u>-</u>	<u>297,072</u>
Total Other Assets	4,920	279,999	12,153	-	297,072
TOTAL ASSETS	\$ (129,253,689)	\$ 157,238,678	\$ 26,505,775	\$ (7,904,681)	\$ 46,586,083

CONSOLIDATING BALANCE SHEET

POINT BLANK SOLUTIONS, INC
For the Month Ended February 28, 2011

	<i>PBSI Case # 10-11255</i>	<i>PBBA Case # 10-11257</i>	<i>PACA- Case #10-11259</i>	<i>ELIMINATION</i>	<i>TOTAL</i>
	<i>PBSS Case # 10-11258</i>				
LIABILITIES AND STOCKHOLDERS' EQUITY					
Liabilities Not Subject to Compromise					
Accounts Payable	\$ 6,109,152	\$ 586,504	\$ 229,187	\$ -	\$ 6,924,843
Accrued Expenses	5,790,668	2,047,730	158,126	-	7,996,524
DIP Financing Loan	-	25,000,000	-	-	25,000,000
Notes Payable	-	-	-	-	-
Deferred Revenue	-	49,507	-	-	49,507
Income Taxes Payable	(14,549,487)	-	-	-	(14,549,487)
Total Liabilities Not Subject to Compromise	(2,649,667)	27,683,741	387,313	-	25,421,387
Liabilities Subject to Compromise					
Accounts Payable	7,864,800	17,320,460	895,984	-	26,081,244
Accrued Expenses	8,205,708	3,623,708	228,164	-	12,057,580
Capital Leases	109,901	-	-	-	109,901
Vest Replacement Obligation	396,117	(528)	-	-	395,589
Reserve Class Action	4,171,974	-	-	-	4,171,974
Employment Tax Withholding Obligation	5,579,838	(15,457)	-	-	5,564,381
Total Liabilities Subject to Compromise	26,328,338	20,928,183	1,124,148	-	48,380,669
TOTAL LIABILITIES	23,678,671	48,611,924	1,511,461	-	73,802,056
Commitments and Contingencies					
Minority and Non-Controlling Interests in Subsidiaries		426,972	-	-	426,972
Contingently Redeemable Common Stock	19,325,998	-	-	-	19,325,998
Stockholders' Equity:					
Common Stock	48,782	55	1,227	(1,332)	48,732
Additional Paid In Capital	95,208,961	6,568,445	631,082	(7,199,477)	95,209,011
Accumulated Deficit	(267,516,101)	101,631,282	24,362,005	(703,872)	(142,226,686)
Total Stockholders Equity	(172,258,358)	108,199,782	24,994,314	(7,904,681)	(46,968,943)
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$ (129,253,689)	\$ 157,238,678	\$ 26,505,775	\$ (7,904,681)	\$ 46,586,083

Point Blank Solutions, Inc.
Summary of Post-petition Taxes
For the month ended February 28, 2011
Mor 4

Representation: The Company to the best of its knowledge has paid its taxes due as of 02-28-11 for the bankruptcy reporting period due 3-20-11.

Point Blank Solutions, Inc.
Summary of Unpaid Post-Petition Debts - Consolidated
For the month ended February 28, 2011
Mor 4

	Consolidated					
Unpaid Post-Petition Debts	Current	0-31 Days	31-60 Days	61-90 Days	Over 90 Days	Total
Operating						
Materials	\$ 149,913	\$ 200,545	\$ (78,365)	\$ 837	\$ (68)	\$ 272,862
Subcontractors	35,975	22,647	844	-	-	59,466
Payroll	35,580	-	-	-	-	35,580
Insurance	-	36,630	-	-	-	36,630
Rent & Lease Payments	3,139	2,496	-	-	1,244	6,879
Supplies	40,838	5,999	1,497	-	423	48,757
Utilities	4,949	2,326	-	309	-	7,584
Freight	36,073	1,454	(35)	2,091	-	39,582
Repair & Maintenance	16,220	810	-	0	-	17,030
Testing Fees	66,795	37,500	-	-	-	104,295
Pre-Petition Litigation	-	-	-	-	-	-
Professional Fees- Ordinary Course	176,315	57,637	37,186	35,033	240,908	547,080
Other	20,175	16,790	-	1,779	1,420	40,164
Subtotal	585,970	384,835	(38,874)	40,049	243,928	1,215,908
Non-Operating						
DIP Interest & Fees	-	281,944	-	-	-	281,944
Board Fees	-	-	-	-	-	-
CapEx	-	-	267	-	-	267
Subtotal	-	281,944	267	-	-	282,211
Bankruptcy-Related Items						
Debtor Professional Fees	63,545	-	-	699,863	1,326,254	2,089,663
EC Professional Fees	-	-	328,178	234,057	1,062,285	1,624,520
Critical Vendor Payments	-	-	-	-	-	-
UCC Professional Fees	-	135,967	352,142	100,739	1,123,694	1,712,541
US Trustee	-	-	-	-	-	-
Utility Deposits	-	-	-	-	-	-
Subtotal	63,545	135,967	680,320	1,034,659	3,512,233	5,426,724
Total Post-Petition Debts	\$ 649,516	\$ 802,746	\$ 641,712	\$ 1,074,708	\$ 3,756,161	\$ 6,924,843

Point Blank Solutions, Inc.
Accounts Receivable Reconciliation and Aging & Debtors Questionnaire
For the month ended February 28, 2011
Mor 5

Case Number

	10-11255		10-11257		10-11259
	PBSI		Point Blank Body Armor		Protective Apparel Corporation of America
Accounts Receivable Reconciliation					
Total Accounts Receivables at the beginning of the period:	\$ 332,492	(a)	\$ 8,351,172	(a)	\$ 1,522,358
+Amounts billed during the period	20,850		6,750,583		1,232,936
- Amounts collected or adjusted during the period	251,460		5,557,142		1,063,793
Total Accounts Receivable at the end of the reporting period	<u>\$ 101,882</u>	(a)	<u>\$ 9,544,613</u>	(a)	<u>\$ 1,691,501</u>
Account Receivable Aging:					
0-30 Days	\$ 1,230		\$ 6,458,541		\$ 1,226,778
31-60 days old	488		2,195,465		394,477
61-90 days old	5,129		289,513		54,619
91+ days old	95,035		601,093		15,627
Total Accounts Receivable	<u>101,882</u>		<u>9,544,613</u>		<u>1,691,501</u>
Amounts considered uncollectible (Bad debt)	30,352		241,623		10,853
Accounts Receivable, net	<u>\$ 71,530</u>		<u>\$ 9,302,990</u>		<u>\$ 1,680,648</u>

(a): Per Balance Sheet
Accounts Receivable Trade
Other Receivables
Deferred Revenue
Total Accounts Receivable

	PBSI		Point Blank Body Armor		Protective Apparel Corporation of America
	\$ 101,882		\$ 9,083,576		\$ 1,691,501
			510,544		-
			(49,507)		-
Total Accounts Receivable	<u>\$ 101,882</u>	(a)	<u>\$ 9,544,613</u>	(a)	<u>\$ 1,691,501</u>

Debtor Questionnaire

1. Have any assets been sold or transferred outside the normal course of business this reporting period? If yes, provide an explanation below.
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.
3. Have all post petition tax returns been timely filed? If no, provide an explanation below.
4. Are workers compensation, general liability and other necessary insurance coverages in effect? In no, provide an explanation below.
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.

	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 post petition 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? In no, provide an explanation below.	X	
5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.		X