

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: 1 May 2010 - 31 May 2010

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

 Date

 Signature of Joint Debtor

 Date

 Signature of Authorized Individual*

 17 June 2010

 Date

T. Scott Avila
 Printed Name of Authorized Individual

CRO
 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.

Point Blank Solutions, Inc.
Consolidated Cash Receipts and Disbursements
For the month ended May 31, 2010

Cash Receipts

| | <u>Consolidated Total</u> |
|----------------------------|----------------------------------|
| Cash Sales | \$ - |
| Accounts Receivable | 12,521,514 |
| Transfers from DIP Account | 16,529,409 |
| Total Receipts | <u>\$ 29,050,923</u> |

Case Number

Operating Disbursements

| | <u>Consolidated Total</u> | 10-11255 | 10-11257 | 10-11259 |
|--|----------------------------------|-------------------------|--------------------------|-----------------------|
| | <u>PBSI</u> | <u>PBBA</u> | <u>PACA</u> | |
| Materials | \$ 7,759,275 | \$ - | \$ 7,487,679 | \$ 271,596 |
| Subcontractors | 3,663,481 | - | 3,641,990 | 21,491 |
| Payroll (1) | 2,131,890 | 861,871 | 1,019,741 | 250,278 |
| Insurance | 126,018 | 126,018 | - | - |
| Rent & Lease Payments | 113,299 | 9,949 | 88,001 | 15,349 |
| Supplies | 60,508 | 3,308 | 35,723 | 21,476 |
| Utilities | 53,656 | 15,942 | 23,706 | 14,007 |
| Freight | 75,184 | - | 74,584 | 600 |
| Repair & Maintenance | 38,694 | 20,153 | 18,195 | 346 |
| Testing Fees | 100,450 | - | 100,450 | - |
| Professional Fees- Ordinary Course | 21,404 | 18,016 | - | 3,388 |
| Other (See detail - Schedule of Other) | 165,296 | 165,111 | - | 185 |
| Subtotal | <u>14,309,154</u> | <u>1,220,368</u> | <u>12,490,070</u> | <u>598,716</u> |

Non-Operating Disbursements

| | | | | |
|-----------------------------|--------------------------|---------------------|--------------------------|-----------------|
| DIP Interest & Fees | - | - | - | - |
| Cash Sweep to DIP financing | 12,671,644 | - | 12,671,644 | - |
| Other adjustments | 320,207 | - | 320,207 | - |
| Board Fees | 2,111 | 2,111 | - | - |
| CapEx | 9,860 | - | 9,860 | - |
| Subtotal | <u>13,003,822</u> | <u>2,111</u> | <u>13,001,711</u> | <u>-</u> |

Bankruptcy-Related Items

| | | | | |
|--------------------------|-----------------------|-----------------------|-----------------------|-----------------|
| Professionals | 149,626 | 149,626 | - | - |
| Critical Vendor Payments | 390,163 | - | 390,163 | - |
| Claims Administrators | - | - | - | - |
| UCC Professional Fees | - | - | - | - |
| US Trustee | - | - | - | - |
| Utility Deposits | 10,000 | - | 10,000 | - |
| Subtotal | <u>549,790</u> | <u>149,626</u> | <u>400,163</u> | <u>-</u> |

Total Disbursements

| | | | |
|-----------------------------|----------------------------|-----------------------------|--------------------------|
| <u>\$ 27,862,765</u> | <u>\$ 1,372,104</u> | <u>\$ 25,891,944</u> | <u>\$ 598,716</u> |
|-----------------------------|----------------------------|-----------------------------|--------------------------|

Net Cash Flow for the Month of May

| |
|----------------------------|
| <u>\$ 1,188,158</u> |
|----------------------------|

| | |
|---|----------------------------|
| Beginning Cash Balance as of 4-30-10 Balance Sheet | \$ 1,692,540 |
| Change in cash during May 2010 | 1,188,158 |
| Ending Cash Balance as of 5-31-10 Balance Sheet | <u>\$ 2,880,698</u> |

Notes:

(1) Payroll includes the actual weekly payroll payments and payment recorded in Accounts Payable.
(2) No cash activity in PBSS, LLC Case # 10-11258

Point Blank Solutions, Inc.**Consolidated Cash Receipts and Disbursements - Schedule of Other in the MTD Tab****For the month ended May 31, 2010**

| Case Number | Category | <u>Payment Amount</u> | <u>10-11255</u> | <u>10-11257</u> | <u>10-11259</u> |
|-------------|--|-----------------------|-------------------|-----------------|-----------------|
| | | | <u>PBSI</u> | <u>PBBA</u> | <u>PACA</u> |
| | Other - Accounting research web-based | \$ 5,875.02 | \$ 5,875.02 | \$ - | \$ - |
| | Other - AST stock listing | 1,500 | 1,500 | - | - |
| | Other - AST stock listing | 1,500 | 1,500 | - | - |
| | Other - AST stock listing | 1,200 | 1,200 | - | - |
| | Other - Commissions | 15,549 | 15,549 | - | - |
| | Other - Commissions | 83,120 | 83,120 | - | - |
| | Other - Document storage | 23,488 | 23,488 | - | - |
| | Other - Dues | 248 | 248 | - | - |
| | Other - Employee parking & shuttle service | 1,400 | 1,400 | - | - |
| | Other - Employee parking & shuttle service | 1,400 | 1,400 | - | - |
| | Other - Extermination | 160 | 160 | - | - |
| | Other - News Wire distribution | 385 | 385 | - | - |
| | Other - Petty cash | 185 | - | - | 185 |
| | Other - Public relations | 10,252 | 10,252 | - | - |
| | Other - Recruiting | 1,260 | 1,260 | - | - |
| | Other - Recruiting | 125 | 125 | - | - |
| | Other - Supplies | 394 | 394 | - | - |
| | Other - Taxes | 422 | 422 | - | - |
| | Other - Trade Show | 450 | 450 | - | - |
| | Other - Trade Show | 350 | 350 | - | - |
| | Other - Trade Show | 700 | 700 | - | - |
| | Other - Trade Show | 200 | 200 | - | - |
| | Other - Trade Show | 800 | 800 | - | - |
| | Other - Trade Show | 600 | 600 | - | - |
| | Other - Trade Show | 350 | 350 | - | - |
| | Other - Travel & Entertainment | 13,383 | 13,383 | - | - |
| | | \$ 165,296 | \$ 165,111 | \$ - | \$ 185 |

Point Blank Solutions, Inc.
Schedule of Bank Accounts and Balances
For the month ended May 31, 2010
Mor - 1a

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> |
|----------------|--------------------|---------------------|----------------------|-----------------------|---------------------|
| PBBA | 10-11257 | Bank of America | Operating Account | xxxxxx0691 | \$ - |
| PBBA | 10-11257 | Bank of America | Cash Disbursement | xxxxxx6094 | 117,861 |
| PBBA | 10-11257 | Bank of America | Lockbox | xxxxxx6892 | 55,298 |
| PBBA | 10-11257 | Bank of America | Payroll | xxxxxx2291 | 13,479 |
| PBBA | 10-11257 | Bank of America | Lockbox | xxxxxx2275 | 17,628 |
| PBSI | 10-11255 | Bank of America | Cash Disbursement | xxxxxx6979 | 6,393 |
| | | | | | |
| PACA | 10-11259 | Bank of America | Cash Disbursement | xxxxxx6102 | 27,269 |
| PACA | 10-11259 | Bank of America | Lockbox | xxxxxx2267 | 15,328 |
| PACA | 10-11259 | Regions | Operating Account | xxxxxx1876 | 9,932 |
| 10-11259 | | | | | |
| PBSI | 10-11255 | | Cash Securities | | 89 |
| PBBA | 10-11257 | | Petty Cash | | 1,000 |
| PACA | 10-11259 | | Petty Cash | | 500 |
| | | | | | |
| PBBA | 10-11257 | Regions Bank | Lock Box | xxxxxx7360 | - |
| PACA | 10-11259 | Regions Bank | Lock Box | xxxxxx7379 | - |
| PBSI | 10-11255 | Regions Bank | Collection Account | xxxxxx7344 | 88,755 |
| PBSI | 10-11255 | Regions Bank | Operating Account | xxxxxx7352 | 2,579,502 |
| PBSI | 10-11255 | Regions Bank | Disbursement Account | xxxxxx7536 | - |
| PBSI | 10-11555 | Regions Bank | Payroll Account | xxxxxx7544 | (52,336) |
| Total | | | | \$ 2,880,698 | |



June 17, 2010

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 of Michelle Doery in black ink, written in a cursive style. It is positioned above a horizontal line.

Name: Michelle Doery
Position: Chief Financial Officer

Sworn to and Subscribed
before me on this 17
day of June, 2010.

A handwritten signature of Pamela L. Nolan in black ink, written in a cursive style. It is positioned above a horizontal line.

Notary Public

My Commission Expires: _____

NOTARY PUBLIC-STATE OF FLORIDA
Pamela L. Nolan
Commission #DD877898
Expires: MAY 20, 2013
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

Point Blank Solutions, Inc.
Schedule of Professional Fees paid
For the month ended May 31, 2010
Mor - 1b

| Payee | Period | Amount |
|--------------|---------------|-----------------|
| | | Approved |
| CRG Partners | May | \$ 149,626 |

CONSOLIDATING STATEMENT OF OPERATIONS

| POINT BLANK SOLUTIONS, INC For the Month Ended May 31, 2010 | | | | | | |
|--|-----------------------------|-----------------------------|-----------------------------|--------------------|---------------|--|
| | <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 | \$ - | \$ 9,307,343 | \$ 1,314,254 | \$ - | \$ 10,621,597 | |
| Less: Discounts, Returns, and Allowances | - - - | (1,656) | (12,060) | - - - | (13,716) | |
| Net Sales | - - - | 9,305,687 | 1,302,194 | - - - | 10,607,881 | |
| Cost of Goods Sold | - - - | 7,163,039 | 968,369 | - - - | 8,131,408 | |
| Gross Profit | - - - | 2,142,648 | 333,825 | - - - | 2,476,473 | |
| Selling and Marketing | 426,076 | 4,351 | 17,369 | - - - | 447,796 | |
| Research and Development | 163,336 | - - - | - - - | - - - | 163,336 | |
| General and Administrative | 700,351 | 246,578 | (5,809) | - - - | 941,120 | |
| Total Operating Expenses | 1,289,763 | 250,929 | 11,560 | - - - | 1,552,252 | |
| Operating Income Before Non-Recurring Expenses | (1,289,763) | 1,891,719 | 322,265 | - - - | 924,221 | |
| Non-Recurring Expenses | | | | | | |
| Reorganization Expenses | 446,671 | - - - | - - - | - - - | 446,671 | |
| Legal Settlements and Investigations | 90,868 | - - - | - - - | - - - | 90,868 | |
| Payroll Tax Withholding Credit | (3) | - - - | - - - | - - - | (3) | |
| Total Non-Recurring Expenses | 537,536 | - - - | - - - | - - - | 537,536 | |
| Operating Income After Non-Recurring Expenses | (1,827,299) | 1,891,719 | 322,265 | - - - | 386,685 | |
| Other Income and (Expense) | | | | | | |
| Interest (Expense) | - - - | (100,006) | - - - | - - - | (100,006) | |
| Interest and Other Income | (14,750) | 3,065 | 1,627 | - - - | (10,058) | |
| Minority Interest | - - - | (7,591) | - - - | - - - | (7,591) | |
| Total Other Income (Expense) | (14,750) | (104,532) | 1,627 | - - - | (117,655) | |
| Pre-Tax Income (Loss) | (1,842,049) | 1,787,187 | 323,892 | - - - | 269,030 | |
| Income Taxes (Benefit) | 82,378 | - - - | - - - | - - - | 82,378 | |
| Net Income (Loss) | \$ (1,924,427) | \$ 1,787,187 | \$ 323,892 | \$ - - - | \$ 186,652 | |

CONSOLIDATING BALANCE SHEET

POINT BLANK SOLUTIONS, INC
For the Period Ended May 31, 2010

| | <i>PBSI Case # 10-II255</i> | <i>PBBA Case # 10-II257</i> | <i>PACA- Case #10-II259</i> | <i>ELIMINATION</i> | <i>TOTAL</i> |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------|----------------------|
| | <i>PBSS Case # 10-II258</i> | | | | |
| ASSETS | | | | | |
| Current Assets | | | | | |
| Cash | \$ 24,178 | \$ 2,803,491 | \$ 53,029 | \$ - | \$ 2,880,698 |
| Accounts Receivable - Trade | 289,875 | 13,822,846 | 1,922,143 | - | 16,034,864 |
| Allowance for Doubtful Accounts - Trade | (284,403) | (85,781) | (7,953) | - | (378,137) |
| Accounts Receivable, Net | 5,472 | 13,737,065 | 1,914,190 | - | 15,656,727 |
| Other Receivables | 2,957,935 | 1,779,975 | - | - | 4,737,910 |
| Other Receivables, Net | 2,957,935 | 1,779,975 | - | - | 4,737,910 |
| Inventories | 9,843,121 | 28,455,882 | 2,224,840 | - | 40,523,843 |
| Inventory Reserves | (9,610,153) | (4,816,681) | (581,077) | - | (15,007,911) |
| Inventories, Net | 232,968 | 23,639,201 | 1,643,763 | - | 25,515,932 |
| Prepaid Expenses and Other Current Assets | 1,797,744 | 1,904,720 | 197,420 | - | 3,899,884 |
| Investments in Subs | 8,185,702 | - | - | (8,185,702) | - |
| Due To /From Subsidiaries | (122,481,678) | 104,274,419 | 18,555,195 | (347,936) | - |
| Deferred Tax Asset - Current | 11,171,096 | - | - | - | 11,171,096 |
| Deferred Tax Current Valuation | (11,171,096) | - | - | - | (11,171,096) |
| Deferred Tax Asset Current, Net | - | - | - | - | - |
| Total Current Assets | (109,277,679) | 148,138,871 | 22,363,597 | (8,533,638) | 52,691,151 |
| Plant, Property, and Equipment, net | 3,628,495 | 1,828,236 | 205,511 | - | 5,662,242 |
| Other Assets | | | | | |
| Deferred Financing Costs | - | 287,059 | - | - | 287,059 |
| Deferred Tax Asset - Non Current | 9,586,614 | - | - | - | 9,586,614 |
| Deferred Tax Non Current Valuation | (9,586,614) | - | - | - | (9,586,614) |
| Deferred Tax Non Current, Net | - | - | - | - | - |
| Deposits and Other Assets | 4,920 | 101,950 | 12,153 | - | 119,023 |
| Total Other Assets | 4,920 | 389,009 | 12,153 | - | 406,082 |
| TOTAL ASSETS | \$ (105,644,264) | \$ 150,356,116 | \$ 22,581,261 | \$ (8,533,638) | \$ 58,759,475 |

| | <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 | \$ 271,493 | \$ 661,455 | \$ 85,527 | \$ - | \$ 1,018,475 |
| Accrued Expenses | 827,142 | 541,697 | 148,766 | - | 1,517,605 |
| DIP Financing | - | 14,428,732 | - | - | 14,428,732 |
| Deferred Revenue | - | 67,339 | - | - | 67,339 |
| Income Taxes Payable | (1,143,787) | - | - | - | (1,143,787) |
| Total Current Liabilities | (45,152) | 15,699,223 | 234,293 | - | 15,888,364 |
| Long Term Liabilities | | | | | |
| Liabilities Subject to Compromise | | | | | |
| Accounts Payable | 6,787,534 | 18,518,813 | 986,225 | - | 26,292,572 |
| Accrued Expenses | 9,216,194 | 3,520,451 | 179,324 | - | 12,915,969 |
| Notes Payable - Current | 15,534 | - | - | - | 15,534 |
| Capital Leases Long Term | 156,366 | - | - | - | 156,366 |
| Vest Replacement Obligation | 400,983 | - | - | - | 400,983 |
| Reserve Class Action | 4,171,974 | - | - | - | 4,171,974 |
| Employment Tax Withholding Obligation | 5,579,838 | - | - | - | 5,579,838 |
| Total Long Term Liabilities | 26,328,423 | 22,039,264 | 1,165,549 | - | 49,533,236 |
| TOTAL LIABILITIES | 26,283,271 | 37,738,487 | 1,399,842 | - | 65,421,600 |
| Commitments and Contingencies | | | | | |
| Minority and Non-Controlling Interests in Subsidiaries | - | 436,944 | - | 792,933 | 1,229,877 |
| 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 | 95,244,596 | 6,568,445 | 631,082 | (7,699,477) | 94,744,646 |
| Accumulated Deficit | (245,214,175) | 104,279,449 | 20,549,110 | (1,625,762) | (122,011,378) |
| Total Stockholders Equity | (149,920,797) | 110,847,949 | 21,181,419 | (9,326,571) | (27,218,000) |
| TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY | \$ (104,311,528) | \$ 149,023,380 | \$ 22,581,261 | \$ (8,533,638) | \$ 58,759,475 |

Point Blank Solutions, Inc.
Summary of Post-petition Taxes
For the period ended May 31, 2010
Mor 4

Representation: The Company to the best of its knowledge has paid its taxes due as of 5-31-10 for the bankruptcy reporting period due 6-20-10.



June 17, 2009

Office of the United States Trustee

Subject: Attestation of Regard Postpetition Taxes

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

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

A handwritten signature in black ink, appearing to read "Michelle Doery".

Name: Michelle Doery
Position: Chief Financial Officer

Sworn to and Subscribed
before me on this 12
day of June, 2010.

A handwritten signature in black ink, appearing to read "Pamela L. Nolan".

Notary Public

NOTARY PUBLIC-STATE OF FLORIDA
Pamela L. Nolan
Commission #DD877898
Expires: MAY 20, 2013
BONDED THRU ATLANTIC BONDING CO., INC.

My Commission Expires: _____

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

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

Point Blank Solutions, Inc.

Summary of Unpaid Post-Petition Debts - Consolidated

For the period ended May 31, 2010

Mor 4

| | Consolidated | | | | | |
|--|-----------------------|-------------------------|--------------------------|--------------------------|----------------------------|---------------------|
| <u>Unpaid Post-Petition Debts</u> | <u>Current</u> | <u>0-31 Days</u> | <u>31-60 Days</u> | <u>61-90 Days</u> | <u>Over 90 Days</u> | <u>Total</u> |
| Operating | | | | | | |
| Materials | \$ 56,763 | \$ 532,325 | \$ - | \$ - | \$ - | \$ 589,088 |
| Subcontractors | 4,346 | 25,445 | - | - | - | 29,791 |
| Payroll | 3,499 | 12,138 | - | - | - | 15,637 |
| Insurance | 961 | - | - | - | - | 961 |
| Rent & Lease Payments | 52,063 | 87,341 | - | - | - | 139,404 |
| Supplies | 16,633 | 24,208 | - | - | - | 40,840 |
| Utilities | 13,255 | 5,533 | - | - | - | 18,788 |
| Freight | 5,558 | 9,037 | - | - | - | 14,595 |
| Repair & Maintenance | 9,194 | 8,355 | - | - | - | 17,549 |
| Testing Fees | 37,800 | - | - | - | - | 37,800 |
| Professional Fees- Ordinary Course | 10,300 | 6,038 | - | - | - | 16,338 |
| Other | 23,769 | 47,231 | - | - | - | 71,000 |
| Subtotal | 234,142 | 757,649 | - | - | - | 991,791 |
| Non-Operating | | | | | | |
| DIP Interest & Fees | - | - | - | - | - | - |
| Board Fees | - | - | - | - | - | - |
| CapEx | - | - | - | - | - | - |
| Subtotal | - | - | - | - | - | - |
| Bankruptcy-Related Items | | | | | | |
| Professionals | - | 26,685 | - | - | - | 26,685 |
| Critical Vendor Payments | - | - | - | - | - | - |
| Claims Administrators | - | - | - | - | - | - |
| UCC Professional Fees | - | - | - | - | - | - |
| US Trustee | - | - | - | - | - | - |
| Utility Deposits | - | - | - | - | - | - |
| Subtotal | - | 26,685 | - | - | - | 26,685 |
| Total Post-Petition Debts | \$ 234,142 | \$ 784,334 | \$ - | \$ - | \$ - | \$ 1,018,475 |

Point Blank Solutions, Inc.**Accounts Receivable Reconciliation and Aging & Debtors Questionnaire****For the period ended May 31, 2010****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: | \$ 268,963 | \$ 15,976,143 | \$ 2,023,543 |
| +Amounts billed during the period | 27,400 | 10,664,097 | 1,309,177 |
| - Amounts collected or adjusted during the period | 6,488 | 11,104,758 | 1,410,577 |
| Total Accounts Receivable at the end of the reporting period | \$ 289,875 | (a) \$ 15,535,482 | (a) \$ 1,922,143 |

Account Receivable Aging:

| | | | |
|---|-------------------|----------------------|---------------------|
| 0-30 Days | \$ 186,192 | \$ 15,089,304 | \$ 1,490,012 |
| 31-60 days old | 39,102 | 285,710 | 353,941 |
| 61-90 days old | 18,887 | 185,934 | 55,506 |
| 91+ days old | 45,694 | (25,466) | (b) 22,684 |
| Total Accounts Receivable | \$ 289,875 | \$ 15,535,482 | \$ 1,922,143 |
| Amounts considered uncollectible (Bad debt) | 284,403 | 85,781 | 7,953 |
| Accounts Receivable, net | \$ 5,472 | \$ 15,449,701 | \$ 1,914,190 |

(a): Per Balance Sheet

| | PBSI | Point Blank Body Armor | Protective Apparel Corporation of America |
|----------------------------------|-------------------|--------------------------|---|
| Accounts Receivable Trade | \$ 289,875 | \$ 13,822,846 | \$ 1,922,143 |
| Other Receivables | - | 1,779,975 | - |
| Deferred Revenue | - | (67,339) | - |
| Total Accounts Receivable | \$ 289,875 | (a) \$ 15,535,482 | (a) \$ 1,922,143 |

(b) Net credit balance due to payment received in advance for Lot # 128

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.

Yes

No

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? If no, provide an explanation below.

X

5. Has any bank account been opened during the reporting period? If yes, provide documentation identifying the opened account(s). If an investment account has been opened provide the required documentation pursuant to the Delaware Local Rule 4001-3.

X