

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

| | | |
|---------------------------|---|-----------------------------------|
| In re: | § | Chapter 11 |
| | § | |
| GLASIR MEDICAL, LP | § | Case No. 16-50612 |
| | § | |
| Debtor | § | |
| And | § | |
| In re: | § | Chapter 11 |
| | § | |
| MFLR, LLC | § | Case No. 16-50613 |
| | § | |
| Debtor | § | Jointly Administered under |
| | § | Case No. 16-50612 |

**DEBTORS' FIRST AMENDED JOINT DISCLOSURE STATEMENT TO
JOINT PLAN OF REORGANIZATION**

INTRODUCTION

On March 15, 2016, Glasir Medical, LP and MFLR, LLC (“Debtors” or “Debtors-in-Possession”) filed voluntary Petitions under Chapter 11 of the U.S. Bankruptcy Code. Since the Petition Date, the Debtors have continued to operate as Debtors in Possession pursuant to the provisions of sections 1107 and 1108 of the Bankruptcy Code.

This Joint Disclosure Statement to Joint Plan of Reorganization (hereinafter "Disclosure Statement") has been prepared by the Debtors pursuant to Section 1125 of the Bankruptcy Code, which requires that creditors receive a written disclosure statement containing sufficient information about the Debtors to enable creditors to make an informed and intelligent decision regarding the Joint Plan of Reorganization (hereinafter "**Plan**"). Prior to the solicitation of your vote on the Plan, and as required by the Bankruptcy Code, the Bankruptcy Court has approved this Disclosure Statement as containing adequate information about the Debtors.

In addition to this Disclosure Statement and accompanying Plan, you will also receive an order of the Court setting the hearing on the confirmation of the Plan and establishing deadlines for casting your vote or filing objections to confirmation. Mailing instructions are included in your Ballot. **YOUR VOTE IS IMPORTANT.** In order for the Plan to be accepted, at least two-thirds (2/3’s) in amount and one-half (1/2) in number of the voting creditors in each class must affirmatively vote for the Plan. Even if all classes of claims accept the Plan, the Bankruptcy Court may refuse to confirm the Plan. Among other things, Section 1129 requires that the Plan be in the best interests of the creditors and other parties in interest, and generally requires that the holders of the claims not receive less than would otherwise be realized if the Debtors were liquidated under Chapter 7 of the Bankruptcy Code.

In appropriate circumstances, the Bankruptcy Court may confirm a Plan even though less than all of the classes of claims accept the Plan. The circumstances warranting confirmation notwithstanding the vote of a dissenting class or classes of creditors are set forth in Section 1129(b) of the Bankruptcy Code. Except as otherwise provided in the Plan, the Order of Confirmation, or Section 1141(d), confirmation of the Plan will discharge the Debtors from all of their debts. Confirmation makes the Plan binding on the Debtors and all of their creditors, regardless of whether or not they have accepted the Plan.

MFLR, LLC is the general partner for Glasir Medical, LP and is therefore liable for all of Glasir Medical, LP's debts. MFLR, LLC does not have any debts independent of Glasir Medical, LP. Therefore, the Debtors have filed a joint plan of reorganization and all debts and obligations listed herein are owed equally by each debtor.

A. The Debtors

Christopher Canis and Thomas Wilson formed Glasir Medical, LP ("Glasir") and MFLR, LLC ("MFLR") in November 2012, in order to purchase the assets of Medical Concepts, Inc. which was a company that sold medical implants. MFLR is Glasir's general partner that owns 2% of Glasir. The asset sale was financed through owner financing provided by the seller of the assets, Medical Concepts, Inc., which was owned and controlled by Harold B. Childs. The assets were sold for \$2,191,167.85 at 5% interest for the first year and then 10% for years two through five. This debt is fully secured by all of Glasir's assets, which include intellectual property, transferable licenses, receivables and inventory totaling approximately \$2.1 million. The terms of the asset purchase required Glasir to make monthly payments of \$45,539.56, which were made up until filing the bankruptcy.

Glasir began to encounter the following challenges in 2013:

- a. Vendors that were selling Glasir products for distribution started to actively pursue Debtor's customers essentially cutting Glasir out of the sale.
- b. Due to Obamacare's reduction in physician and sales' representative income, both of these classes aggressively pursued Glasir's customers becoming resellers of implants and biologics, forcing Glasir to transition from more profitable retail sales customers to less-profitable wholesaler customers.
- c. Glasir's largest retail customer converted over to a distributorship, which resulted in \$200k-\$300k/month in lost sales.
- d. Due to the system-wide transition to reselling of implants and biologics, it forced Glasir's product lines into being considered a commoditized product. The average sale price ("ASP") of Glasir wholesaled products rapidly declined by 30%-50%.
- e. Insurance companies, flexing their new found muscle as a result of Obamacare legislation, reduced reimbursements to hospitals as well as denying previously accepted products. This resulted in hospitals demanding lower pricing which added even more pressure on the ASP of the products Glasir manufactures and distributes.

Even facing all of these challenges, Glasir was able to continuing servicing the note to Medical Concepts and paid the note down to a balance of approximately \$881,000. However, as a result of the squeeze Obamacare put on smaller hospitals, several hospitals defaulted on their

payments for Glasir's products. These defaults ultimately have resulted in over \$300,000 in judgments in favor of Glasir. These judgments are not only against the hospitals but in some cases against the officers and directors of the hospitals. The outstanding balances and the costs associated with collection have put Glasir in a position where it cannot currently service the outstanding balance to Medical Concepts at \$45,539.56 per month.

While the environment that Glasir started its business in has changed dramatically in three years, Debtors now have a good solid base of business and continue to obtain new customers. They have instituted many cost saving measures to help keep their overhead as low as possible. Debtors' intent is to pay everything owed to their creditors in full and continue to diligently pursue the success of the business in the new environment.

In three short years, Glasir has managed to pay down the \$2.2 million debt to Medical Concepts to an outstanding balance of approximately \$881,000. Debtors contend that by reorganizing the \$881,000 to be paid out in full over a 5-year period at 10% interest Debtors will be able to pay all their remaining debts at 100%. The debts in addition to the Medical Concepts debt are \$233,000 in primarily unsecured trade vendor debts, \$63,000 owed to the Bexar County Tax Assessor Collector (including current year's taxes), \$30,000 in priority IRS and Texas Comptroller tax debt and \$1500 in priority wage claims. As the general partner, MFLR is liable for all of Glasir's debts.

B. The Plan Proponents

The Debtors are the Plan Proponent in this case.

C. The Disclosure Statement

Pursuant to Section 1125(b) of the Bankruptcy Code (Title 11 of the United States Code, hereinafter referenced as 11 U.S.C. section number), a precondition to solicitation of acceptances and rejections of a Plan of Reorganization from holders of claims or interests in the bankruptcy estate is that the holders be furnished with a copy of the Plan or a summary of the Plan and a written Disclosure Statement which contains "adequate information".

"Adequate information" means:

information of a kind, and in sufficient detail, as far as is reasonably practicable in light of the nature and history of the Debtor and the condition of the Debtors' books and records, that would enable a hypothetical reasonable investor typical of holders of claims or interests of the relevant class to make an informed judgment about the Plan, but adequate information need not include such information about any other possible or proposed Plan.

11 U.S.C. 1125(a)(1).

Whether or not a disclosure statement contains adequate information is determined by the Court upon notice and hearing. 11 U.S.C. § 1125(b). All parties in interest may participate in this determination. After the disclosure statement is approved by the Court, a hearing will be set on confirmation of the Plan and a Plan package which includes copies of the Order Approving

Disclosure Statement, Plan, this Disclosure Statement and Ballot will be sent to the parties entitled to vote on the Plan.

D. Chapter 11

Chapter 11 is a portion of the Bankruptcy Code which provides a business with protection from their creditors while it seeks to reorganize their business affairs, including the repayment of their debts. The terms of the proposed reorganization are embodied in a Plan of Reorganization. While the Bankruptcy Code gives the Debtors many aids in the reorganization of its financial affairs, these aids are balanced with rights and protections afforded to creditors. Confirmation of a Plan of Reorganization is the objective of the Debtor in a Chapter 11 Reorganization Case. Performance of the confirmed Plan is the objective of the Reorganized Debtor. The Plan is the terms by which the claims against and interests of the Debtors are satisfied.

E. The Process of Confirmation

1. Hearing on Confirmation. Confirmation of a Plan is simply approval by the Court. This approval is sought by the Plan proponent at the hearing on confirmation. In order to obtain approval of the Court, the Plan proponent must show that the Plan meets all requirements for confirmation.

2. Requirements for Confirmation. The requirements for confirmation are listed in 11 U.S.C. § 1129(a). These requirements are part of the balancing of rights and aids between the Debtor and its creditors. Certain of the requirements for confirmation necessitate the solicitation of ballots from the holders of claims against and interests in the Debtor indicating either their acceptance or rejection of the Plan. Section 1129(a) does not require that each and every holder of a claim against or interest in the Debtor vote to accept the Plan in order for it to be confirmed by the Court. First, only those holding claims or interests which are in classes which are impaired are entitled to vote. Impairment is defined in 11 U.S.C. § 1124.

Impairment basically means an alteration of the legal, equitable or contractual rights of the holder of the claim or interest. The Plan proponents must assert in the Disclosure Statement whether or not each class is deemed by them to be impaired. The proponents' conclusion may be disputed by a creditor and the dispute resolved by the Court. If a Plan impairs or changes the rights of any creditor, it must be accepted by at least one Class of impaired claims. Second, only those ballots that are properly completed and timely delivered are counted. Third, of those voting in each class, only a majority of the claims in number and at least two-thirds (2/3) in amount are needed for the acceptance of the Plan by that class.

Even if all Classes of claims and interests accept the Plan, its confirmation may be denied by the Bankruptcy Court for the failure to meet some other requirement of Section 1129 of the Bankruptcy Code. Among those requirements is one that the Plan is in the best interest of claim holders and interest holders. That generally requires that the value to be distributed to claimholders and interest holders may not be less than such parties would receive if the Debtors were liquidated under Chapter 7 of the Code.

3. Cramdown: The Court may confirm a Plan even though a class of claims or interest holders rejects the Plan. Confirmation of a Plan over the rejection by one or more classes of claims or interests is generally referred to as "cram down". In order for the Plan to be confirmed in spite

of the rejection by a class of claims or interests, the proponent of the Plan must show that the Plan does not discriminate unfairly and is fair and equitable with respect to each class of claims or interests that is impaired and has not accepted the Plan.

Section 1129(b)(2) provides that the following standards are among the issues to be considered in determining whether the Plan is "fair and equitable" with respect to a particular class:

Secured Claims. The Plan is fair and equitable with respect to each class of secured claims if it provides that either:

1. The holders are to retain their lien, whether the collateral is retained by the Debtor or transferred to another entity, to the extent of the allowed amount of their secured claim, and are to receive deferred cash payments totaling not less than the allowed amount of their claims and having a present value of not less than the value of the collateral or, in the alternative, secured creditors must receive their collateral in satisfaction of new secured claims.

2. The collateral is to be sold in a sale permitting the holder to "bid in" free and clear of holder's lien, with such lien to attach to the proceeds of such sale, and the treatment of the lien on such proceeds under either clause (1) or (3) hereof; or

3. The holders are to receive the "indubitable equivalent" of their claims.

Unsecured Claims. The fair and equitable requirement in the context of a class of unsecured claims requires that either:

1. The holders are to receive property with a present value equal to the allowed amount of their claims; or

2. No holders in a class junior to the rejecting class are to receive any property.

I. REPRESENTATIONS

The statements contained in this Disclosure Statement are made as of the date of this Disclosure Statement unless another time is specified. Except as stated herein, no other representations concerning the Debtors, their business operations, the value of their property, or the value of any benefits offered to you in the Plan are authorized. ANY REPRESENTATIONS OR INDUCEMENTS WHICH ARE CONTRARY TO THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT SHOULD NOT BE RELIED UPON BY YOU IN ARRIVING AT YOUR DECISION, and such representations or inducements and their origin should be immediately reported to Ronald J. Smeberg, The Smeberg Law Firm Counsel for the Debtor, 2010 West Kings Highway, San Antonio, Texas 78201; Telephone: (210) 695-6684.

THE DEBTORS AND THEIR COUNSEL HAVE MADE EVERY EFFORT TO INSURE THAT THE INFORMATION CONTAINED IN THIS DISCLOSURE STATEMENT IS ACCURATE. WE CANNOT, HOWEVER, WARRANT THAT ALL OF THE DATA IS COMPLETELY ACCURATE, THOUGH WE FEEL IT IS MATERIALLY ACCURATE TO OUR BEST KNOWLEDGE, INFORMATION AND BELIEF. THE INFORMATION IN THIS DISCLOSURE STATEMENT HAS NOT BEEN SUBJECT TO AN INDEPENDENT AUDIT,

AND FINANCIAL INFORMATION HAS BEEN BASED UPON OUR INTERNAL RECORDS. IF ANY STATEMENTS OF FINANCIAL MATTERS WERE MADE BY THIRD-PARTY ACCOUNTING PROFESSIONALS ACCOMPANY THIS DISCLOSURE STATEMENT, THEY WILL CONTAIN A DISCLAIMER REQUIRED OF UNAUDITED FINANCIAL INFORMATION. FURTHER, YOU SHOULD NOT CONSTRUE THE BANKRUPTCY COURT'S APPROVAL OF THIS DISCLOSURE STATEMENT AS AN ENDORSEMENT OF THE PLAN OR A GUARANTY OF THE ACCURACY OR COMPLETENESS OF THE INFORMATION PRESENTED HEREIN.

The Debtors have expended considerable time in devising a Plan which it believes to be financially feasible and fair to its creditors. Consequently, the Debtors urge you to vote for acceptance of the Plan.

II. INFORMATION CONCERNING THE DEBTORS

A. Results of Operations as Debtors in Possession

Post-petition, the Debtors have continued to operate the medical device supply company. The revenue that has been collected from the Petition Date forward is currently held in debtor-in-possession accounts. Debtors' expectations have exceeded its projections in that were filed with the Court with its motion to used cash collateral. A copy of Glasir's most recent Monthly Operating Report is attached hereto as Exhibit "A" and Debtors' cash collateral projections are on file with the Court.

C. Estimated Future Income and Expenses

The Debtors have attached as Exhibit "B", pro-forma showing Glasir's projected performance. The Debtors' pro-forma financial statements attached as Exhibit "B" accurately and fairly project the Debtors' estimated future income and expenses.

D. Future Management of the Reorganized Debtor

The Debtors will continue to manage their financial affairs as they did prior to the bankruptcy filing as a part of their Joint Plan of Reorganization. The Debtors will be able to make monthly plan payments with money generated through is medical device operations.

The company shall continue to be managed by its two members Christopher Canis and Thomas Wilson.

E. Causes of the Bankruptcy Filing

Inability to pay debtors' secured lender Bob Childs.

F. Changes to Operations

Debtors shall continue operating and working to obtain new business.

G. Summary of the Plan

Glasir shall amortize the remaining balance owed to Bob Childs at 10% interest over 5 years cutting the monthly payment more than in half.

Property taxes shall be paid at 12% interest within 5 years from the date the bankruptcy was filed.

Allowed unsecured claims shall be paid 100% of their claims in quarterly payments over 5 years from confirmation.

The priority wage claim shall be paid within 60 days of confirmation.

Allowed Priority IRS tax claims shall be paid at 4% interest (or interest applicable at confirmation) in regular monthly payments within 5 years from the date of the Bankruptcy filing.

Allowed Priority Texas Comptroller tax claims shall be paid at 4.25% interest (or interest applicable at confirmation) in regular monthly payments within 5 years from the date of the Bankruptcy filing.

The Debtors' pro forma financial projections indicate that the Debtors shall be able to make the monthly payments proposed to all creditors proposed under the Plan.

III. ANALYSIS AND VALUATION OF PROPERTY

A. Real Property

None.

B. Personal Property

Attached as Exhibit "C" is Schedule B - Personal Property filed by the Debtor with the Court.

C. Leases and Executory Contracts

The Debtor is rejecting all leases and executory contracts that are not specifically assumed.

D. Liquidation Value

Debtor contends that because the unsecured creditors are receiving 100% of their allowed claims, the "best interest of creditors test" has been satisfied because creditors would not receive any more in a chapter 7 liquidation.

IV. SUMMARY OF PLAN OF REORGANIZATION

A. Classification and Treatment of Claims

Administrative Expenses: Although not classified, the professionals who have provided services to the Debtor during the pendency of this Chapter 11 case are entitled to administrative claim treatment. These claims do not include other administration priority claims allowed under

11 U.S.C. § 503. Those will be paid in the ordinary course as priority claims under 11 U.S.C. § 507(a). The estimated amount of such claims is as follows:

| | |
|--|---------------------|
| Curl Stahl & Geis (Special Counsel) | \$ <u>20,000.00</u> |
| The Smeberg Law Firm. (Attorneys) | \$15,000.00 |
| David A Schueller (Accountant) | \$1000.00 |
| George Billingsley (Property Tax Consultant) | \$2000.00 |
| JD Webb (FDA Consultant) | \$2000.00 |
| Total Estimated Professional Claims | \$ <u>40,000.00</u> |

[This estimate is subject to revision; no claim for administrative claims can be paid absent Court approval.]

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and expenses of administration of the Debtors' Chapter 11 bankruptcy cases will also be entitled to administrative treatment. These will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtors are moderate for a case of this size.

All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

Unsecured Priority Claims:

IRS

The IRS filed a proof of claim on behalf of unpaid employment withholding taxes, penalties and interest in the amount of \$17,000.00. This claim is disputed and to the extent the parties are unable to resolve the dispute, Debtors shall file an objection with the Court. The IRS debt shall be paid in equal installments of principal and interest over the first 4 years of the Plan with interest at four (4%) per annum beginning on the first day of the month following 30 days after the Effective Date. The estimated monthly payment to the IRS is \$384.00

The debt owed by the Debtors to the IRS (except unsecured non priority debt) is a nondischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtors should default, the IRS is not subject to the provisions of the Bankruptcy Code so that the IRS can take whatever actions are necessary to collect said debt in the event of default.

A failure by the Debtors to make a payment to the IRS pursuant to the terms of the Plan shall be an event of default; as to the IRS, there is an event of default if payment is not received by the 15th day of each month; if there is a default to IRS, IRS must send written demand for payment to the Debtors and said payment must be received by the IRS within fifteen (15) days of the date of the demand letter; the Debtors can receive up to five (5) notices of default from the IRS; however, on the fifth default cannot be cured, and the IRS may accelerate its allowed claim(s), past or future, and declare the outstanding amount of such claim(s) to be immediately due and owing, and pursue any and all available state and federal rights and remedies.

The IRS is bound by the provisions of the confirmed Plan and is barred under Section 1141 from taking any collection action against the Debtors for pre-petition claims during the duration of the Plan (provided there is no default as to the IRS). The period of limitations on collection remains suspended under 26 U.S.C. Sec. 6503(h) for tax periods being paid under the Plan and terminates on the earlier of (1) all required payments to the IRS has been made; or (2) 30 days after the date of a demand letter for which the Debtors failed to cure the default.

Texas Comptroller

The Texas Comptroller filed a proof of claim in the amount of \$13,600.00 for franchise taxes. This claim is disputed and to the extent the parties are unable to resolve the dispute, Debtors shall file an objection with the Court. The Texas Comptroller debt shall be paid in equal installments of principal and interest over the first 4 years of the Plan with interest at four (4.25%) per annum beginning on the first day of the month following 30 days after the Effective Date. The estimated monthly payment to the Texas Comptroller is \$309.00

Class 1 Claims: The Class 1 claims consist of the unimpaired secured claims of the taxing entities located in Bexar County in the amount of \$63,395, which includes all taxes owed through 2016. This claim is disputed as Debtors are currently in the process of contesting the amount of the claim through the administrative property tax dispute process. Debtors shall not file an objection to the claim. However, the claim shall be reduced to the amount ultimately determined in the dispute process for all claimed years.

The Bexar County allowed claim will be paid in full in forty-eight (48) equal, consecutive monthly installments, with the first payment being made on the first day of the first month following 30 days after the Plan's Effective Date. Post-petition interest at the rate of twelve percent (12%) per annum shall accrue beginning from the Petition Date until the confirmation date. Thereafter, plan interest at the rate of twelve percent (12%) per annum shall accrue on the entire balance until the tax debt is paid in full. Debtors shall make separate payments on each account consistent with separate amortization schedules provided to the Debtors. Each separate payment which will be applied pro rata to the various tax accounts indicated above. In the event the Debtors sell, conveys or transfers any property which is collateral of the Bexar County claim or post confirmation tax debt, the Debtors shall remit such sales proceeds first to Bexar County to be applied to the Bexar County tax debt incident to any such property/tax account sold, conveyed or transferred.

The Reorganized Debtors may pre-pay the pre-petition tax debt to any of the ad valorem taxing entities at any time. The Debtors shall have thirty (30) days from the Effective Date to object to the Bexar County claim; otherwise, such claim is deemed as an allowed secured claim in the amount of its Proof of Claim consistent with the treatment of each tax account under this Plan. Bexar County shall retain its statutory lien securing their pre-petition and post-petition tax debts until such time as the tax debts are paid in full. Debtors shall pay all post-petition ad valorem tax liabilities (tax year 2016 and subsequent tax years) owing to Bexar County in the ordinary course of business as such tax debts come due and prior to said ad valorem taxes becoming delinquent without need of any ad valorem taxing entity filing an administrative claim and request for payment.

Should the Reorganized Debtors fail to make any payments as required in this Plan, Bexar County shall provide written notice of that default by sending written notice by certified mail to Debtors' counsel advising of that default, and providing the Reorganized Debtors with a period of fifteen (15) days to cure the default. In the event that the default is not cured within fifteen (15) days, Bexar County may, without further order of this Court or notice to the Debtors, pursue all of their rights and remedies available to them under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed. Additionally, the failure to timely pay post-petition and/or post-confirmation taxes while the Reorganized Debtors are still paying any pre-petition debt, shall be considered an event of default. The Reorganized Debtors shall be entitled to no more than three (3) Notices of Default. In the event of a fourth (4th) default, Bexar County may pursue all rights and remedies available to it under the Texas Property Tax Code in state district court without further order of this court or further notice to the Debtors.

The Class 1 claim is not impaired under the Debtors' Plan of Reorganization and is not eligible to vote on the Plan.

Class 2 Claims: The Class 2 claim consists of the impaired secured claim(s) of Harrold B. Childs, III ("Childs") in the amount of \$881,282. The debt to Childs is secured by pre-petition liens as set forth in the loan documents. The debt to Childs shall be paid at 10% interest in 60 equal monthly installments of \$18724.76, beginning on February 1, 2017, in accordance with Exhibit D. Except for the change in payment terms and default terms stated in the Plan, the loan shall be reinstated upon confirmation and the documents making the basis for the Class 2 Claim shall remain in full force and effect. Debtor shall continue making adequate assurance payments pursuant to the cash collateral order entered by the Court until the month prior to its first payment under the Plan.

Because the Class 2 Claim is over secured, Harrold B. Childs is entitled to reasonable attorney fees pursuant to 11 USC § 506(b). The Debtors have reviewed the attorney fees accrued by Harrold B. Child's counsel during the bankruptcy and Debtors agree the claimed fees in the amount \$10,877.50 are fair and reasonable ("Agreed Fees"). Debtor shall pay Harrold B. Childs' the Agreed Fees no later than January 5, 2017. In addition to the Agreed Fees, Debtor shall pay up to a maximum of \$4,122.50 in additional reasonable attorney fees incurred by Childs' from October 1, 2016, through the closing of Debtors' bankruptcy cases (the "Additional Fees").¹

¹ A claim for Additional Fees must be submitted in writing to Debtors counsel (which may be via email), no later than 30 days after the order confirming Debtors' plan of reorganization is entered. If Debtors contend the Additional Fees

Childs shall not be entitled to any fees in excess of the Additional Fees. Any party in interest may obtain a copy of the Agreed Fees by requesting them in writing from Childs' counsel, Patrick Huffstickler, Dykema, Cox, Smith, 112 E. Pecan #1800, San Antonio, Texas 78205, Email: phuffstickler@dykema.com

The Class 2 claim is impaired under the Debtors' Plan of Reorganization and is eligible to vote on the Plan.

Class 3 Claims: The Class 3 claims consist of the claims of general unsecured creditors. The unsecured claims included the claims scheduled on the Debtors' Schedules (Schedule F) and/or filed with the Court, including any amendments to schedules and claims, and are estimated to be in the approximate amount of \$233,000. The Class 3 Claimants are as follows:

| Creditor | Amount | Allowed/Disputed |
|------------------------------|-----------|-------------------------------------|
| Turnco Tool & Instrument | \$21,026 | Allowed |
| Cellright Technologies | \$53,750 | Allowed |
| X-Spine Systems, Inc. | \$60,400 | <u>Disputed</u> ² |
| Victrex USA, Inc. (Invibio) | \$24,971 | Allowed |
| American Express Bank | \$7478.63 | Allowed ³ |
| David K. Young Consulting | \$2568.70 | Allowed |
| Lattice Biologistics | \$59,360 | Allowed |
| Rackspace Hosting | \$456 | Allowed |
| SLR Medical Consulting, Inc. | \$1000 | Allowed |
| Travelers Insurance | \$3249 | Allowed |

are not reasonable, Debtors shall file a motion with the Court objecting to the fees within 14 days of receipt of the fee request. If no objection is timely made or sustained, then Debtors shall pay the additional fees the later of 1) January 5, 2017, 2) 14 days after receipt of the fee request, or 3) 5 days after any objection is overruled and no longer is subject to appeal.

² The claim contains a post petition Invoice 74810 that was paid on 04/05/16 with Cashiers Check# 117010011 and a \$600 credit granted to Debtor on January 6, 2016, leaving a total prepetition balance owed of \$54,400.

³ Christopher Canis is a guarantor of the American Express account and has been making payments on the American Express account to prevent damage to his personal credit rating. On confirmation, of Debtors' Plan Christopher Canis shall be reimbursed for all payments made on the American Express account. Further, the American Express claim shall be reduced down to the amount owed as of the date of Confirmation. American Express shall send a statement of the amount owed as of the Confirmation date to Debtors within 20 days of confirmation.

American Funds

\$401

Allowed

The Class 3 creditors shall receive (100%) of the creditor's allowed claim in 20 quarterly payments beginning the first day of the first quarter occurring 30 days after the Effective Date.

The Class 3 claims are deemed to be impaired under the Plan and shall vote on the Plan.

Class 4 Claims: The Class 4 claims consist of the impaired priority wage claim of Katie Bro in the amount of \$1433.59. The Class 4 claim shall be paid in two equal payments during the first 90 days after the Effective Date and second 90 days after the Effective Date.

The Class 4 claim is deemed to be impaired under the Plan and shall vote on the Plan.

Class 5 Claims: The Class 5 claims consist of the claims of the equity interest holders of the Debtor, Thomas Wilson and Christopher Canis. The Class 5 parties shall retain their ownership interests in the Debtors.

The Class 5 Claims are not impaired and are deemed to have accepted the Plan.

B. Payment of Administrative Claims

All allowed administrative claims shall be paid in full on or after the Plan's Effective Date in accordance with the provisions of 11 U.S.C. ' 1129(a)(9)(A), as agreed to between a particular administrative claimholder and the Debtors. The Debtors anticipate paying administrative claims from available cash upon confirmation.

C. Feasibility of the Plan.

The Plan is feasible as a result of the income to be generated from Debtors' medical device sales as shown by the proformas attached as Exhibit B.

D. Claims Allowance Procedure

The Debtors shall file any claims objections on or before sixty (60) days from the Plan's Effective Date. At present, the Debtors are attempting to resolve any disputes regarding claims with each particular creditor. The Debtors are hopeful that such negotiations will lead to an amicable resolution of any claim disputes; however, there is no guarantee that the negotiations will lead to a resolution of any disputes.

At this time, Debtors anticipate filing objections to the claims of 1) the IRS and 2) the Texas Comptroller.

E. Retention of Jurisdiction

The Court will retain jurisdiction as set out in the Plan.

F. Interests Retained by the Debtor

The Debtors are retaining their current ownership interests in their real and personal property, subject to the secured and unsecured claims of their creditors.

G. Advance Payment of Claims

Provided Debtors stay current on all payments to creditors pursuant to the Plan, Debtors may make advance payments on claims in Debtors' business judgment discretion.

V. RISK TO CREDITORS UNDER THE DEBTORS' PLAN

The principal risk that creditors will incur under the Debtors' Plan is that the Debtors' sales could decrease as a result of changes in the economy, changes in government regulation, or increased competition. The Debtors might not be able to continue to fund the payments proposed by the Plan unless it could generate alternative sources of income or cash.

VI. TAX CONSEQUENCES

The Debtors are Texas entities. Debtors file income tax returns on an annual basis. The Debtors do not anticipate any tax consequence as a result of the Plan. Debtors are on an accrual basis accounting system. All parties in interest should contact their own tax advisors in regard to their own personal tax consequences of voting for or against the Plan.

VII. LITIGATION

All litigation pending at the time Debtors filed their petition were related to Debtors' attempts to recover money owed to Debtor. During the bankruptcy Debtors resolved litigation against officers of the University General Health System, Inc. in which Glasir recovered 90% of the amounts owed to Glasir. There are other debt litigation cases pending which Debtors shall continue to prosecute post confirmation. Other than potential claims litigation, Debtors do not anticipate any other litigation.

VIII. PREFERENTIAL OR VOIDABLE TRANSFERS

The Debtors are unaware of any recoverable preferential or other voidable transfers at this time.

XI. SUMMARY OF SIGNIFICANT ORDERS ENTERED

Significant orders entered include the following:

- Order Jointly Administering Cases
- Order Authorizing the use of Cash Collateral
- Order Employing the Smeberg Law Firm as Bankruptcy Counsel
- Order Employing Curl Stahl & Geis as Special Collection Counsel
- Order Employing David Scheuller as Accountant
- Order Employing JD Webb as FDA Consultant

- Order Employing George Billingsley as Property Tax Consultant
- Order Approving Settlement with the University General Health System Creditors

X. MISCELLANEOUS DISCLOSURES

A. Modification of the Plan.

The Debtors may propose amendments or modifications to their Plan at any time prior to the date of the entry of the Order Confirming Plan, with leave of the Court, and upon proper notice to parties in interest. After the date of the Order Confirming Plan, Debtors may, with approval of the Court so long as it does not materially or adversely affect the interests of creditors, remedy any defects or omissions or reconcile any inconsistencies in the Plan or in the Order Confirming Plan in such manner as may be necessary to carry out the purpose and effect of this Plan.

B. Effect of Confirmation of the Plan.

Legally Binding Effect. The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims shall be precluded and forever enjoined from asserting any (i) Claim against the Debtor based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan; and (ii) derivative claims, including claims against third parties asserting alter ego claims, fraudulent transfer claims, guaranty claims or any type of successor liability based on acts or omissions of the Debtor.

Limited Discharge of Debtor and Injunction. The entry of the Confirmation Order will operate as a general resolution with prejudice, as of the Effective Date, of all pending Legal Proceedings, if any, against the Debtor and its assets and properties and any proceedings not yet instituted against the Debtor or its assets, except as otherwise provided in the Plan. Except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, may have held, hold, or may hold Claims against the Debtor are permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtor or its property, with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any such Claim against the Debtor or its property, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtor or its property, with respect to such Claim, (d) asserting any right of subrogation of any kind against any obligation due to the Debtor or the property of the Debtor or the Estate with respect to any such Claim and (e) asserting any right of setoff or recoupment against the Debtor or the Estate except as specifically permitted by § 553 of the Bankruptcy Code. Unless otherwise provided in the Plan or by order of the Bankruptcy Court, all injunctions or automatic stays provided for in these cases pursuant to § 105, if any, or § 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date will remain in full force and effect until the Effective Date.

Limited Protection of Certain Parties in Interest. Neither (a) the Debtor, or any of its respective employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by the Debtor, nor (b) each Professional

for the Debtor or any of their employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by any of them, (the persons identified in (a) and (b), are collectively referred to as “Protected Persons”), shall have or incur any liability to any Person or Entity under any theory of liability for any act or omission occurring on or after the Petition Date in connection with or related to the Debtor, the Chapter 11 Case, or the Estate, including, but not limited to, (i) formulating, preparing disseminating, implementing, confirming, consummating or administering this Plan (including soliciting acceptances or rejections thereof); or (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with this Plan, except for acts constituting willful misconduct, gross negligence, or *ultra vires* activity and in all respects such Protected Persons shall be entitled to rely in good faith upon the advice of counsel. In any action, suit or Legal Proceeding by any Person contesting any action by, or non-action of any Protected Person as constituting willful misconduct, gross negligence, or *ultra vires* activity or not being in good faith, the reasonable attorneys’ fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or Legal Proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys’ fees and costs in the event they fail to prevail.

Continuation of Anti-Discrimination Provisions of Bankruptcy Code. A Governmental Unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtor, or another Person with whom the Debtor has been or are associated or affiliated, solely because of the commencement, continuation, or termination of the case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a Governmental Unit.

C. Executory Contracts.

All executory contracts of the Debtor not expressly assumed in writing on or before the date of the hearing on Confirmation of the Plan shall be deemed rejected.

D. Default

Upon default by the Reorganized Debtors and unless otherwise specified in the Plan, creditors are required to provide written notice of such Default to the Reorganized Debtors and their counsel, The Smeberg Law Firm, PLLC by certified mail, return receipt requested, and by regular first class mail, and the Reorganized Debtors shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Reorganized Debtors and Ronald Smeberg. If the Reorganized Debtors fail to cure within the thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court. The Reorganized Debtors shall be entitled to three (3) notices of default for each calendar year. On the fourth (4th) notice of default for a calendar year, creditors shall be allowed

to foreclose their liens without further notice of hearing before the Court, or move to have the case converted to a case under Chapter 7.

XI. CONCLUSION

The Debtors submit this Disclosure Statement. The information contained herein has been compiled in good faith and in accordance with the provisions of 11 UCC §§ 101, *et. seq.* This Disclosure Statement is presented for consideration by creditors and other parties in interest and as the sole source of information furnished by the Debtors, or to be furnished by the Debtors, in solicitation of acceptance of Debtors' Plan of Reorganization.

The Debtors recommend that the Plan of Reorganization be approved in light of the alternative of a non-orderly liquidation. An operating plan is in the best interest of all creditors and parties-in-interest, therefore, all Creditors and Interest Holders are urged to vote to accept the Plan.

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ARTICLE XII.

ATTACHMENTS AND EXHIBITS

Exhibit "A" Monthly Operating Reports
Exhibit "B" Schedule of Future Payments and Sources of Funds – the Budget
Exhibit "C" Personal Property
Exhibit "D" Bob Childs Payment Schedule
Exhibit "E" Plan of Reorganization

DATED: October 19, 2016.

GLASIR MEDICAL, LP

BY: /s/ Thomas Wilson
Name: Thomas Wilson
Its: President, MFLR, LLC, General Partner

MFLR, LLC

BY: /s/ Thomas Wilson
Name: Thomas Wilson
Its: President

THE SMEBERG LAW FIRM, PLLC

BY: /s/ Ronald J. Smeberg
Ronald J. Smeberg
SBN: 24033967
2010 West Kings Highway
San Antonio, Texas 78201
Tel: (210) 695-6684
Fax: (210) 598-7357
Attorney for Debtors

B 25C (Official Form 25C) (12/08)

UNITED STATES BANKRUPTCY COURT

Western District of Texas

In re Glasis Medical LP,
Debtor

Case No. 16-50612

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: August

Date filed: 09/20/2016

Line of Business: Medical Device Sales

NAISC Code: 339110

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING SMALL BUSINESS MONTHLY OPERATING REPORT AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE.

RESPONSIBLE PARTY:



Original Signature of Responsible Party

Thomas Wilson

Printed Name of Responsible Party

Questionnaire: *(All questions to be answered on behalf of the debtor.)*

| | Yes | No |
|---|-------------------------------------|-------------------------------------|
| 1. IS THE BUSINESS STILL OPERATING? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 3. DID YOU PAY YOUR EMPLOYEES ON TIME? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| 11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY? | <input type="checkbox"/> | <input checked="" type="checkbox"/> |
| 13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

Tax account used to escrow anticipated 2016 personal property tax amount. Bank statement attached.

B 25C (Official Form 25C) (12/08)

- 14. HAVE YOU SOLD ANY ASSETS OTHER THAN INVENTORY THIS MONTH?
- 15. DID ANY INSURANCE COMPANY CANCEL YOUR POLICY THIS MONTH?
- 16. HAVE YOU BORROWED MONEY FROM ANYONE THIS MONTH?
- 17. HAS ANYONE MADE AN INVESTMENT IN YOUR BUSINESS THIS MONTH?
- 18. HAVE YOU PAID ANY BILLS YOU OWED BEFORE YOU FILED BANKRUPTCY?

American Express. was discussed with attorney and monthly payment included in cash collateral final order which was approved.

TAXES

DO YOU HAVE ANY PAST DUE TAX RETURNS OR PAST DUE POST-PETITION TAX OBLIGATIONS?

IF YES, PLEASE PROVIDE A WRITTEN EXPLANATION INCLUDING WHEN SUCH RETURNS WILL BE FILED, OR WHEN SUCH PAYMENTS WILL BE MADE AND THE SOURCE OF THE FUNDS FOR THE PAYMENT.

(Exhibit A)

INCOME

PLEASE SEPARATELY LIST ALL OF THE INCOME YOU RECEIVED FOR THE MONTH. THE LIST SHOULD INCLUDE ALL INCOME FROM CASH AND CREDIT TRANSACTIONS. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL INCOME \$ 94,438.00

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$ 93,182.00
 Cash on Hand at End of Month \$ 245,768.93

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU **TOTAL** \$ 164,975.51

(Exhibit B)

EXPENSES

PLEASE SEPARATELY LIST ALL EXPENSES PAID BY CASH OR BY CHECK FROM YOUR BANK ACCOUNTS THIS MONTH. INCLUDE THE DATE PAID, WHO WAS PAID THE MONEY, THE PURPOSE AND THE AMOUNT. *(THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)*

TOTAL EXPENSES \$ 123,422.00

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH *(TOTAL FROM EXHIBIT B)* \$ 94,438.00
 EXPENSES FOR THE MONTH *(TOTAL FROM EXHIBIT C)* \$ 123,422.00
(Subtract Line C from Line B) **CASH PROFIT FOR THE MONTH** \$ -29,004.00

B 25C (Official Form 25C) (12/08)

UNPAID BILLS

PLEASE ATTACH A LIST OF ALL DEBTS (INCLUDING TAXES) WHICH YOU HAVE INCURRED SINCE THE DATE YOU FILED BANKRUPTCY BUT HAVE NOT PAID. THE LIST MUST INCLUDE THE DATE THE DEBT WAS INCURRED, WHO IS OWED THE MONEY, THE PURPOSE OF THE DEBT AND WHEN THE DEBT IS DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL PAYABLES \$ 0.00

(Exhibit D)

MONEY OWED TO YOU

PLEASE ATTACH A LIST OF ALL AMOUNTS OWED TO YOU BY YOUR CUSTOMERS FOR WORK YOU HAVE DONE OR THE MERCHANDISE YOU HAVE SOLD. YOU SHOULD INCLUDE WHO OWES YOU MONEY, HOW MUCH IS OWED AND WHEN IS PAYMENT DUE. (THE U.S. TRUSTEE MAY WAIVE THIS REQUIREMENT.)

TOTAL RECEIVABLES \$ 206,079.00

(Exhibit E)

BANKING INFORMATION

PLEASE ATTACH A COPY OF YOUR LATEST BANK STATEMENT FOR EVERY ACCOUNT YOU HAVE AS OF THE DATE OF THIS FINANCIAL REPORT OR HAD DURING THE PERIOD COVERED BY THIS REPORT.

(Exhibit F)

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED? 6
NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT? 5

PROFESSIONAL FEES

BANKRUPTCY RELATED:

PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 0.00
TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 0.00

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD? \$ 16,376.00
TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$ 16,376.00

B 25C (Official Form 25C) (12/08)

PROJECTIONS

COMPARE YOUR ACTUAL INCOME AND EXPENSES TO THE PROJECTIONS FOR THE FIRST 180 DAYS OF YOUR CASE PROVIDED AT THE INITIAL DEBTOR INTERVIEW.

| | Projected | Actual | Difference |
|-------------|---------------|---------------|---------------|
| INCOME | \$ 106,000.00 | \$ 94,438.00 | \$ -11,562.00 |
| EXPENSES | \$ 96,976.00 | \$ 123,442.00 | \$ 26,466.00 |
| CASH PROFIT | \$ 9,024.00 | \$ -29,004.00 | \$ -38,028.00 |

| | |
|---|---------------|
| TOTAL PROJECTED INCOME FOR THE NEXT MONTH: | \$ 106,000.00 |
| TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: | \$ 95,422.00 |
| TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: | \$ 10,578.00 |

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET WHICH YOU PREPARE INTERNALLY.

**ADDITIONAL
INFORMATION
AUGUST**

11:05 AM
 09/19/16
 Accrual Basis

Glasisr Medical, LP
Profit & Loss
 August 2016

| | Aug 16 |
|---|------------------|
| Ordinary Income/Expense | |
| Income | |
| 75000 · Biologics Sales | |
| 75050 · 1.25ml Amniotic Tissue | 2,225.00 |
| 75100 · Inductafil 10cc | 18,600.00 |
| 75110 · Inductafil 5cc | 1,975.00 |
| 75165 · Matrix Collect Putty 1cc | 1,163.00 |
| 75166 · Matrix Collect Putty 2.5cc | 215.00 |
| | 24,178.00 |
| Total 75000 · Biologics Sales | 24,178.00 |
| 75400 · Metal Sales | |
| 75410 · Anterior Cervical Systems | 6,150.00 |
| 75440 · Pedicle Screw | 2,250.00 |
| | 8,400.00 |
| Total 75400 · Metal Sales | 8,400.00 |
| 76000 · PEEK Sales | |
| 76020 · Cervical | 17,500.00 |
| 76030 · PLIF | 26,425.00 |
| 76050 · TLIF | 20,160.00 |
| | 64,085.00 |
| Total 76000 · PEEK Sales | 64,085.00 |
| Total Income | 96,663.00 |
| Cost of Goods Sold | |
| 80000 · Cost of Goods Sold Product | |
| 80010 · Biologics | 14,624.79 |
| 80030 · Metal | 5,978.32 |
| 80040 · PEEK | 23,668.08 |
| 80000 · Cost of Goods Sold Product - Other | 1,766.04 |
| | 46,037.23 |
| Total 80000 · Cost of Goods Sold Product | 46,037.23 |
| 80999 · Inventory Adjustment | -11,079.53 |
| 81900 · Shipping Expense | |
| 81905 · Shipping Expense | 334.07 |
| 81915 · Packaging Supplies | 162.58 |
| | 496.65 |
| Total 81900 · Shipping Expense | 496.65 |
| Total COGS | 35,454.35 |
| Gross Profit | 61,208.65 |
| Expense | |
| 66000 · Payroll Expenses | |
| 66010 · Office Salaries & Wages | 12,255.38 |
| 66020 · Guaranteed Payments | 16,000.00 |
| 66000 · Payroll Expenses - Other | 0.01 |
| | 28,255.39 |
| Total 66000 · Payroll Expenses | 28,255.39 |
| 84000 · Payroll Expense | |
| 84010 · Payroll Fee | 102.50 |
| 84035 · Social Security/Medicare - ER | 901.20 |
| 84045 · FUTA | 0.00 |
| 84046 · SUTA | 0.00 |
| 84060 · Contract Labor | |
| 84061 · Quality System | 864.00 |
| | 864.00 |
| Total 84060 · Contract Labor | 864.00 |
| 84080 · Health Insurance | |
| 84084 · Health Ins - Chris | 1,960.63 |
| 84082 · Health Ins - Thomas | 1,658.00 |
| 84080 · Health Insurance - Other | 554.21 |
| | 4,172.84 |
| Total 84080 · Health Insurance | 4,172.84 |

11:05 AM
 09/19/16
 Accrual Basis

Glasir Medical, LP
Profit & Loss
August 2016

| | Aug 16 |
|--|-------------------|
| 84090 - 401K Expenses | |
| 84091 - 401K Fees | 106.68 |
| 84093 - 401K Safe Harbor Match | 463.82 |
| Total 84090 - 401K Expenses | 570.50 |
| Total 84000 - Payroll Expense | 6,611.04 |
| 85000 - Professional Fees | |
| 85004 - Attorney Fees | 16,375.86 |
| 85005 - CPA | 1,000.00 |
| 85008 - Royalties | 2,355.00 |
| 85009 - Consulting | 5,719.25 |
| Total 85000 - Professional Fees | 25,450.11 |
| 85110 - Office Expenses | 409.38 |
| 85130 - Bank Fees | 340.51 |
| 85140 - Telephone & Internet | 329.82 |
| 85151 - Server Hosting Service | 456.04 |
| 85450 - Dues & Subscriptions | 355.53 |
| 85500 - Insurance Expense | |
| 85530 - Vehicles | 298.96 |
| Total 85500 - Insurance Expense | 298.96 |
| 85550 - Auto Expense | 362.19 |
| Total Expense | 62,868.97 |
| Net Ordinary Income | -1,660.32 |
| Other Income/Expense | |
| Other Income | |
| 91000 - Other Income | |
| 91100 - Misc Income | 40,000.00 |
| 91000 - Other Income - Other | 145,100.00 |
| Total 91000 - Other Income | 185,100.00 |
| Total Other Income | 185,100.00 |
| Other Expense | |
| 92000 - Other Expense | |
| 92100 - Interest Expense | 7,500.00 |
| 92400 - Amortization | |
| 92410 - Invisio Deferral Amortization | 1,852.72 |
| Total 92400 - Amortization | 1,852.72 |
| 92000 - Other Expense - Other | -20,060.00 |
| Total 92000 - Other Expense | -10,707.28 |
| Total Other Expense | -10,707.28 |
| Net Other Income | 195,807.28 |
| Net Income | 194,146.96 |

11:12 AM
 09/19/16
 Accrual Basis

Glaser Medical, LP
Balance Sheet
 As of August 31, 2016

| | Aug 31, 16 |
|--|-------------------|
| ASSETS | |
| Current Assets | |
| Checking/Savings | |
| 10800 · Frost Tax Account | 11,789.42 |
| 10700 · Frost (Debtor Acct) | 245,768.93 |
| Total Checking/Savings | 257,558.35 |
| Accounts Receivable | |
| 11000 · Accounts Receivable | 206,079.00 |
| Total Accounts Receivable | 206,079.00 |
| Other Current Assets | |
| 12000 · Inventory | |
| 12100 · Inventory Asset | 328,169.53 |
| 12110 · Inventory Reserve | -177,272.09 |
| Total 12000 · Inventory | 150,897.44 |
| 12101 · Inventory Asset | |
| | 348.80 |
| 13000 · Prepaid Expenses | |
| 13400 · Prepaid Insurance | 35,689.21 |
| Total 13000 · Prepaid Expenses | 35,689.21 |
| Total Other Current Assets | 186,935.45 |
| Total Current Assets | 650,572.80 |
| Fixed Assets | |
| 15000 · Furniture and Equipment | |
| 15010 · Furniture and Fixtures Asset | 11,545.06 |
| 15050 · Furniture & Fixtures Acc. Dep. | -11,545.06 |
| Total 15000 · Furniture and Equipment | 0.00 |
| 15100 · Software | |
| 15110 · Software Asset | 1,057.45 |
| 15150 · Software Acc. Dep. | -1,057.45 |
| Total 15100 · Software | 0.00 |
| 15200 · Computer Hardware | |
| 15210 · Computer Hardware Asset | 2,054.65 |
| 15250 · Computer Hardware Acc. Dep. | -2,054.65 |
| Total 15200 · Computer Hardware | 0.00 |
| 15400 · Automobiles | |
| 15410 · Automobile Asset | 96,172.49 |
| 15450 · Automobile Acc. Dep. | -67,088.00 |
| Total 15400 · Automobiles | 29,084.49 |
| 15500 · Communication & Office Equip. | |
| 15510 · Comm. & Office Equip. Asset | 8,757.96 |
| 15550 · Comm. & Office Equip. Acc. Dep. | -8,757.96 |
| Total 15500 · Communication & Office Equip. | 0.00 |
| 15600 · Leasehold Improvements | |
| 15610 · Leasehold Improvement Asset | 12,709.69 |
| 15650 · Leasehold Improvement Acc. Dep. | -12,709.69 |
| Total 15600 · Leasehold Improvements | 0.00 |

11:12 AM
09/19/16
Accrual Basis

Glasisr Medical, LP
Balance Sheet
As of August 31, 2016

| | <u>Aug 31, 16</u> |
|--|--------------------------|
| 15700 - Instruments | |
| 15710 - Emerald Cervical PEEK Instr | 89,935.93 |
| 15720 - Onyx PLIF PEEK Instr | 135,560.80 |
| 15750 - Disc Prep Instruments | 43,246.64 |
| 15751 - Instrumentation Acq Costs | 16,012.02 |
| 15799 - Instruments Acc. Dep | <u>-284,755.39</u> |
| Total 15700 - Instruments | 0.00 |
| 15800 - Trays & Caddies | |
| 15810 - Emerald Cervical PEEK | 44,103.09 |
| 15820 - Onyx PLIF PEEK | 25,648.31 |
| 15821 - Trays & Caddies Acq Costs | 4,092.52 |
| 15899 - Trays & Caddies Acc. Dep | <u>-73,843.92</u> |
| Total 15800 - Trays & Caddies | 0.00 |
| Total Fixed Assets | 29,084.49 |
| Other Assets | |
| 16000 - Organization Costs | |
| 16010 - Organizational Costs | 3,078.35 |
| 16015 - Org Costs - Accum Amort | <u>-3,078.35</u> |
| Total 16000 - Organization Costs | 0.00 |
| 16100 - Security Deposits | |
| 16110 - Midway Plaza LTD Deposit | <u>7,641.67</u> |
| Total 16100 - Security Deposits | 7,641.67 |
| 16200 - Deferred Licensing Fees | |
| 16205 - Invbio Deferred Licensing Fees | 174,156.15 |
| 16210 - Invbio Deferral Accum. Amort. | <u>-85,510.48</u> |
| Total 16200 - Deferred Licensing Fees | 88,645.67 |
| Total Other Assets | 96,287.34 |
| TOTAL ASSETS | <u>775,944.63</u> |
| LIABILITIES & EQUITY | |
| Liabilities | |
| Current Liabilities | |
| Accounts Payable | |
| 20000 - 20000 - Accounts Payable | <u>270,506.06</u> |
| Total Accounts Payable | 270,506.06 |
| Other Current Liabilities | |
| 24000 - Payroll Liabilities | |
| 24020 - Social Security W/H Payable | -0.02 |
| 24030 - Medicare W/H Payable | 0.02 |
| 24100 - Retirement Plan Payable (401k) | <u>-98.08</u> |
| Total 24000 - Payroll Liabilities | -98.08 |
| 25500 - SalesTax Payable | |
| 25505 - Franchise Tax Payable | <u>-827.84</u> |
| Total 25500 - SalesTax Payable | -827.84 |
| Total Other Current Liabilities | -925.92 |
| Total Current Liabilities | 269,580.14 |
| Long Term Liabilities | |
| 40027 - N/P - CC Vehicle | -2,935.28 |

11:12 AM
 09/19/16
 Accrual Basis

Glaser Medical, LP
Balance Sheet
 As of August 31, 2016

| | <u>Aug 31, 16</u> |
|---|--------------------------|
| 40000 - 40000 - Notes Payable | |
| 40030 - N/P - Wells Fargo (2013 F250) | 42,153.20 |
| 40011 - N/P to Bob Childs | 874,304.85 |
| 40025 - N/P - B of A | <u>45,197.43</u> |
| Total 40000 - 40000 - Notes Payable | 961,655.48 |
| 41000 - Security Deposit | <u>4,168.00</u> |
| Total Long Term Liabilities | <u>962,888.20</u> |
| Total Liabilities | 1,232,468.34 |
| Equity | |
| 61000 - Capital | |
| 61200 - Thomas Wilson | |
| 61205 - Thomas Wilson Capital | -327,336.62 |
| 61220 - Thomas Wilson Distributions | <u>-84,926.00</u> |
| Total 61200 - Thomas Wilson | -412,262.62 |
| 61300 - Christopher Canis | |
| 61305 - Christopher Canis Capital | -328,874.77 |
| 61320 - Christopher Canis Distributions | <u>-86,984.41</u> |
| Total 61300 - Christopher Canis | <u>-415,859.18</u> |
| Total 61000 - Capital | -828,121.80 |
| 63000 - Retained Earnings | 6,012.04 |
| Net Income | <u>365,586.05</u> |
| Total Equity | <u>-456,523.71</u> |
| TOTAL LIABILITIES & EQUITY | <u>775,944.63</u> |

EXHIBIT B

AUGUST

Glasisr Medical, LP
Transaction Detail By Account
August 2016

8:27 AM
 09/16/16
 Accrual Basis

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|---|------------|--------|------------------------------------|------------------------------|-----------------------------|-------|----------|-----------|
| 75000 - Biologics Sales | | | | | | | | |
| 75100 - Inductafill 10cc | | | | | | | | |
| Invoice | 08/04/2016 | 218353 | Operative Innovations, LLC Billing | Inductafill 10cc | 11000 - Accounts Receivable | | 7,000.00 | 7,000.00 |
| Invoice | 08/12/2016 | 218375 | Titan Medical | Inductafill 10cc | 11000 - Accounts Receivable | | 650.00 | 7,650.00 |
| Invoice | 08/19/2016 | 218406 | Operative Innovations, LLC Billing | Inductafill 10cc | 11000 - Accounts Receivable | | 7,000.00 | 14,650.00 |
| Invoice | 08/24/2016 | 218424 | Titan Medical | Inductafill 10cc | 11000 - Accounts Receivable | | 1,300.00 | 15,950.00 |
| Invoice | 08/25/2016 | 218429 | Titan Medical | Inductafill 10cc | 11000 - Accounts Receivable | | 650.00 | 16,600.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | Inductafill 10cc | 11000 - Accounts Receivable | | 2,000.00 | 18,600.00 |
| Total 75100 - Inductafill 10cc | | | | | | | | |
| 75110 - Inductafill 5cc | | | | | | | | |
| Invoice | 08/12/2016 | 218375 | Titan Medical | Inductafill 5cc | 11000 - Accounts Receivable | | 500.00 | 500.00 |
| Invoice | 08/25/2016 | 218429 | Titan Medical | Inductafill 5cc | 11000 - Accounts Receivable | | 500.00 | 1,000.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | Inductafill 5cc | 11000 - Accounts Receivable | | 975.00 | 1,975.00 |
| Total 75110 - Inductafill 5cc | | | | | | | | |
| 75165 - Matrix Collect Putty 1cc | | | | | | | | |
| Invoice | 08/02/2016 | 218333 | Medical Concepts, LLC (SD) | 1cc Matrix/Collect 100 DBM | 11000 - Accounts Receivable | | 288.00 | 288.00 |
| Invoice | 08/02/2016 | 218333 | Medical Concepts, LLC (SD) | 1cc DBM Putty | 11000 - Accounts Receivable | | 250.00 | 538.00 |
| Invoice | 08/17/2016 | 218393 | Medical Concepts, LLC (SD) | 1cc DBM Putty | 11000 - Accounts Receivable | | 625.00 | 1,163.00 |
| Total 75165 - Matrix Collect Putty 1cc | | | | | | | | |
| 75166 - Matrix Collect Putty 2.5cc | | | | | | | | |
| Invoice | 08/02/2016 | 218333 | Medical Concepts, LLC (SD) | 2.5cc DBM Putty | 11000 - Accounts Receivable | | 215.00 | 215.00 |
| Total 75166 - Matrix Collect Putty 2.5cc | | | | | | | | |
| Total 75000 - Biologics Sales | | | | | | | | |
| 75400 - Metal Sales | | | | | | | | |
| 75410 - Anterior Cervical Systems | | | | | | | | |
| Invoice | 08/09/2016 | 218364 | Horn Medical | 22mm Single Level Plate | 11000 - Accounts Receivable | | 400.00 | 400.00 |
| Invoice | 08/09/2016 | 218364 | Horn Medical | 4mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 300.00 | 700.00 |
| Invoice | 08/15/2016 | 218387 | Horn Medical | 4mm x 14mm Fixed Screw | 11000 - Accounts Receivable | | 150.00 | 850.00 |
| Invoice | 08/15/2016 | 218387 | Horn Medical | 39mm Two Level Plate | 11000 - Accounts Receivable | | 1,350.00 | 1,950.00 |
| Invoice | 08/15/2016 | 218387 | Horn Medical | 4mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 300.00 | 1,650.00 |
| Invoice | 08/19/2016 | 218408 | Horn Medical | 4mm x 14mm Fixed Screw | 11000 - Accounts Receivable | | 300.00 | 1,950.00 |
| Invoice | 08/19/2016 | 218408 | Horn Medical | 53mm Three Level Plate | 11000 - Accounts Receivable | | 600.00 | 2,550.00 |
| Invoice | 08/19/2016 | 218408 | Horn Medical | 4mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 150.00 | 2,700.00 |
| Invoice | 08/19/2016 | 218408 | Horn Medical | 4.25mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 75.00 | 2,775.00 |
| Invoice | 08/26/2016 | 218437 | Horn Medical | 4.25mm x 16mm Variable Screw | 11000 - Accounts Receivable | | 75.00 | 2,850.00 |
| Invoice | 08/26/2016 | 218437 | Horn Medical | 4mm x 16mm Fixed Screw | 11000 - Accounts Receivable | | 150.00 | 3,000.00 |
| Invoice | 08/26/2016 | 218437 | Horn Medical | 42mm Two Level Plate | 11000 - Accounts Receivable | | 500.00 | 3,500.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 4mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 300.00 | 3,800.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 4mm x 14mm Fixed Screw | 11000 - Accounts Receivable | | 450.00 | 4,250.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 62mm Three Level Plate | 11000 - Accounts Receivable | | 300.00 | 4,550.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 4mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 1,000.00 | 5,550.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 4mm x 14mm Variable Screw | 11000 - Accounts Receivable | | 300.00 | 5,850.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 4mm x 16mm Variable Screw | 11000 - Accounts Receivable | | 300.00 | 6,150.00 |
| Total 75410 - Anterior Cervical Systems | | | | | | | | |
| 75440 - Pedicle Screw | | | | | | | | |
| Invoice | 08/22/2016 | 218410 | Horn Medical | 70mm Continuous Radius Rod | 11000 - Accounts Receivable | | 100.00 | 100.00 |
| Invoice | 08/22/2016 | 218410 | Horn Medical | 80mm Continuous Radius Rod | 11000 - Accounts Receivable | | 100.00 | 200.00 |
| Invoice | 08/22/2016 | 218410 | Horn Medical | 6.5 x 35mm Cannulated Screw | 11000 - Accounts Receivable | | 350.00 | 550.00 |
| Invoice | 08/22/2016 | 218410 | Horn Medical | 6.5 x 40mm Cannulated Screw | 11000 - Accounts Receivable | | 700.00 | 1,250.00 |
| Invoice | 08/22/2016 | 218410 | Horn Medical | 6.5 x 45mm Cannulated Screw | 11000 - Accounts Receivable | | 700.00 | 1,950.00 |
| Invoice | 08/22/2016 | 218410 | Horn Medical | Fortex Cap | 11000 - Accounts Receivable | | 300.00 | 2,250.00 |
| Total 75440 - Pedicle Screw | | | | | | | | |
| Total 75400 - Metal Sales | | | | | | | | |

Glasis Medical, LP
Transaction Detail By Account
August 2016

8:27 AM
 09/16/16
 Actual Basis

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|---------------------------|------------|--------|------------------------------------|-------------------------------------|-----------------------------|-------|-----------|-----------|
| 76020 - Cervical | | | | | | | | |
| 76000 - PEEK Sales | | | | | | | | |
| Invoice | 08/02/2016 | 218335 | Arkansas Surgical Hospital | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 375.00 | 375.00 |
| Invoice | 08/02/2016 | 218335 | Arkansas Surgical Hospital | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,125.00 | 1,500.00 |
| Invoice | 09/02/2016 | 218335 | Arkansas Surgical Hospital | 11mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 375.00 | 1,875.00 |
| Invoice | 08/05/2016 | 218356 | Windstar Billing | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 550.00 | 2,425.00 |
| Invoice | 08/08/2016 | 218362 | Arkansas Surgical Hospital | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 375.00 | 2,800.00 |
| Invoice | 08/09/2016 | 218362 | Arkansas Surgical Hospital | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,125.00 | 3,925.00 |
| Invoice | 08/09/2016 | 218372 | Arkansas Surgical Hospital | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 200.00 | 4,125.00 |
| Invoice | 08/09/2016 | 218373 | Spinal Resources, Inc. (Billing) | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 200.00 | 4,325.00 |
| Invoice | 08/10/2016 | 218370 | Spinal Resources, Inc. (Billing) | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,500.00 | 5,825.00 |
| Invoice | 08/10/2016 | 218370 | Operative Innovations, LLC Billing | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,500.00 | 7,325.00 |
| Invoice | 08/11/2016 | 218371 | Operative Innovations, LLC Billing | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 550.00 | 7,875.00 |
| Invoice | 08/12/2016 | 218376 | Windstar Billing | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 200.00 | 8,075.00 |
| Invoice | 08/12/2016 | 218376 | SLR Medical Consulting | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,125.00 | 9,200.00 |
| Invoice | 08/16/2016 | 218391 | Arkansas Surgical Hospital | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 375.00 | 9,575.00 |
| Invoice | 08/16/2016 | 218391 | Arkansas Surgical Hospital | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 600.00 | 10,175.00 |
| Invoice | 08/16/2016 | 218398 | Spinal Resources, Inc. (Billing) | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 200.00 | 10,375.00 |
| Invoice | 08/16/2016 | 218402 | Spinal Resources, Inc. (Billing) | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 200.00 | 10,575.00 |
| Invoice | 08/16/2016 | 218402 | Spinal Resources, Inc. (Billing) | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 200.00 | 10,775.00 |
| Invoice | 08/17/2016 | 218400 | Spinal Resources, Inc. (Billing) | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 400.00 | 11,175.00 |
| Invoice | 08/19/2016 | 218406 | Spinal Resources, Inc. (Billing) | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,200.00 | 12,375.00 |
| Invoice | 08/24/2016 | 218420 | Operative Innovations, LLC Billing | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 375.00 | 12,750.00 |
| Invoice | 08/24/2016 | 218420 | Arkansas Surgical Hospital | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,125.00 | 13,875.00 |
| Invoice | 08/24/2016 | 218420 | Arkansas Surgical Hospital | 9mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 375.00 | 14,250.00 |
| Invoice | 08/24/2016 | 218422 | Arkansas Surgical Hospital | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 275.00 | 14,525.00 |
| Invoice | 08/24/2016 | 218422 | Windstar Billing | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 275.00 | 14,800.00 |
| Invoice | 08/30/2016 | 218441 | Windstar Billing | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 900.00 | 15,700.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 7mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,900.00 | 17,600.00 |
| Invoice | 08/30/2016 | 218441 | St. Luke's Baptist Hospital | 8mm Lordotic Emerald Cervical PEEK | 11000 - Accounts Receivable | | 1,900.00 | 17,500.00 |
| Total 76020 - Cervical | | | | | | 0.00 | 17,500.00 | 17,500.00 |
| 76030 - PLIF | | | | | | | | |
| Invoice | 08/01/2016 | 218337 | Ezamar Services | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 800.00 |
| Invoice | 08/02/2016 | 218339 | CPM Medical | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 1,700.00 | 2,500.00 |
| Invoice | 08/02/2016 | 218355 | Spinal Resources, Inc. (Billing) | 11mm x 10" Lordotic PLIF Onyx PEEK | 11000 - Accounts Receivable | | 975.00 | 3,475.00 |
| Invoice | 08/03/2016 | 218349 | Ezamar Services | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 4,275.00 |
| Invoice | 08/03/2016 | 218349 | Ezamar Services | 12mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 5,075.00 |
| Invoice | 08/05/2016 | 218356 | Windstar Billing | 7mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 400.00 | 5,475.00 |
| Invoice | 08/05/2016 | 218356 | Windstar Billing | 8mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 1,600.00 | 7,075.00 |
| Invoice | 08/05/2016 | 218358 | Ezamar Services | 8mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 450.00 | 7,525.00 |
| Invoice | 08/06/2016 | 218360 | Horn Medical | 12mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 8,325.00 |
| Invoice | 08/08/2016 | 218379 | Ezamar Services | 12mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 900.00 | 9,225.00 |
| Invoice | 08/09/2016 | 218381 | CPM Medical | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 450.00 | 9,675.00 |
| Invoice | 08/09/2016 | 218363 | Horn Medical | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 10,475.00 |
| Invoice | 08/09/2016 | 218368 | Ezamar Services | 11mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 11,275.00 |
| Invoice | 08/09/2016 | 218374 | Spinal Resources, Inc. (Billing) | 8mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 325.00 | 11,600.00 |
| Invoice | 08/09/2016 | 218374 | Spinal Resources, Inc. (Billing) | 9mm x 10" Lordotic PLIF Onyx PEEK | 11000 - Accounts Receivable | | 325.00 | 11,925.00 |
| Invoice | 08/11/2016 | 218371 | Windstar Billing | 8mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 1,200.00 | 13,125.00 |
| Invoice | 08/11/2016 | 218371 | Windstar Billing | 8mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 1,600.00 | 14,725.00 |
| Invoice | 08/11/2016 | 218377 | Ezamar Services | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 15,525.00 |
| Invoice | 08/13/2016 | 218381 | Ezamar Services | 11mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 16,325.00 |
| Invoice | 08/15/2016 | 218385 | Horn Medical | 12mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 450.00 | 16,775.00 |
| Invoice | 08/15/2016 | 218385 | Horn Medical | 13mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 450.00 | 17,225.00 |
| Invoice | 08/15/2016 | 218389 | Ezamar Services | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 18,025.00 |
| Invoice | 08/15/2016 | 218389 | Ezamar Services | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 1,600.00 | 19,625.00 |
| Invoice | 08/18/2016 | 218404 | Horn Medical | 9mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 400.00 | 20,025.00 |
| Invoice | 08/22/2016 | 218412 | Horn Medical | 11mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 1,600.00 | 21,625.00 |
| Invoice | 08/23/2016 | 218418 | Ezamar Services | 7mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 400.00 | 22,025.00 |
| Invoice | 08/23/2016 | 218414 | Windstar Billing | 6mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 400.00 | 22,425.00 |
| Invoice | 08/23/2016 | 218433 | Ezamar Services | 11mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 800.00 | 23,225.00 |
| Invoice | 08/24/2016 | 218443 | Capitol Area Distributors | 8mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 300.00 | 23,525.00 |
| Invoice | 08/24/2016 | 218443 | Capitol Area Distributors | 10mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 300.00 | 23,825.00 |
| Invoice | 08/24/2016 | 218443 | Capitol Area Distributors | 11mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 300.00 | 24,125.00 |
| Invoice | 08/24/2016 | 218443 | Capitol Area Distributors | 12mm Parallel PLIF Onyx PEEK | 11000 - Accounts Receivable | | 300.00 | 24,425.00 |

Glasir Medical, LP
Transaction Detail By Account
August 2016

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 09/16/16
 Actual Basis

| Type | Date | Num | Name | Memo | Split | Debit | Credit | Balance |
|--------------------------|------------|--------|------------------------------------|------------------------------------|-----------------------------|-------------|------------------|------------------|
| Invoice | 08/24/2016 | 218443 | Capitol Area Distributors | 11mm x 10° Lordotic PLIF Onyx PEEK | 11000 · Accounts Receivable | | 900.00 | 24,575.00 |
| Invoice | 08/24/2016 | 218443 | Capitol Area Distributors | 13mm x 10° Lordotic PLIF Onyx PEEK | 11000 · Accounts Receivable | | 600.00 | 25,175.00 |
| Invoice | 08/25/2016 | 218435 | Ezamar Services | 11mm Parallel PLIF Onyx PEEK | 11000 · Accounts Receivable | | 800.00 | 25,975.00 |
| Invoice | 08/30/2016 | 218447 | Horn Medical | 11mm Parallel PLIF Onyx PEEK | 11000 · Accounts Receivable | | 450.00 | 26,425.00 |
| Total 78030 · PLIF | | | | | | 0.00 | 26,425.00 | 26,425.00 |
| 76050 · TLIF | | | | | | | | |
| Invoice | 08/04/2016 | 218353 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 7mm | 11000 · Accounts Receivable | | 2,800.00 | 2,800.00 |
| Invoice | 08/04/2016 | 218353 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 8mm | 11000 · Accounts Receivable | | 700.00 | 3,500.00 |
| Invoice | 08/04/2016 | 218353 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 9mm | 11000 · Accounts Receivable | | 700.00 | 4,200.00 |
| Invoice | 08/04/2016 | 218353 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 11mm | 11000 · Accounts Receivable | | 700.00 | 4,900.00 |
| Invoice | 08/05/2016 | 218356 | Windstar Billing | TLIF Cage 28mm x 10mm x 8mm | 11000 · Accounts Receivable | | 2,800.00 | 7,700.00 |
| Invoice | 08/10/2016 | 218370 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 8mm | 11000 · Accounts Receivable | | 665.00 | 8,365.00 |
| Invoice | 08/10/2016 | 218370 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 9mm | 11000 · Accounts Receivable | | 3,500.00 | 11,865.00 |
| Invoice | 08/10/2016 | 218370 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 10mm | 11000 · Accounts Receivable | | 2,800.00 | 14,665.00 |
| Invoice | 08/10/2016 | 218370 | Operative Innovations, LLC Billing | TLIF Cage 28mm x 10mm x 10mm | 11000 · Accounts Receivable | | 3,500.00 | 18,165.00 |
| Invoice | 08/15/2016 | 218383 | Windstar Billing | TLIF Cage 28mm x 10mm x 9mm | 11000 · Accounts Receivable | | 665.00 | 18,830.00 |
| Invoice | 08/25/2016 | 218431 | Windstar Billing | TLIF Cage 28mm x 10mm x 10mm | 11000 · Accounts Receivable | | 665.00 | 19,495.00 |
| Invoice | 08/29/2016 | 218445 | Windstar Billing | TLIF Cage 28mm x 10mm x 10mm | 11000 · Accounts Receivable | | 665.00 | 20,160.00 |
| Total 76050 · TLIF | | | | | | 0.00 | 20,160.00 | 20,160.00 |
| Total 78000 · PEEK Sales | | | | | | 0.00 | 64,085.00 | 64,085.00 |
| TOTAL | | | | | | 0.00 | 84,438.00 | 84,438.00 |

EXHIBIT C

AUGUST

Glasir Medical, LP
 Check Detail
 August 2016

11:19 AM
 09/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|-----------------|-------|------------|----------------------------|---|-------------------------------------|-------------|-----------------|
| Liability Check | | 08/04/2016 | QuickBooks Payroll Service | | 10700 - Frost (Debtor Acct) | | -6,156.90 |
| | | | | | 84010 - Payroll Fee | -6.00 | 6.00 |
| | | | | | 84010 - Payroll Fee | -84.15 | 84.15 |
| | | | | | 84010 - Payroll Fee | -5.95 | 5.95 |
| | | | | | 24010 - Federal W/H Payable | -648.00 | 648.00 |
| | | | | | 24030 - Medicare W/H Payable | -85.40 | 85.40 |
| | | | | | 24030 - Medicare W/H Payable | -85.40 | 85.40 |
| | | | | | 24020 - Social Security W/H Payable | -365.19 | 365.19 |
| | | | | | 24020 - Social Security W/H Payable | -365.19 | 365.19 |
| | | | | | 2110 - Direct Deposit Liabilities | -4,511.62 | 4,511.62 |
| TOTAL | | | | | | -9,156.90 | 6,156.90 |
| Check | | 08/17/2016 | | | 10800 - Frost Tax Account | | -19.47 |
| | | | | | 85130 - Bank Fees | -19.47 | 19.47 |
| TOTAL | | | | | | -19.47 | 19.47 |
| Check | | 08/17/2016 | | | 10700 - Frost (Debtor Acct) | | -321.04 |
| | | | | | 85130 - Bank Fees | -321.04 | 321.04 |
| TOTAL | | | | | | -321.04 | 321.04 |
| Liability Check | | 08/18/2016 | QuickBooks Payroll Service | | 10700 - Frost (Debtor Acct) | | -6,067.23 |
| | | | | | 84010 - Payroll Fee | -6.00 | 6.00 |
| | | | | | 84010 - Payroll Fee | -0.40 | 0.40 |
| | | | | | 24010 - Federal W/H Payable | -648.00 | 648.00 |
| | | | | | 24030 - Medicare W/H Payable | -85.41 | 85.41 |
| | | | | | 24030 - Medicare W/H Payable | -85.41 | 85.41 |
| | | | | | 24020 - Social Security W/H Payable | -365.20 | 365.20 |
| | | | | | 24020 - Social Security W/H Payable | -365.20 | 365.20 |
| | | | | | 2110 - Direct Deposit Liabilities | -4,511.61 | 4,511.61 |
| TOTAL | | | | | | -6,067.23 | 6,067.23 |
| Bill Pmt-Check | ACH | 08/02/2016 | X-spine_V | | 10700 - Frost (Debtor Acct) | | -1,740.00 |
| Bill | 78732 | 08/03/2016 | | MC-N60001070 (70mm Continuous Radius Rod) | 12100 - Inventory Asset | -140.00 | 140.00 |
| | | | | MC-X022-0042 (Fortex Cap) | 12100 - Inventory Asset | -400.00 | 400.00 |
| | | | | MC-X034-0281 (TLIF Cage 28mm x 10mm x 7mm) | 12100 - Inventory Asset | -600.00 | 600.00 |
| | | | | GM-X064-6555C (6.5mm x 55mm Curvilinear Forax Mini Reduction Scr... | 12100 - Inventory Asset | -600.00 | 600.00 |
| TOTAL | | | | | | -1,740.00 | 1,740.00 |
| Bill Pmt-Check | ACH | 08/03/2016 | X-spine_V | | 10700 - Frost (Debtor Acct) | | -6,800.00 |
| Bill | 78754 | 08/03/2016 | | MC-X034-0281 (TLIF Cage 28mm x 10mm x 7mm) | 12100 - Inventory Asset | -2,400.00 | 2,400.00 |
| | | | | MC-X034-0282 (TLIF Cage 28mm x 10mm x 6mm) | 12100 - Inventory Asset | -600.00 | 600.00 |
| | | | | MC-X034-0283 (TLIF Cage 28mm x 10mm x 9mm) | 12100 - Inventory Asset | -600.00 | 600.00 |
| | | | | MC-X034-0284 (TLIF Cage 26mm x 10mm x 10mm) | 12100 - Inventory Asset | -600.00 | 600.00 |
| | | | | MC-X034-0285 (TLIF Cage 28mm x 10mm x 11mm) | 12100 - Inventory Asset | -2,400.00 | 2,400.00 |
| TOTAL | | | | | | -6,800.00 | 6,800.00 |

Glasisr Medical, LP
Check Detail
August 2016

11:19 AM
09/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|-----------------|--------------|------------|------------------------|---|---|-------------------------------------|----------------------------------|
| Bill Pmt -Check | ACH | 08/04/2016 | CellRight Technologies | | 10700 - Frost (Debtor Acct) | | |
| Bill | INV16-0563 | 08/04/2016 | | MC-100 (Inductiafil 10cc) MC-500 (Inductiafil 5cc) | 12100 - Inventory Asset 12100 - Inventory Asset | -7,000.00 -330.00 | 7,000.00 330.00 |
| TOTAL | | | | | | -7,330.00 | 7,330.00 |
| Bill Pmt -Check | ACH | 08/09/2016 | X-spline_V | | 10700 - Frost (Debtor Acct) | | |
| Bill | 78949 | 08/10/2016 | | MC-X034-0292 (TLIF Cage 28mm x 10mm x 8mm) MC-X034-0283 (TLIF Cage 28mm x 10mm x 9mm) MC-X034-0284 (TLIF Cage 28mm x 10mm x 10mm) | 12100 - Inventory Asset 12100 - Inventory Asset 12100 - Inventory Asset | -3,600.00 -2,400.00 -3,000.00 | 3,600.00 2,400.00 3,000.00 |
| TOTAL | | | | | | -9,000.00 | 9,000.00 |
| Bill Pmt -Check | ACH | 08/18/2016 | CellRight Technologies | | 10700 - Frost (Debtor Acct) | | |
| Bill | INV16-0587 | 08/28/2016 | | MC-100 (Inductiafil 10cc) | 12100 - Inventory Asset | -5,000.00 | 5,000.00 |
| TOTAL | | | | | | -5,000.00 | 5,000.00 |
| Bill Pmt -Check | ACH | 08/24/2016 | CellRight Technologies | | 10700 - Frost (Debtor Acct) | | |
| Bill | INV16-0621 | 08/25/2016 | | MC-500 (Inductiafil 5cc) | 12100 - Inventory Asset | -990.00 | 990.00 |
| TOTAL | | | | | | -990.00 | 990.00 |
| Bill Pmt -Check | ACH | 08/25/2016 | Invibio, Inc. | | 10700 - Frost (Debtor Acct) | | |
| Bill | SC002555INV1 | 08/29/2016 | | LT-TR16 (16mm Rod PEEK Optima LT1 ASTM F2026-12) | 12100 - Inventory Asset | -3,112.00 | 3,112.00 |
| TOTAL | | | | | | -3,112.00 | 3,112.00 |
| Check | EFT | 08/02/2016 | BUC-EE'S | | 10700 - Frost (Debtor Acct) | | |
| TOTAL | | | | | 85550 - Auto Expense | -28.62 | 28.62 |
| Bill Pmt -Check | EFT | 08/03/2016 | Humana Inc. | | 10700 - Frost (Debtor Acct) | | |
| Bill | 97252050 | 07/25/2016 | | 84080 - Health Insurance 61220 - Thomas Wilson Distributions 61320 - Christopher Canis Distributions | 10700 - Frost (Debtor Acct) | -1,029.21 -1,658.00 -1,960.63 | 1,029.21 1,658.00 1,960.63 |
| TOTAL | | | | | | -4,647.84 | 4,647.84 |
| Bill Pmt -Check | EFT | 08/03/2016 | Chris Canis | | 10700 - Frost (Debtor Acct) | | |
| Bill | | 08/03/2016 | | 66020 - Guaranteed Payments | 10700 - Frost (Debtor Acct) | -1,600.00 | 1,600.00 |
| TOTAL | | | | | | -1,600.00 | 1,600.00 |
| Bill Pmt -Check | EFT | 08/03/2016 | Thomas J. Wilson | | 10700 - Frost (Debtor Acct) | | |
| Bill | | 08/03/2016 | | 66020 - Guaranteed Payments | 10700 - Frost (Debtor Acct) | -1,600.00 | 1,600.00 |
| TOTAL | | | | | | -1,600.00 | 1,600.00 |

Glasir Medical, LP
Check Detail
 August 2016

11:19 AM
 08/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|----------------|------------|------------|-----------------------------|------|---------------------------------------|-------------|-----------------|
| Check | EFT | 08/03/2016 | | | 10700 - Frost (Debtor Acct) | -2,000.00 | -2,000.00 |
| TOTAL | | | | | 10800 - Frost Tax Account | -2,000.00 | 2,000.00 |
| Check | EFT | 08/03/2016 | BUC-EE'S | | 10700 - Frost (Debtor Acct) | -26.86 | -26.86 |
| TOTAL | | | | | 85550 - Auto Expense | -26.86 | 26.86 |
| Check | EFT | 08/04/2016 | Exxon | | 10700 - Frost (Debtor Acct) | -32.47 | -32.47 |
| TOTAL | | | | | 85550 - Auto Expense | -32.47 | 32.47 |
| Bill Pmt-Check | EFT | 08/04/2016 | David A. Schueller, L.P. | | 10700 - Frost (Debtor Acct) | -3,000.00 | -3,000.00 |
| Bill | 7571 | 05/01/2016 | | | 85005 - CPA | -1,000.00 | 1,000.00 |
| Bill | 7572 | 06/01/2016 | | | 85005 - CPA | -1,000.00 | 1,000.00 |
| Bill | 7573 | 07/01/2016 | | | 85005 - CPA | -1,000.00 | 1,000.00 |
| TOTAL | | | | | | -3,000.00 | 3,000.00 |
| Check | EFT | 08/08/2016 | CVS | | 10700 - Frost (Debtor Acct) | -7.49 | -7.49 |
| TOTAL | | | | | 85110 - Office Expenses | -7.49 | 7.49 |
| Bill Pmt-Check | EFT | 08/09/2016 | Wells Fargo Dealer Services | | 10700 - Frost (Debtor Acct) | -732.60 | -732.60 |
| Bill | 9382345502 | 08/08/2016 | | | 40030 - N/P - Wells Fargo (2013 F250) | -732.60 | 732.60 |
| TOTAL | | | | | | -732.60 | 732.60 |
| Check | EFT | 08/10/2016 | Shell | | 10700 - Frost (Debtor Acct) | -57.28 | -57.28 |
| TOTAL | | | | | 85550 - Auto Expense | -57.28 | 57.28 |
| Check | EFT | 08/10/2016 | HEB | | 10700 - Frost (Debtor Acct) | -24.88 | -24.88 |
| TOTAL | | | | | 85550 - Auto Expense | -24.88 | 24.88 |
| Bill Pmt-Check | EFT | 08/10/2016 | Chris Canis | | 10700 - Frost (Debtor Acct) | -2,000.00 | -2,000.00 |
| Bill | | 08/10/2016 | | | 66020 - Guaranteed Payments | -2,000.00 | 2,000.00 |
| TOTAL | | | | | | -2,000.00 | 2,000.00 |

Glasir Medical, LP
Check Detail
 August 2016

11:19 AM
 09/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|-----------------|-------------------|------------|------------------|------|--|-------------|-----------------|
| Bill Pmt -Check | EFT | 08/10/2016 | Thomas J. Wilson | | 10700 - Frost (Debtor Acct) | | -2,000.00 |
| Bill | | 08/10/2016 | | | 66020 - Guaranteed Payments | -2,000.00 | 2,000.00 |
| TOTAL | | | | | | -2,000.00 | 2,000.00 |
| Check | EFT | 08/10/2016 | Office Max | | 10700 - Frost (Debtor Acct) | | -81.17 |
| TOTAL | | | | | 85110 - Office Expenses | -81.17 | 81.17 |
| Bill Pmt -Check | EFT | 08/11/2016 | American Funds | | 10700 - Frost (Debtor Acct) | | -511.89 |
| Bill | PR 08/05/16 EE SH | 08/05/2016 | | | 84093 - 401K Sale Harbor Match | -231.91 | 231.91 |
| TOTAL | | | | | 24100 - Retirement Plan Payable (401K) | -279.98 | 279.98 |
| Bill Pmt -Check | EFT | 08/11/2016 | DropBox | | 10700 - Frost (Debtor Acct) | | -105.53 |
| Bill | | 08/11/2016 | | | 85450 - Dues & Subscriptions | -105.53 | 105.53 |
| TOTAL | | | | | | -105.53 | 105.53 |
| Check | EFT | 08/12/2016 | Vendormate | | 10700 - Frost (Debtor Acct) | | -250.00 |
| TOTAL | | | | | 85450 - Dues & Subscriptions | -250.00 | 250.00 |
| Check | EFT | 08/15/2016 | HEB | | 10700 - Frost (Debtor Acct) | | -15.60 |
| TOTAL | | | | | 85110 - Office Expenses | -15.60 | 15.60 |
| Bill Pmt -Check | EFT | 08/16/2016 | Rackpace Hosting | | 10700 - Frost (Debtor Acct) | | -456.04 |
| Bill | 101534623 | 08/05/2016 | | | 85151 - Server Hosting Service | -456.04 | 456.04 |
| TOTAL | | | | | | -456.04 | 456.04 |
| Bill Pmt -Check | EFT | 08/17/2016 | Chris Canis | | 10700 - Frost (Debtor Acct) | | -1,600.00 |
| Bill | | 08/17/2016 | | | 66020 - Guaranteed Payments | -1,600.00 | 1,600.00 |
| TOTAL | | | | | | -1,600.00 | 1,600.00 |
| Bill Pmt -Check | EFT | 08/17/2016 | Thomas J. Wilson | | 10700 - Frost (Debtor Acct) | | -1,600.00 |
| Bill | | 08/17/2016 | | | 66020 - Guaranteed Payments | -1,600.00 | 1,600.00 |
| TOTAL | | | | | | -1,600.00 | 1,600.00 |

Glasir Medical, LP
Check Detail
 August 2016

11:19 AM
 09/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|----------------|--------------------|------------|------------------------------|------|--|-------------|-----------------|
| Check | EFT | 08/16/2016 | HEB | | 10700 - Frost (Debtor Acct) | | -38.58 |
| TOTAL | | | | | 85550 - Auto Expense | -38.58 | 38.58 |
| Bill Pmt-Check | EFT | 08/18/2016 | Travelers | | 10700 - Frost (Debtor Acct) | | -3,977.09 |
| Bill | 5703K1197 - August | 07/27/2016 | | | 13400 - Prepaid Insurance | -3,977.09 | 3,977.09 |
| TOTAL | | | | | | -3,977.09 | 3,977.09 |
| Bill Pmt-Check | EFT | 08/22/2016 | American Funds | | 10700 - Frost (Debtor Acct) | | -511.89 |
| Bill | PR 08/19/16 EE SH | 08/19/2016 | | | 84093 - 401K Sale Harbor Match | -231.91 | 231.91 |
| TOTAL | | | | | 24100 - Retirement Plan Payable (401k) | -279.98 | 279.98 |
| Check | EFT | 08/22/2016 | State Farm Bank | | 10700 - Frost (Debtor Acct) | | -733.82 |
| TOTAL | | | | | 40027 - N.P. - CC Vehicle | -733.82 | 733.82 |
| Bill Pmt-Check | EFT | 08/24/2016 | Chris Carls | | 10700 - Frost (Debtor Acct) | | -1,600.00 |
| Bill | | 08/24/2016 | | | 66020 - Guaranteed Payments | -1,600.00 | 1,600.00 |
| TOTAL | | | | | | -1,600.00 | 1,600.00 |
| Bill Pmt-Check | EFT | 08/24/2016 | Thomas J. Wilson | | 10700 - Frost (Debtor Acct) | | -1,600.00 |
| Bill | | 08/24/2016 | | | 66020 - Guaranteed Payments | -1,600.00 | 1,600.00 |
| TOTAL | | | | | | -1,600.00 | 1,600.00 |
| Bill Pmt-Check | EFT | 08/24/2016 | Aleman Consulting | | 10700 - Frost (Debtor Acct) | | -9,855.50 |
| Bill | July Commission | 07/31/2016 | | | 81120 - Dave Aleman | -9,855.50 | 9,855.50 |
| TOTAL | | | | | | -9,855.50 | 9,855.50 |
| Bill Pmt-Check | EFT | 08/24/2016 | Donohoe and Associates, Inc. | | 10700 - Frost (Debtor Acct) | | -3,277.75 |
| Bill | July 2016 Comm | 07/31/2016 | | | 81150 - Donohoe & Associates | -3,277.75 | 3,277.75 |
| TOTAL | | | | | | -3,277.75 | 3,277.75 |
| Check | EFT | 08/25/2016 | HEB | | 10700 - Frost (Debtor Acct) | | -42.08 |
| TOTAL | | | | | 85550 - Auto Expense | -42.08 | 42.08 |

Glasis Medical, LP
Check Detail
 August 2016

11:19 AM
 09/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|----------------|--------|------------|------------------|------|--|-------------|-----------------|
| Check | EFT | 08/26/2016 | Auto Zone | | 10700 - Frost (Debtor Acct) | | -111.44 |
| TOTAL | | | | | 85550 - Auto Expense | -111.44 | 111.44 |
| Check | EFT | 08/29/2016 | Walmart | | 10700 - Frost (Debtor Acct) | | -114.89 |
| TOTAL | | | | | 85110 - Office Expenses | -114.85 | 114.85 |
| Bill Pmt-Check | EFT | 08/29/2016 | Chris Canis | | 10700 - Frost (Debtor Acct) | | -1,200.00 |
| Bill | | 08/29/2016 | | | 66020 - Guaranteed Payments | -1,200.00 | 1,200.00 |
| TOTAL | | | | | | -1,200.00 | 1,200.00 |
| Bill Pmt-Check | EFT | 08/29/2016 | Thomas J. Wilson | | 10700 - Frost (Debtor Acct) | | -1,200.00 |
| Bill | | 08/29/2018 | | | 66020 - Guaranteed Payments | -1,200.00 | 1,200.00 |
| TOTAL | | | | | | -1,200.00 | 1,200.00 |
| Paycheck | DD1022 | 08/05/2016 | Kathryn E Bro | | 10300 - Frost Bank - Glasis Operating | | 0.00 |
| TOTAL | | | | | 66010 - Office Salaries & Wages | -2,307.69 | 2,307.69 |
| | | | | | 24100 - Retirement Plan Payable (401k) | 115.38 | -115.38 |
| | | | | | 84080 - Health Insurance | 114.40 | -114.40 |
| | | | | | 24010 - Federal W/H Payable | 257.00 | -257.00 |
| | | | | | 84035 - Social Security/Medicare - ER | -185.98 | 135.98 |
| | | | | | 24020 - Social Security W/H Payable | 185.98 | -135.98 |
| | | | | | 84035 - Social Security/Medicare - ER | -31.80 | 31.80 |
| | | | | | 24030 - Medicare W/H Payable | 31.80 | -31.80 |
| | | | | | 2110 - Direct Deposit: Liabilities | 1,653.13 | -1,653.13 |
| | | | | | | 0.00 | 0.00 |
| Paycheck | DD1023 | 08/05/2016 | Monica C Bovee | | 10300 - Frost Bank - Glasis Operating | | 0.00 |
| TOTAL | | | | | 66010 - Office Salaries & Wages | -2,500.00 | 2,500.00 |
| | | | | | 84080 - Health Insurance | 118.21 | -118.21 |
| | | | | | 24100 - Retirement Plan Payable (401k) | 125.00 | -125.00 |
| | | | | | 24010 - Federal W/H Payable | 254.00 | -254.00 |
| | | | | | 84035 - Social Security/Medicare - ER | -147.67 | 147.67 |
| | | | | | 24020 - Social Security W/H Payable | 147.67 | -147.67 |
| | | | | | 84035 - Social Security/Medicare - ER | -34.53 | 34.53 |
| | | | | | 24030 - Medicare W/H Payable | 34.53 | -34.53 |
| | | | | | 2110 - Direct Deposit: Liabilities | 1,820.59 | -1,820.59 |
| | | | | | | 0.00 | 0.00 |

Glasier Medical, LP
 Check Detail
 August 2016

11:19 AM
 09/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|-----------------|----------|------------|----------------|------|---|-------------|-----------------|
| Paycheck | DD1024 | 08/05/2016 | Teresa A Fahay | | 10300 - Frost Bank - Glasier Operating | | 0.00 |
| | | | | | 66010 - Office Salaries & Wages | -1,320.00 | 1,320.00 |
| | | | | | 84080 - Health Insurance | 4.89 | -4.89 |
| | | | | | 24100 - Retirement Plan Payable (401k) | 39.60 | -39.60 |
| | | | | | 24010 - Federal W/H Payable | 137.00 | -137.00 |
| | | | | | 84035 - Social Security/Medicare - ER | -81.54 | 81.54 |
| | | | | | 24020 - Social Security W/H Payable | 81.54 | -81.54 |
| | | | | | 24020 - Social Security W/H Payable | 81.54 | -81.54 |
| | | | | | 84035 - Social Security/Medicare - ER | -19.07 | 19.07 |
| | | | | | 24030 - Medicare W/H Payable | 19.07 | -19.07 |
| | | | | | 24030 - Medicare W/H Payable | 19.07 | -19.07 |
| | | | | | 2110 - Direct Deposit Liabilities | 1,037.90 | -1,037.90 |
| TOTAL | | | | | | 0.00 | 0.00 |
| Paycheck | DD1025 | 08/19/2016 | Kathryn E Bro | | 10300 - Frost Bank - Glasier Operating | | 0.00 |
| | | | | | 66010 - Office Salaries & Wages | -2,307.69 | 2,307.69 |
| | | | | | 24100 - Retirement Plan Payable (401k) | 115.38 | -115.38 |
| | | | | | 84080 - Health Insurance | 114.40 | -114.40 |
| | | | | | 24010 - Federal W/H Payable | 257.00 | -257.00 |
| | | | | | 84035 - Social Security/Medicare - ER | -135.98 | 135.98 |
| | | | | | 24020 - Social Security W/H Payable | 135.98 | -135.98 |
| | | | | | 24020 - Social Security W/H Payable | 135.98 | -135.98 |
| | | | | | 84035 - Social Security/Medicare - ER | -31.81 | 31.81 |
| | | | | | 24030 - Medicare W/H Payable | 31.81 | -31.81 |
| | | | | | 24030 - Medicare W/H Payable | 31.81 | -31.81 |
| | | | | | 2110 - Direct Deposit Liabilities | 1,653.12 | -1,653.12 |
| TOTAL | | | | | | 0.00 | 0.00 |
| Paycheck | DD1026 | 08/19/2016 | Monica C Bovee | | 10300 - Frost Bank - Glasier Operating | | 0.00 |
| | | | | | 66010 - Office Salaries & Wages | -2,500.00 | 2,500.00 |
| | | | | | 84080 - Health Insurance | 116.21 | -116.21 |
| | | | | | 24100 - Retirement Plan Payable (401k) | 125.00 | -125.00 |
| | | | | | 24010 - Federal W/H Payable | 254.00 | -254.00 |
| | | | | | 84035 - Social Security/Medicare - ER | -147.67 | 147.67 |
| | | | | | 24020 - Social Security W/H Payable | 147.67 | -147.67 |
| | | | | | 24020 - Social Security W/H Payable | 147.67 | -147.67 |
| | | | | | 84035 - Social Security/Medicare - ER | -34.54 | 34.54 |
| | | | | | 24030 - Medicare W/H Payable | 34.54 | -34.54 |
| | | | | | 24030 - Medicare W/H Payable | 34.54 | -34.54 |
| | | | | | 2110 - Direct Deposit Liabilities | 1,820.58 | -1,820.58 |
| TOTAL | | | | | | 0.00 | 0.00 |
| Bill Pmt -Check | 1027 | 08/02/2016 | Regus | | 10700 - Frost (Debtor Acct) | | -3,044.44 |
| Bill | 4008-930 | 07/11/2016 | | | 85120 - Rent | -3,044.44 | 3,044.44 |
| TOTAL | | | | | | -3,044.44 | 3,044.44 |

Glasir Medical, LP
 Check Detail
 August 2016

11:19 AM
 08/19/16

| Type | Num | Date | Name | Item | Account | Paid Amount | Original Amount |
|-----------------|--------|------------|--------------------------------|------|--|-------------|-----------------|
| Paycheck | DD1027 | 08/19/2016 | Teresa A Fahney | | 10300 - Frost Bank - Glasir Operating | | 0.00 |
| | | | | | 56010 - Office Salaries & Wages | -990.00 | 990.00 |
| | | | | | 66010 - Office Salaries & Wages | -330.00 | 330.00 |
| | | | | | 64080 - Health Insurance | 4.89 | -4.89 |
| | | | | | 24100 - Retirement Plan Payable (401K) | 39.60 | -39.60 |
| | | | | | 24010 - Federal W/H Payable | 137.00 | -137.00 |
| | | | | | 84035 - Social Security/Medicare - ER | -81.53 | 81.53 |
| | | | | | 24020 - Social Security W/H Payable | 81.53 | -81.53 |
| | | | | | 24020 - Social Security W/H Payable | 81.53 | -81.53 |
| | | | | | 84035 - Social Security/Medicare - ER | -19.07 | 19.07 |
| | | | | | 24030 - Medicare W/H Payable | 19.07 | -19.07 |
| | | | | | 24030 - Medicare W/H Payable | 19.07 | -19.07 |
| | | | | | 2110 - Direct Deposit Liabilities | 1,037.91 | -1,037.91 |
| TOTAL | | | | | | 0.00 | 0.00 |
| Check | 1028 | 08/08/2016 | Chris Canis | | 10700 - Frost (Debtor Acct) | | -298.96 |
| | | | | | 85530 - Vehicles | -298.96 | 298.96 |
| TOTAL | | | | | | -298.96 | 298.96 |
| Check | 1099 | 08/10/2016 | ASAP Computer Services | | 10700 - Frost (Debtor Acct) | | -129.90 |
| | | | | | 85110 - Office Expenses | -129.90 | 129.90 |
| TOTAL | | | | | | -129.90 | 129.90 |
| Bill Pmt -Check | 1100 | 08/18/2016 | SLR Medical Consulting, LLC | | 10700 - Frost (Debtor Acct) | | -1,716.00 |
| | | | | | 12100 - Inventory Asset | -476.00 | 476.00 |
| | | | | | GM-APS-5230 (2 x 3cm AmnioFix Amniotic Membrane) | -865.00 | 865.00 |
| | | | | | GM-AAS-5480 (4cm x 6cm Amniotic Amniotic Membrane) | -375.00 | 375.00 |
| | | | | | GM-B20-1001P (1cc DBM Purty) | | |
| | | | | | 12100 - Inventory Asset | -1,716.00 | 1,716.00 |
| TOTAL | | | | | | -1,716.00 | 1,716.00 |
| Bill Pmt -Check | 1101 | 08/16/2016 | Lonestar Calibration | | 10700 - Frost (Debtor Acct) | | -50.00 |
| | | | | | 12100 - Inventory Asset | -50.00 | 50.00 |
| TOTAL | | | | | | -50.00 | 50.00 |
| Bill Pmt -Check | 1102 | 08/18/2016 | FedEx | | 10700 - Frost (Debtor Acct) | | -305.75 |
| | | | | | 81905 - Shipping Expense | -62.45 | 62.45 |
| | | | | | 81905 - Shipping Expense | -98.13 | 98.13 |
| | | | | | 81905 - Shipping Expense | -16.38 | 16.38 |
| | | | | | 81905 - Shipping Expense | -9.66 | 9.66 |
| | | | | | 81905 - Shipping Expense | -44.56 | 44.56 |
| | | | | | 81905 - Shipping Expense | -74.57 | 74.57 |
| TOTAL | | | | | | -305.75 | 305.75 |
| Bill Pmt -Check | 1103 | 08/18/2016 | David K. Young Consulting, LLC | | 10700 - Frost (Debtor Acct) | | -106.68 |
| | | | | | 84091 - 401K Fees | -106.68 | 106.68 |
| TOTAL | | | | | | -106.68 | 106.68 |

Glasir Medical, LP
 Check Detail
 August 2016

11:19 AM
 09/19/16

| Type | Num | Date | Name | Mem | Account | Paid Amount | Original Amount |
|----------------|------------------|------------|-------------------|-----|------------------------------|-------------|-----------------|
| Bill Pmt-Check | 1104 | 08/18/2016 | Dahill | | 10700 - Frost (Debtor Acct) | | -187.13 |
| Bill | IN715602 | 05/02/2016 | | | 85110 - Office Expenses | -5.42 | 60.57 |
| Bill | IN751755 | 06/01/2016 | | | 85110 - Office Expenses | -60.57 | 60.57 |
| Bill | IN796420 | 07/09/2016 | | | 85110 - Office Expenses | -60.57 | 60.57 |
| Bill | IN822419 | 08/01/2016 | | | 85110 - Office Expenses | -60.57 | 60.57 |
| TOTAL | | | | | | -187.13 | 242.28 |
| Bill Pmt-Check | 1105 | 08/18/2016 | Curf Stahl Gels | | 10700 - Frost (Debtor Acct) | | -16,375.86 |
| Bill | | 08/15/2016 | | | 85004 - Attorney Fees | -16,375.86 | 16,375.86 |
| TOTAL | | | | | | -16,375.86 | 16,375.86 |
| Bill Pmt-Check | 1106 | 08/18/2016 | Bob Childs | | 10700 - Frost (Debtor Acct) | | -7,500.00 |
| Bill | | 08/10/2016 | | | 92100 - Interest Expense | -7,500.00 | 7,500.00 |
| TOTAL | | | | | | -7,500.00 | 7,500.00 |
| Bill Pmt-Check | 1107 | 08/18/2016 | American Express | | 10700 - Frost (Debtor Acct) | | -1,000.00 |
| Bill | Dec | 12/29/2015 | | | 84101 - Meals | -10.82 | 78.07 |
| | | | | | 85110 - Office Expenses | -162.73 | 1,162.94 |
| | | | | | 85300 - Marketing | -1.08 | 7.70 |
| | | | | | 85400 - Taxes & Licenses | -790.32 | 5,645.00 |
| | | | | | 85550 - Auto Expense | -12.68 | 90.59 |
| | | | | | 85530 - Vehicles | -22.27 | 159.05 |
| TOTAL | | | | | | -1,000.00 | 7,142.75 |
| Bill Pmt-Check | 1109 | 08/31/2016 | Time Warner Cable | | 10700 - Frost (Debtor Acct) | | -329.82 |
| Bill | 8260141462309246 | 08/19/2016 | | | 85140 - Telephone & Internet | -329.82 | 329.82 |
| TOTAL | | | | | | -329.82 | 329.82 |

EXHIBIT E

AUGUST

Glaser Medical, LP
A/R Aging Detail
As of August 31, 2016

1:16 PM
 09/20/16

| Type | Date | Num | P. O. # | Name | Due Date | Open Balance |
|----------------|------------|--------|--------------|----------------------------------|------------|-------------------|
| Invoice | 08/23/2016 | 218414 | Verbal-AM | Windstar Billing | 10/22/2016 | 400.00 |
| Invoice | 08/24/2016 | 218422 | Verbal-AM | Windstar Billing | 10/23/2016 | 550.00 |
| Invoice | 08/25/2016 | 218431 | Verbal-AM | Windstar Billing | 10/24/2016 | 665.00 |
| Invoice | 08/29/2016 | 218445 | Verbal-AM | Windstar Billing | 10/28/2016 | 665.00 |
| Total Current | | | | | | 87,888.00 |
| 1 - 30 | | | | | | |
| Invoice | 07/07/2016 | 218248 | P16-0707-CJM | CPM Medical | 08/06/2016 | 1,800.00 |
| Invoice | 07/12/2016 | 218261 | 8144-2 | X-Spine Systems Inc - L | 08/11/2016 | 12,000.00 |
| Invoice | 07/12/2016 | 218263 | 53532 | Arkansas Surgical Hospital | 08/11/2016 | 1,500.00 |
| Invoice | 07/15/2016 | 218277 | P16-0714-CSA | CPM Medical | 08/14/2016 | 1,800.00 |
| Invoice | 07/18/2016 | 218284 | 8298 | X-Spine Systems Inc - L | 08/17/2016 | 7,750.00 |
| Invoice | 08/02/2016 | 218355 | JC-8-2-16 | Spinal Resources, Inc. (Billing) | 08/17/2016 | 975.00 |
| Invoice | 06/20/2016 | 218182 | Verbal-AM | Windstar Billing | 08/19/2016 | 810.00 |
| Invoice | 06/23/2016 | 218189 | Verbal-AM | Windstar Billing | 08/22/2016 | 950.00 |
| Invoice | 08/09/2016 | 218372 | MP-8-9-16 | Spinal Resources, Inc. (Billing) | 08/24/2016 | 200.00 |
| Invoice | 08/09/2016 | 218373 | AS-8-9-16 | Spinal Resources, Inc. (Billing) | 08/24/2016 | 200.00 |
| Invoice | 08/09/2016 | 218374 | CS-8-9-16 | Spinal Resources, Inc. (Billing) | 08/24/2016 | 650.00 |
| Invoice | 07/27/2016 | 218313 | 53817 | Arkansas Surgical Hospital | 08/26/2016 | 1,125.00 |
| Invoice | 07/31/2016 | 218286 | 1732947 | St. Luke's Baptist Hospital | 08/30/2016 | 11,200.00 |
| Invoice | 07/31/2016 | 218321 | 1733607 | St. Luke's Baptist Hospital | 08/30/2016 | 10,900.00 |
| Invoice | 07/31/2016 | 218328 | 1733605 | St. Luke's Baptist Hospital | 08/30/2016 | 18,725.00 |
| Invoice | 07/31/2016 | 218200 | 1738339 | St. Luke's Baptist Hospital | 08/30/2016 | 3,900.00 |
| Invoice | 07/31/2016 | 218241 | 1738675 | St. Luke's Baptist Hospital | 08/30/2016 | 17,375.00 |
| Total 1 - 30 | | | | | | 91,860.00 |
| 31 - 60 | | | | | | |
| Invoice | 06/13/2016 | 218152 | 8144-1 | X-Spine Systems Inc - L | 07/13/2016 | 15,875.00 |
| Invoice | 07/01/2016 | 218223 | DUNN | Titan Medical | 07/31/2016 | 1,625.00 |
| Total 31 - 60 | | | | | | 17,500.00 |
| 61 - 90 | | | | | | |
| Invoice | 05/03/2016 | 217982 | 1001400 | ZOL Medical | 06/02/2016 | 1,856.00 |
| Invoice | 05/10/2016 | 218028 | 1001406 | ZOL Medical | 06/09/2016 | 2,760.00 |
| Total 61 - 90 | | | | | | 4,616.00 |
| > 90 | | | | | | |
| Invoice | 03/14/2016 | 217778 | 1001373 | ZOL Medical | 04/13/2016 | 2,760.00 |
| Invoice | 04/11/2016 | 217877 | 1001389 | ZOL Medical | 05/11/2016 | 75.00 |
| Invoice | 04/14/2016 | 217898 | 1001393 | ZOL Medical | 05/14/2016 | 1,380.00 |
| Total > 90 | | | | | | 4,215.00 |
| TOTAL | | | | | | 206,079.00 |

Glasis Medical, LP
A/R Aging Detail
As of August 31, 2016

1:16 PM
 09/20/16

| Type | Date | Num | P. O. # | Name | Due Date | Open Balance |
|-----------------|------------|--------|---------------------|------------------------------------|------------|--------------|
| Current Invoice | 08/01/2016 | 218337 | IM-8-1-16 | Ezamar Services | 08/31/2016 | 800.00 |
| Current Invoice | 08/16/2016 | 218398 | LG-8-16-16 | Spinal Resources, Inc. (Billing) | 08/31/2016 | 600.00 |
| Current Invoice | 08/16/2016 | 218402 | PW-8-16-16 | Spinal Resources, Inc. (Billing) | 08/31/2016 | 600.00 |
| Current Invoice | 08/02/2016 | 218333 | Verbal-KP | Medical Concepts, LLC (SD) | 09/01/2016 | 753.00 |
| Current Invoice | 08/02/2016 | 218335 | 53915 | Arkansas Surgical Hospital | 09/01/2016 | 1,875.00 |
| Current Invoice | 08/02/2016 | 218339 | P16-0802-CCZ | CPM Medical | 09/01/2016 | 900.00 |
| Current Invoice | 08/17/2016 | 218400 | JO-8-17-16 | Spinal Resources, Inc. (Billing) | 09/01/2016 | 400.00 |
| Current Invoice | 08/03/2016 | 218349 | CY-8-3-16 | Ezamar Services | 09/02/2016 | 1,600.00 |
| Current Invoice | 08/04/2016 | 218351 | 184101 | Hospital of Surgical Excellence | 09/03/2016 | 2,550.00 |
| Current Invoice | 08/05/2016 | 218358 | CR-8-5-16 | Ezamar Services | 09/04/2016 | 1,600.00 |
| Current Invoice | 07/07/2016 | 218246 | Verbal-AM | Windstar Billing | 09/05/2016 | 2,950.00 |
| Current Invoice | 08/08/2016 | 218379 | GM-8-8-16 | Ezamar Services | 09/07/2016 | 800.00 |
| Current Invoice | 08/09/2016 | 218361 | P16-0808-CCW | CPM Medical | 09/08/2016 | 900.00 |
| Current Invoice | 08/09/2016 | 218362 | 54010 | Arkansas Surgical Hospital | 09/08/2016 | 1,500.00 |
| Current Invoice | 08/09/2016 | 218363 | Verbal - JN | Horn Medical | 09/08/2016 | 450.00 |
| Current Invoice | 08/09/2016 | 218364 | Verbal - JN | Horn Medical | 09/08/2016 | 700.00 |
| Current Invoice | 08/09/2016 | 218368 | JVC-8-9-16 | Ezamar Services | 09/08/2016 | 800.00 |
| Current Invoice | 08/10/2016 | 218370 | 212605 | Operative Innovations, LLC Billing | 09/09/2016 | 12,800.00 |
| Current Invoice | 08/11/2016 | 218377 | MVD-8-11-16 | Ezamar Services | 09/10/2016 | 800.00 |
| Current Invoice | 08/12/2016 | 218375 | Verbal-MA-DUNN/CASH | Titan Medical | 09/11/2016 | 1,150.00 |
| Current Invoice | 08/13/2016 | 218381 | MAL-8-13-16 | Ezamar Services | 09/12/2016 | 800.00 |
| Current Invoice | 08/15/2016 | 218385 | AJ-8-15-16 | Horn Medical | 09/14/2016 | 900.00 |
| Current Invoice | 08/15/2016 | 218387 | MAD-8-15-16 | Horn Medical | 09/14/2016 | 950.00 |
| Current Invoice | 08/15/2016 | 218389 | JFC-8-15-16 | Ezamar Services | 09/14/2016 | 800.00 |
| Current Invoice | 08/16/2016 | 218391 | 54162 | Arkansas Surgical Hospital | 09/15/2016 | 1,500.00 |
| Current Invoice | 08/17/2016 | 218393 | Verbal - KP | Medical Concepts, LLC (SD) | 09/16/2016 | 625.00 |
| Current Invoice | 08/18/2016 | 218404 | AB-8-18-16 | Ezamar Services | 09/17/2016 | 1,600.00 |
| Current Invoice | 08/19/2016 | 218406 | 212618 | Operative Innovations, LLC Billing | 09/18/2016 | 8,200.00 |
| Current Invoice | 08/19/2016 | 218408 | GTR-8-19-18 | Horn Medical | 09/18/2016 | 1,200.00 |
| Current Invoice | 07/21/2016 | 218291 | Verbal-AM | Windstar Billing | 09/19/2016 | 550.00 |
| Current Invoice | 08/22/2016 | 218412 | MAR-8-22-16 | Horn Medical | 09/21/2016 | 450.00 |
| Current Invoice | 08/22/2016 | 218410 | TL-8-22-16 | Horn Medical | 09/21/2016 | 2,250.00 |
| Current Invoice | 08/22/2016 | 218416 | RBJM-8-22-16 | Ezamar Services | 09/21/2016 | 1,600.00 |
| Current Invoice | 08/23/2016 | 218418 | NRM-8-23-16 | Ezamar Services | 09/22/2016 | 400.00 |
| Current Invoice | 08/24/2016 | 218420 | 54336 | Arkansas Surgical Hospital | 09/23/2016 | 1,875.00 |
| Current Invoice | 08/24/2016 | 218424 | Verbal-MA-DUNN | Titan Medical | 09/23/2016 | 1,300.00 |
| Current Invoice | 08/24/2016 | 218433 | BAG-8-24-16 | Ezamar Services | 09/23/2016 | 800.00 |
| Current Invoice | 08/25/2016 | 218429 | Verbal-MA-DUNN | Titan Medical | 09/24/2016 | 1,150.00 |
| Current Invoice | 08/25/2016 | 218435 | MLR-8-25-16 | Ezamar Services | 09/24/2016 | 800.00 |
| Current Invoice | 08/26/2016 | 218437 | RTF-8-26-16 | Horn Medical | 09/25/2016 | 950.00 |
| Current Invoice | 08/30/2016 | 218441 | 1745341 | St. Luke's Baptist Hospital | 09/29/2016 | 8,025.00 |
| Current Invoice | 08/30/2016 | 218447 | TKN-8-30-16 | Horn Medical | 09/29/2016 | 450.00 |
| Current Invoice | 08/31/2016 | 218452 | 185047 | Hospital of Surgical Excellence | 09/30/2016 | 2,550.00 |
| Current Invoice | 08/31/2016 | 218454 | 185046 | Hospital of Surgical Excellence | 09/30/2016 | 2,225.00 |
| Current Invoice | 08/05/2016 | 218356 | VERBAL-AM | Windstar Billing | 10/04/2016 | 2,415.00 |
| Current Invoice | 08/24/2016 | 218443 | 2016 PI | Capitol Area Distributors | 10/08/2016 | 2,700.00 |
| Current Invoice | 08/11/2016 | 218371 | Verbal-AM | Windstar Billing | 10/10/2016 | 3,350.00 |
| Current Invoice | 08/15/2016 | 218383 | Verbal-AM | Windstar Billing | 10/14/2016 | 665.00 |

EXHIBIT F

AUGUST

12:53 PM
09/16/16

Glaser Medical, LP
Reconciliation Summary
10700 - Frost (Debtor Acct), Period Ending 08/31/2016

| | Aug 31, 16 | |
|-----------------------------------|-------------|-------------------|
| Beginning Balance | | 101,093.62 |
| Cleared Transactions | | |
| Checks and Payments - 59 items | -131,534.87 | |
| Deposits and Credits - 5 items | 276,590.00 | |
| Total Cleared Transactions | 145,055.13 | |
| Cleared Balance | | <u>246,148.75</u> |
| Uncleared Transactions | | |
| Checks and Payments - 2 items | -379.82 | |
| Total Uncleared Transactions | -379.82 | |
| Register Balance as of 08/31/2016 | | <u>245,768.93</u> |
| New Transactions | | |
| Checks and Payments - 19 items | -83,155.09 | |
| Total New Transactions | -83,155.09 | |
| Ending Balance | | <u>162,613.84</u> |

12:53 PM
09/16/16

**Glisir Medical, LP
Reconciliation Detail**

10700 - Frost (Debtor Acct), Period Ending 08/31/2016

| Type | Date | Num | Name | Cir | Amount | Balance |
|---------------------------------------|------------|------|-------------------------|-----|--------------------|--------------------|
| Beginning Balance | | | | | | 101,093.62 |
| Cleared Transactions | | | | | | |
| Checks and Payments - 59 items | | | | | | |
| Bill Pmt -Check | 07/21/2016 | 1094 | Bob Childs | X | -7,500.00 | -7,500.00 |
| Bill Pmt -Check | 07/25/2016 | 1097 | Time Warner Cable | X | -329.82 | -7,829.82 |
| Bill Pmt -Check | 07/25/2016 | 1098 | ULINE | X | -50.16 | -7,879.98 |
| Bill Pmt -Check | 07/25/2016 | 1096 | FedEx | X | -31.95 | -7,911.93 |
| Bill Pmt -Check | 08/02/2016 | 1027 | Regus | X | -3,044.44 | -10,956.37 |
| Bill Pmt -Check | 08/02/2016 | ACH | X-spine_V | X | -1,740.00 | -12,696.37 |
| Check | 08/02/2016 | EFT | BUC-EE'S | X | -28.62 | -12,724.99 |
| Bill Pmt -Check | 08/03/2016 | ACH | X-spine_V | X | -6,600.00 | -19,324.99 |
| Bill Pmt -Check | 08/03/2016 | EFT | Humana Inc. | X | -4,647.84 | -23,972.83 |
| Check | 08/03/2016 | EFT | | X | -2,000.00 | -25,972.83 |
| Bill Pmt -Check | 08/03/2016 | EFT | Chris Canis | X | -1,600.00 | -27,572.83 |
| Bill Pmt -Check | 08/03/2016 | EFT | Thomas J. Wilson | X | -1,600.00 | -29,172.83 |
| Check | 08/03/2016 | EFT | BUC-EE'S | X | -26.86 | -29,199.69 |
| Bill Pmt -Check | 08/04/2016 | ACH | CellRight Technologi... | X | -7,330.00 | -36,529.69 |
| Liability Check | 08/04/2016 | | QuickBooks Payroll ... | X | -6,156.90 | -42,686.59 |
| Bill Pmt -Check | 08/04/2016 | EFT | David A. Schueller, ... | X | -3,000.00 | -45,686.59 |
| Check | 08/04/2016 | EFT | Exxon | X | -32.47 | -45,719.06 |
| Bill Pmt -Check | 08/08/2016 | EFT | Wells Fargo Dealer ... | X | -732.60 | -46,451.66 |
| Check | 08/08/2016 | 1028 | Chris Canis | X | -298.96 | -46,750.62 |
| Check | 08/08/2016 | EFT | CVS | X | -7.49 | -46,758.11 |
| Bill Pmt -Check | 08/09/2016 | ACH | X-spine_V | X | -9,000.00 | -55,758.11 |
| Bill Pmt -Check | 08/10/2016 | EFT | Thomas J. Wilson | X | -2,000.00 | -57,758.11 |
| Bill Pmt -Check | 08/10/2016 | EFT | Chris Canis | X | -2,000.00 | -59,758.11 |
| Check | 08/10/2016 | 1099 | ASAP Computer Ser... | X | -129.90 | -59,888.01 |
| Check | 08/10/2016 | EFT | Office Max | X | -81.17 | -59,969.18 |
| Check | 08/10/2016 | EFT | Shell | X | -57.26 | -60,026.44 |
| Check | 08/10/2016 | EFT | HEB | X | -24.88 | -60,051.32 |
| Bill Pmt -Check | 08/11/2016 | EFT | American Funds | X | -511.89 | -60,563.21 |
| Bill Pmt -Check | 08/11/2016 | EFT | DropBox | X | -105.53 | -60,668.74 |
| Check | 08/12/2016 | EFT | Vendormate | X | -250.00 | -60,918.74 |
| Check | 08/15/2016 | EFT | HEB | X | -15.60 | -60,934.34 |
| Bill Pmt -Check | 08/16/2016 | EFT | Rackspace Hosting | X | -456.04 | -61,390.38 |
| Bill Pmt -Check | 08/17/2016 | EFT | Chris Canis | X | -1,600.00 | -62,990.38 |
| Bill Pmt -Check | 08/17/2016 | EFT | Thomas J. Wilson | X | -1,600.00 | -64,590.38 |
| Check | 08/17/2016 | | | X | -321.04 | -64,911.42 |
| Bill Pmt -Check | 08/18/2016 | 1105 | Curl Stahl Geis | X | -16,375.86 | -81,287.28 |
| Bill Pmt -Check | 08/18/2016 | 1106 | Bob Childs | X | -7,500.00 | -88,787.28 |
| Liability Check | 08/18/2016 | | QuickBooks Payroll ... | X | -6,067.23 | -94,854.51 |
| Bill Pmt -Check | 08/18/2016 | ACH | CellRight Technologi... | X | -5,000.00 | -99,854.51 |
| Bill Pmt -Check | 08/18/2016 | EFT | Travelers | X | -3,977.09 | -103,831.60 |
| Bill Pmt -Check | 08/18/2016 | 1100 | SLR Medical Consul... | X | -1,716.00 | -105,547.60 |
| Bill Pmt -Check | 08/18/2016 | 1107 | American Express | X | -1,000.00 | -106,547.60 |
| Bill Pmt -Check | 08/18/2016 | 1102 | FedEx | X | -305.75 | -106,853.35 |
| Bill Pmt -Check | 08/18/2016 | 1104 | Dahill | X | -187.13 | -107,040.48 |
| Bill Pmt -Check | 08/18/2016 | 1103 | David K. Young Con... | X | -106.68 | -107,147.16 |
| Check | 08/18/2016 | EFT | HEB | X | -38.58 | -107,185.74 |
| Check | 08/22/2016 | EFT | State Farm Bank | X | -733.82 | -107,919.56 |
| Bill Pmt -Check | 08/22/2016 | EFT | American Funds | X | -511.89 | -108,431.45 |
| Bill Pmt -Check | 08/24/2016 | EFT | Aleman Consulting | X | -9,855.50 | -118,286.95 |
| Bill Pmt -Check | 08/24/2016 | EFT | Donohoe and Associ... | X | -3,277.75 | -121,564.70 |
| Bill Pmt -Check | 08/24/2016 | EFT | Chris Canis | X | -1,600.00 | -123,164.70 |
| Bill Pmt -Check | 08/24/2016 | EFT | Thomas J. Wilson | X | -1,600.00 | -124,764.70 |
| Bill Pmt -Check | 08/24/2016 | ACH | CellRight Technologi... | X | -990.00 | -125,754.70 |
| Bill Pmt -Check | 08/25/2016 | ACH | Invio, Inc. | X | -3,112.00 | -128,866.70 |
| Check | 08/25/2016 | EFT | HEB | X | -42.08 | -128,908.78 |
| Check | 08/26/2016 | EFT | Auto Zone | X | -111.44 | -129,020.22 |
| Bill Pmt -Check | 08/29/2016 | EFT | Chris Canis | X | -1,200.00 | -130,220.22 |
| Bill Pmt -Check | 08/29/2016 | EFT | Thomas J. Wilson | X | -1,200.00 | -131,420.22 |
| Check | 08/29/2016 | EFT | Walmart | X | -114.65 | -131,534.87 |
| Total Checks and Payments | | | | | -131,534.87 | -131,534.87 |

12:53 PM
09/16/16

**Glaser Medical, LP
Reconciliation Detail**

10700 - Frost (Debtor Acct), Period Ending 08/31/2016

| Type | Date | Num | Name | Clr | Amount | Balance |
|---------------------------------------|------------|------|-------------------------|-----|------------------|-------------------|
| Deposits and Credits - 5 items | | | | | | |
| Deposit | 08/05/2016 | | | X | 53,750.00 | 53,750.00 |
| Deposit | 08/11/2016 | | | X | 10,400.00 | 64,150.00 |
| Deposit | 08/24/2016 | | | X | 41,835.00 | 105,985.00 |
| Deposit | 08/31/2016 | | | X | 22,755.00 | 128,740.00 |
| Deposit | 08/31/2016 | | | X | 147,850.00 | 276,590.00 |
| Total Deposits and Credits | | | | | 276,590.00 | 276,590.00 |
| Total Cleared Transactions | | | | | 145,055.13 | 145,055.13 |
| Cleared Balance | | | | | 145,055.13 | 246,148.75 |
| Uncleared Transactions | | | | | | |
| Checks and Payments - 2 items | | | | | | |
| Bill Pmt -Check | 08/18/2016 | 1101 | Lonestar Calibration | | -50.00 | -50.00 |
| Bill Pmt -Check | 08/31/2016 | 1109 | Time Warner Cable | | -329.82 | -379.82 |
| Total Checks and Payments | | | | | -379.82 | -379.82 |
| Total Uncleared Transactions | | | | | -379.82 | -379.82 |
| Register Balance as of 08/31/2016 | | | | | 144,675.31 | 245,768.93 |
| New Transactions | | | | | | |
| Checks and Payments - 19 items | | | | | | |
| Liability Check | 09/01/2016 | | QuickBooks Payroll ... | | -6,156.91 | -6,156.91 |
| Bill Pmt -Check | 09/02/2016 | 1113 | The Smeberg Law F... | | -19,107.27 | -25,264.18 |
| Bill Pmt -Check | 09/02/2016 | 1110 | American Express | | -1,000.00 | -26,264.18 |
| Bill Pmt -Check | 09/02/2016 | 1114 | ULINE | | -162.58 | -26,426.76 |
| Bill Pmt -Check | 09/02/2016 | 1112 | FedEx | | -161.30 | -26,588.06 |
| Bill Pmt -Check | 09/02/2016 | 1111 | David K. Young Con... | | -106.68 | -26,694.74 |
| Bill Pmt -Check | 09/06/2016 | ACH | Turnco Tool | | -3,658.00 | -30,352.74 |
| Bill Pmt -Check | 09/06/2016 | 1029 | Regus | | -3,044.43 | -33,397.17 |
| Bill Pmt -Check | 09/07/2016 | ACH | X-spine_V | | -10,565.00 | -43,962.17 |
| Bill Pmt -Check | 09/07/2016 | ACH | CellRight Technologi... | | -6,750.00 | -50,712.17 |
| Bill Pmt -Check | 09/08/2016 | 1115 | Texas Comptroller o... | | -4,843.00 | -55,555.17 |
| Bill Pmt -Check | 09/08/2016 | ACH | X-spine_V | | -4,200.00 | -59,755.17 |
| Bill Pmt -Check | 09/08/2016 | 1116 | U.S. Trustee | | -325.00 | -60,080.17 |
| Bill Pmt -Check | 09/09/2016 | 1117 | Gerardo Zavala. II, ... | | -2,355.00 | -62,435.17 |
| Bill Pmt -Check | 09/14/2016 | 1118 | Bob Childs | | -7,500.00 | -69,935.17 |
| Bill Pmt -Check | 09/14/2016 | 1120 | L & B Property Tax ... | | -5,719.25 | -75,654.42 |
| Bill Pmt -Check | 09/14/2016 | 1121 | OrthoMedix Group, I... | | -1,377.00 | -77,031.42 |
| Bill Pmt -Check | 09/14/2016 | 1119 | FedEx | | -56.46 | -77,087.88 |
| Liability Check | 09/15/2016 | | QuickBooks Payroll ... | | -6,067.21 | -83,155.09 |
| Total Checks and Payments | | | | | -83,155.09 | -83,155.09 |
| Total New Transactions | | | | | -83,155.09 | -83,155.09 |
| Ending Balance | | | | | 61,520.22 | 162,613.84 |



P.O. Box 1600 San Antonio, Texas 78296 Member FDIC

FOR INFORMATION CALL
210-220-5111 OR 1-800-513-7678

STATEMENT ISSUED
08-31-2016

00001258-TDFRST02003900010005-LETTER01_10Z-000000 REG

Page 1 of 5



GLASIR MEDICAL LP
DEBTOR IN POSSESSION
CASE NO 16 50612
3772 SPRING BRANCH RD
SPRING BRANCH TX 78070

0

Interested in accepting in-store, online or mobile credit and debit card payments? Frost Merchant Services can help. Contact Customer Service at (800)513-7678 to get started.

| ANALYZED CHECKING : ACCOUNT NO. [REDACTED] 209 | | | | | |
|--|-----|-------------|-----|------------|------------------------|
| DEPOSITS | | WITHDRAWALS | | | |
| BALANCE LAST STATEMENT | NO. | AMOUNT | NO. | AMOUNT | BALANCE THIS STATEMENT |
| 101,093.62 | 5 | 276,590.00 | 54 | 131,534.87 | 246,148.75 |

DEPOSITS/CREDITS

| DATE | TRANSACTION | AMOUNT | DATE | TRANSACTION | AMOUNT |
|-------|----------------|-----------|-------|----------------|------------|
| 08-05 | TELLER DEPOSIT | 53,750.00 | 08-24 | TELLER DEPOSIT | 41,835.00 |
| 08-31 | TELLER DEPOSIT | 22,755.00 | 08-31 | TELLER DEPOSIT | 147,850.00 |

| DATE | AMOUNT | TRANSACTION | DESCRIPTION |
|-------|-----------|--------------------|------------------------------------|
| 08-11 | 10,400.00 | ELECTRONIC DEPOSIT | EZAMAR SERVICES ACH Pmt 5000669084 |

CHECKS PAID

| DATE | CHECK | AMOUNT | DATE | CHECK | AMOUNT | DATE | CHECK | AMOUNT |
|-------|----------|----------|-------|----------|----------|-------|--------|-----------|
| 08-02 | 1027 # | 3,044.44 | 08-01 | 1098 # | 50.16 | 08-23 | 1104 # | 187.13 |
| 08-08 | 1028 # | 298.96 | 08-10 | 1099 # | 129.90 | 08-22 | 1105 # | 16,375.86 |
| 08-01 | 1094 * # | 7,500.00 | 08-24 | 1100 # | 1,716.00 | 08-22 | 1106 # | 7,500.00 |
| 08-01 | 1096 * # | 31.95 | 08-24 | 1102 * # | 305.75 | 08-25 | 1107 # | 1,000.00 |
| 08-04 | 1097 # | 329.82 | 08-23 | 1103 # | 106.68 | | | |

* A BREAK IN CHECK NUMBER SEQUENCE
RECEIVED ELECTRONICALLY AS AN IMAGE OF THE ORIGINAL CHECK

OTHER WITHDRAWALS/DEBITS

| DATE | AMOUNT | TRANSACTION | DESCRIPTION |
|-------|----------|------------------------|--|
| 08-02 | 28.62 | DEBIT CARD PURCHASE | BUC-EE'S #28 BASTROP CARD: 2408985 |
| 08-02 | 1,740.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Vendor Pay -SETT- |
| 08-03 | 26.86 | DEBIT CARD PURCHASE | BUC-EE'S #28 BASTROP CARD: 2408985 |
| 08-03 | 2,000.00 | INTERNET FUND TRANSFER | TO ACCOUNT XXXXX2217 |
| 08-03 | 3,200.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Draw -SETT- |
| 08-03 | 4,647.84 | ELECTRONIC DEBIT | HUMANA, INC. INS PYMT 972261029001972 |
| 08-03 | 6,600.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Vendor Pay -SETT- |
| 08-03 | 7,330.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Vendor Pay -SETT- |
| 08-04 | 32.47 | POS DEBIT | VALLEY MART 16 7825 NE CONVERSE TX CARD: 2388096 |
| 08-04 | 3,000.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Vendor Pay -SETT- |
| 08-04 | 6,156.90 | ELECTRONIC DEBIT | INTUIT PAYROLL S QUICKBOOKS 461284705 |
| 08-08 | 7.49 | POS DEBIT | CVS/PHARMACY #08 08978- SAN ANTONIO TX CARD: 2388096 |
| 08-08 | 732.60 | ELECTRONIC DEBIT | WELLS FARGO DLR FEE & PNTS 9382345502 |
| 08-09 | 9,000.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Vendor Pay -SETT- |
| 08-10 | 24.88 | DEBIT CARD PURCHASE | HEB GAS/CAR WASH SPRING BRANCH CARD: 2408985 |
| 08-10 | 81.17 | POS DEBIT | OFFICE MAX/OFFI 17700 SAN ANTONIO TX CARD: 2388096 |
| 08-10 | 57.26 | POS DEBIT | SHELL Service Station SAN ANTONIO TX CARD: 2388096 |
| 08-10 | 4,000.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Draw -SETT- |
| 08-11 | 105.53 | DEBIT CARD PURCHASE | DROPBOX*VSL8YHZV DB.TT/CHELP CARD: 2388096 |
| 08-11 | 511.89 | ELECTRONIC DEBIT | AMERICAN FUNDS INVESTMENT BRK97339 160810 |
| 08-12 | 250.00 | DEBIT CARD PURCHASE | VENDORMATE 877-483-6368 CARD: 2388096 |
| 08-12 | .00 | INTERNET STMT COPY REQ | |
| 08-15 | 15.60 | DEBIT CARD PURCHASE | HEB #622 SPRING BRANCH CARD: 2408985 |
| 08-16 | 456.04 | ELECTRONIC DEBIT | RACKSPACE MANAGE EPOSPYMNTS 101534623 |
| 08-17 | 3,200.00 | ELECTRONIC DEBIT | GLASIR MEDICAL Draw -SETT- |
| 08-17 | 321.04 | ANALYSIS CHARGE | ACCOUNT ACTIVITY FOR PREVIOUS BILLING PERIOD |
| 08-18 | 38.58 | DEBIT CARD PURCHASE | HEB GAS/CAR WASH SPRING BRANCH CARD: 2408985 |

Please examine your bank statement upon receipt and report any differences or irregularities as specified in the Depo Agreement and Other Disclosures.

00001258-001-4003-TDFRST02003900010005-LETTER01_10Z-00-0-000001014

Please notify us of any changes of address immediately. To change your address, follow these instructions.

- 1) Make changes to the address information shown on the front of this statement.
- 2) List all accounts which should be updated including Checking, Savings, Money Market, CDs and Loans

Account Number _____ Account Number _____
 Account Number _____ Account Number _____
 Account Number _____ Account Number _____

Signature _____

- 3) Clip and return to the bank and address listed on the front of this statement.

How to balance your checkbook:

This worksheet will help you balance your checkbook. Before you begin, you'll need your checkbook register, your statement and any outstanding transactions not entered in your register.

| Worksheet | | Check Number/ Other Debits | Amount |
|---|------------|-------------------------------|--------|
| 1. Enter balance shown on front of statement | \$ _____ | | |
| 2. Subtract Line A (Checks / other debits not shown on this statement) | - \$ _____ | | |
| 3. Subtotal | \$ _____ | | |
| 4. Add Deposits / other credits not shown on statement | + \$ _____ | | |
| > 5. Your Account Balance | \$ _____ | | |
| 6. Enter Your checkbook balance | \$ _____ | | |
| 7. Subtract any bank charges that have not been entered in your checkbook | - \$ _____ | | |
| 8. Subtotal | \$ _____ | | |
| 9. Add any interest or other credits appearing on your statement that have not been entered in your checkbook | + \$ _____ | | |
| > 10. Adjusted Checkbook Balance | \$ _____ | Total (Line A) | |

1. Be sure your checkbook register is complete. Verify that all outstanding transactions have been entered in your register.
 2. Compare the check information on the front of the statement with your checkbook register. In your register, mark all the checks, ATM withdrawals or other debits on your statement to indicate that the funds have been withdrawn from your account. List any checks or other debits that are in your register, but not on your statement in the space provided above.
 3. In your register, mark all deposits and other credits on your statement to indicate that the funds have been credited to your account. Write any deposits or other credits that are in your register, but not on your statement on Line 4.
 4. To verify your statement balance, complete the worksheet above. Your account balance (Line 5) should match your adjusted checkbook balance figure (Line 10). If these balances are different, check the addition in your checkbook and review each step in the balancing procedure.
- If you find any errors, please notify us immediately by calling the number or writing to the address listed on the front side of this statement. You should notify us of any errors within 60 days of receiving your statement.

00001258-001-003-TDFR18702003900010005-LETTER01_10Z-00-0-00001014



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FOR INFORMATION CALL
210-220-5111 OR 1-800-513-7678

STATEMENT ISSUED
08-31-2016

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GLASIR MEDICAL LP

ANALYZED CHECKING : ACCOUNT NO. [REDACTED] 09 (CONTINUED)

000011258-002-003-TDFRST02003900010005-LETTER01_10Z-00-0-00001014

| | | OTHER WITHDRAWALS/DEBITS | | | |
|-------|----------|--------------------------|------------------|----------------------------|---------------|
| DATE | AMOUNT | TRANSACTION | DESCRIPTION | | |
| 08-18 | 3,977.09 | DEBIT CARD PURCHASE | TRAVELERS BOND | 800-252-2265 | CARD: 2408985 |
| 08-18 | 5,000.00 | ELECTRONIC DEBIT | GLASIR MEDICAL | Vendor Pay -SETT- | |
| 08-18 | 6,067.23 | ELECTRONIC DEBIT | INTUIT PAYROLL S | QUICKBOOKS 461284705 | |
| 08-22 | 511.89 | ELECTRONIC DEBIT | AMERICAN FUNDS | INVESTMENT BRK97339 160819 | |
| 08-22 | 735.82 | ELECTRONIC DEBIT | STATE FARM | JUSTPAYIT 8545013067 | |
| 08-24 | 3,200.00 | ELECTRONIC DEBIT | GLASIR MEDICAL | Draw -SETT- | |
| 08-24 | 3,277.75 | ELECTRONIC DEBIT | GLASIR MEDICAL | Commission -SETT- | |
| 08-24 | 9,855.50 | ELECTRONIC DEBIT | GLASIR MEDICAL | Commission -SETT- | |
| 08-25 | 42.08 | DEBIT CARD PURCHASE | HEB GAS/CAR WASH | SPRING BRANCH | CARD: 2408985 |
| 08-25 | 990.00 | ELECTRONIC DEBIT | GLASIR MEDICAL | Vendor Pay -SETT- | |
| 08-25 | 3,112.00 | ELECTRONIC DEBIT | GLASIR MEDICAL | Vendor Pay -SETT- | |
| 08-26 | 111.44 | DEBIT CARD PURCHASE | AUTOZONE4256AUTO | BULVERDE | CARD: 2408985 |
| 08-29 | 114.65 | DEBIT CARD PURCHASE | WM SUPERCENTER # | SPRING BRANCH | CARD: 2408985 |
| 08-29 | 2,400.00 | ELECTRONIC DEBIT | GLASIR MEDICAL | Draw -SETT- | |

| | | DAILY BALANCE | | | |
|-------|------------|---------------|------------|-------|------------|
| DATE | BALANCE | DATE | BALANCE | DATE | BALANCE |
| 07-29 | 101,093.62 | 08-10 | 94,792.30 | 08-22 | 67,627.73 |
| 08-01 | 93,511.51 | 08-11 | 104,574.88 | 08-25 | 67,333.92 |
| 08-02 | 88,698.45 | 08-12 | 104,324.88 | 08-24 | 92,529.92 |
| 08-03 | 64,895.75 | 08-15 | 104,309.28 | 08-25 | 87,385.84 |
| 08-04 | 55,374.56 | 08-16 | 103,853.24 | 08-26 | 85,558.40 |
| 08-05 | 109,124.56 | 08-17 | 100,332.20 | 08-29 | 75,543.75 |
| 08-08 | 108,085.51 | 08-18 | 85,249.30 | 08-31 | 246,148.75 |
| 08-09 | 99,085.51 | | | | |

Please examine your bank statement upon receipt and report any differences or irregularities as specified in the Depo Agreement and Other Disclosures.



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FOR INFORMATION CALL 210-220-5111 OR 1-800-513-7678

STATEMENT ISSUED 08-31-2016

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GLASIR MEDICAL LP

Frost ACCOUNT NUMBER [REDACTED] 09

Date: 08/16
Name: Glasir Medical
Address: [REDACTED]
Sign here for true copy

| | | |
|------------|----|-----------|
| Cash | > | |
| Check | > | |
| Check # | > | |
| Check Date | > | |
| Check Amt | > | 53,750.00 |
| Less Cash | > | |
| CR | \$ | 53,750.00 |

#27102584 41140000934 18

Frost ACCOUNT NUMBER [REDACTED] 09

Date: 08/16
Name: Glasir Medical
Address: [REDACTED]
Sign here for true copy

| | | |
|------------|----|-----------|
| Cash | > | |
| Check | > | |
| Check # | > | |
| Check Date | > | |
| Check Amt | > | 41,835.00 |
| Less Cash | > | |
| CR | \$ | 41,835.00 |

#27102584 41140000934 18

Frost ACCOUNT NUMBER [REDACTED] 9

Date: 08/16
Name: Glasir Medical
Address: [REDACTED]
Sign here for true copy

| | | |
|------------|----|-----------|
| Cash | > | |
| Check | > | |
| Check # | > | |
| Check Date | > | |
| Check Amt | > | 22,755.00 |
| Less Cash | > | |
| CR | \$ | 22,755.00 |

#27102584 41140000934 18

Frost ACCOUNT NUMBER [REDACTED] 9

Date: 08/16
Name: Glasir Medical
Address: [REDACTED]
Sign here for true copy

| | | |
|------------|----|------------|
| Cash | > | |
| Check | > | |
| Check # | > | |
| Check Date | > | |
| Check Amt | > | 147,850.00 |
| Less Cash | > | |
| CR | \$ | 147,850.00 |

#27102584 41140000934 18

08/05/16 #0 \$53,750.00

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$53,750.00
PAY TO: [REDACTED]

08/10/16 #1027 \$3,044.44

08/24/16 #0 \$41,835.00

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$41,835.00
PAY TO: [REDACTED]

08/31/16 #0 \$147,850.00

08/02/16 #1027 \$3,044.44

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$3,044.44
PAY TO: [REDACTED]

08/01/16 #1094 \$7,500.00

08/08/16 #1026 \$298.98

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$298.98
PAY TO: [REDACTED]

08/01/16 #1096 \$31.95

08/01/16 #1094 \$7,500.00

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$7,500.00
PAY TO: [REDACTED]

08/04/16 #1097 \$329.82

08/01/16 #1096 \$31.95

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$31.95
PAY TO: [REDACTED]

08/01/16 #1098 \$50.16

08/04/16 #1097 \$329.82

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$329.82
PAY TO: [REDACTED]

08/10/16 #1095 \$129.90

08/01/16 #1098 \$50.16

GLASIR MEDICAL LP
MEMBER OF PROFESSIONAL CARE INC. 10-20072
4114 BURNING WOOD
SAN ANTONIO, TX 78204

DATE: 08/16
AMOUNT: \$50.16
PAY TO: [REDACTED]

08/26/16 #1100 \$1,716.00

00001256-002-003-1DFR10200800010005-LETTER01_102-00-0-00001014



P.O. Box 1600 San Antonio, Texas 78296 Member FDIC

FOR INFORMATION CALL
210-220-5111 OR 1-800-513-7678

STATEMENT ISSUED
08-31-2016

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GLASIR MEDICAL LP

1102

GLASIR MEDICAL LP
DIRECTOR IN POSSESSION, CASE NO. 16-0812
412 BORTON BLVD.
SUITE 200 UNIT 200
SAN ANTONIO, TX 78204

Pay to the ORDER OF: Charles C. Young Consulting, LLC \$ 305.75

One Thousand Three Hundred and 75/100 DOLLARS

Pay to the ORDER OF: Charles C. Young Consulting, LLC
1114 Westwood Court, Suite 200
San Antonio, TX 78204

MEMO: POD 1102 08 31 16 00000934

1103

GLASIR MEDICAL LP
DIRECTOR IN POSSESSION, CASE NO. 16-0812
412 BORTON BLVD.
SUITE 200 UNIT 200
SAN ANTONIO, TX 78204

Pay to the ORDER OF: Charles C. Young Consulting, LLC \$ 106.68

One Hundred and 68/100 DOLLARS

Pay to the ORDER OF: Charles C. Young Consulting, LLC
1114 Westwood Court, Suite 200
San Antonio, TX 78204

MEMO: POD 1103 08 31 16 00000934

08/24/16 #1102 \$305.75

1104

GLASIR MEDICAL LP
DIRECTOR IN POSSESSION, CASE NO. 16-0812
412 BORTON BLVD.
SUITE 200 UNIT 200
SAN ANTONIO, TX 78204

Pay to the ORDER OF: Charles C. Young Consulting, LLC \$ 187.13

One Hundred and 87 and 13/100 DOLLARS

Pay to the ORDER OF: Charles C. Young Consulting, LLC
1114 Westwood Court, Suite 200
San Antonio, TX 78204

MEMO: POD 1104 08 23 16 00000934

08/23/16 #1103 \$106.68

1106

GLASIR MEDICAL LP
DIRECTOR IN POSSESSION, CASE NO. 16-0812
412 BORTON BLVD.
SUITE 200 UNIT 200
SAN ANTONIO, TX 78204

Pay to the ORDER OF: Charles C. Young Consulting, LLC \$ 1,375.86

One Thousand Three Hundred and 86/100 DOLLARS

Pay to the ORDER OF: Charles C. Young Consulting, LLC
1114 Westwood Court, Suite 200
San Antonio, TX 78204

MEMO: POD 1105 08 23 16 00000934

08/23/16 #1104 \$187.13

1108

GLASIR MEDICAL LP
DIRECTOR IN POSSESSION, CASE NO. 16-0812
412 BORTON BLVD.
SUITE 200 UNIT 200
SAN ANTONIO, TX 78204

Pay to the ORDER OF: Charles C. Young Consulting, LLC \$ 7,500.00

Seven Thousand Five Hundred and 00/100 DOLLARS

Pay to the ORDER OF: Charles C. Young Consulting, LLC
1114 Westwood Court, Suite 200
San Antonio, TX 78204

MEMO: POD 1106 08 29 16 00000934

08/22/16 #1105 \$16,375.86

1107

GLASIR MEDICAL LP
DIRECTOR IN POSSESSION, CASE NO. 16-0812
412 BORTON BLVD.
SUITE 200 UNIT 200
SAN ANTONIO, TX 78204

Pay to the ORDER OF: Charles C. Young Consulting, LLC \$ 1,000.00

One Thousand and 00/100 DOLLARS

Pay to the ORDER OF: Charles C. Young Consulting, LLC
1114 Westwood Court, Suite 200
San Antonio, TX 78204

MEMO: POD 1107 08 25 16 00000934

08/29/16 #1106 \$7,500.00

08/25/16 #1107 \$1,000.00

00001258-003-003-TD-FRST02003900010005-LETTER01_10Z-00-0-00001014

8:13 AM
09/16/16

Glasir Medical, LP
Reconciliation Summary
10800 - Frost Tax Account, Period Ending 08/31/2016

| | <u>Aug 31, 16</u> |
|--|-------------------------|
| Beginning Balance | 9,808.89 |
| Cleared Transactions | |
| Checks and Payments - 1 item | -19.47 |
| Deposits and Credits - 1 item | 2,000.00 |
| | <u>1,980.53</u> |
| Total Cleared Transactions | |
| Cleared Balance | <u><u>11,789.42</u></u> |
| Register Balance as of 08/31/2016 | 11,789.42 |
| Ending Balance | 11,789.42 |

8:15 AM

09/16/16

**Glasis Medical, LP
Reconciliation Detail**

10800 - Frost Tax Account, Period Ending 08/31/2016

| Type | Date | Num | Name | Clr | Amount | Balance |
|--------------------------------------|------------|-----|------|-----|-----------------|------------------|
| Beginning Balance | | | | | | 9,808.89 |
| Cleared Transactions | | | | | | |
| Checks and Payments - 1 item | | | | | | |
| Check | 08/17/2016 | | | X | -19.47 | -19.47 |
| Total Checks and Payments | | | | | -19.47 | -19.47 |
| Deposits and Credits - 1 item | | | | | | |
| Check | 08/03/2016 | EFT | | X | 2,000.00 | 2,000.00 |
| Total Deposits and Credits | | | | | 2,000.00 | 2,000.00 |
| Total Cleared Transactions | | | | | 1,980.53 | 1,980.53 |
| Cleared Balance | | | | | 1,980.53 | 11,789.42 |
| Register Balance as of 08/31/2016 | | | | | 1,980.53 | 11,789.42 |
| Ending Balance | | | | | 1,980.53 | 11,789.42 |



P.O. Box 1600 San Antonio, Texas 78296 Member FDIC

FOR INFORMATION CALL
210-220-5111 OR 1-800-513-7678

STATEMENT ISSUED
08-31-2016

Page 1 of 2

00000182-TDFRST02003900010005-LETTER01_IOZ-000000 REG



GLASIR MEDICAL LP
DEBTOR IN POSSESSION CASE NO 16 501612
TAX ACCOUNT
3772 SPRING BRANCH RD
SPRING BRANCH TX 78070

0

Interested in accepting in-store, online or mobile credit and debit card payments? Frost Merchant Services can help. Contact Customer Service at (800)513-7678 to get started.

| ANALYZED CHECKING : ACCOUNT NO. [REDACTED] 17 | | | | | |
|---|-----|----------|-----|-------------|------------------------|
| | | DEPOSITS | | WITHDRAWALS | |
| BALANCE LAST STATEMENT | NO. | AMOUNT | NO. | AMOUNT | BALANCE THIS STATEMENT |
| 9,808.89 | 1 | 2,000.00 | 1 | 19.47 | 11,789.42 |

DEPOSITS/CREDITS

| DATE | AMOUNT | TRANSACTION | DESCRIPTION |
|-------|----------|------------------------|------------------------|
| 08-05 | 2,000.00 | INTERNET FUND TRANSFER | FROM ACCOUNT XXXXX2209 |

OTHER WITHDRAWALS/DEBITS

| DATE | AMOUNT | TRANSACTION | DESCRIPTION |
|-------|--------|------------------------|--|
| 08-12 | .00 | INTERNET STMT COPY REQ | |
| 08-17 | 19.47 | ANALYSIS CHARGE | ACCOUNT ACTIVITY FOR PREVIOUS BILLING PERIOD |

DAILY BALANCE

| DATE | BALANCE | DATE | BALANCE | DATE | BALANCE |
|-------|-----------|-------|-----------|-------|-----------|
| 07-29 | 9,808.89 | 08-12 | 11,808.89 | 08-17 | 11,789.42 |
| 08-03 | 11,808.89 | | | | |

00000182-001-001-TDFRST02003900010005-LETTER01_IOZ-00-0-000001015

Please examine your bank statement upon receipt and report any differences or irregularities as specified in the Depo Agreement and Other Disclosures.

| | Budget Jan 2017 | Budget Feb 2017 | Budget Mar 2017 | Budget Apr 2017 | Budget May 2017 | Budget Jun 2017 | Budget Jul 2017 | Budget Aug 2017 | Budget Sep 2017 | Budget Oct 2017 | Budget Nov 2017 | Budget Dec 2017 | TOTAL |
|--|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|---------------------|
| INCOME | | | | | | | | | | | | | |
| Biologics Sales | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 58,000 | \$ 696,000 |
| Metal Sales | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 17,600 | \$ 211,200 |
| PEEK Sales | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 53,300 | \$ 639,600 |
| Total Operating Income (Note 1) | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 128,900 | \$ 1,546,800 |
| OPERATING EXPENSES | | | | | | | | | | | | | |
| Inventory | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 38,560 | \$ 462,720 |
| Commission | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 14,300 | \$ 171,600 |
| Shipping/Packaging Supplies | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 600 | \$ 7,200 |
| Payroll- Employees | \$ 7,915 | \$ 7,915 | \$ 11,872 | \$ 7,915 | \$ 7,915 | \$ 7,915 | \$ 7,915 | \$ 7,915 | \$ 11,872 | \$ 7,915 | \$ 7,915 | \$ 7,915 | \$ 102,890 |
| Payroll- Executives | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 16,000 | \$ 192,000 |
| Quality System Consultant | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 500 | \$ 6,000 |
| Health Insurance | \$ 4,136 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 5,065 | \$ 59,852 |
| 401k | \$ 410 | \$ 410 | \$ 542 | \$ 410 | \$ 410 | \$ 410 | \$ 410 | \$ 410 | \$ 542 | \$ 410 | \$ 410 | \$ 410 | \$ 5,180 |
| ERISA | \$ 160 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 725 |
| Legal/Accounting | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 7,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 18,000 |
| Royalties/Consulting | \$ 2,500 | \$ - | \$ - | \$ 2,500 | \$ - | \$ 5,720 | \$ 2,500 | \$ - | \$ - | \$ 2,500 | \$ - | \$ - | \$ 15,720 |
| Office Expenses | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 1,000 | \$ 12,000 |
| American Express | \$ 1,000 | \$ 479 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,479 |
| Rent/Sec Deposit | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 3,100 | \$ 37,200 |
| Bank Fees | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 4,200 |
| Telephone & Internet | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 330 | \$ 3,960 |
| Software/Server Hosting | \$ 460 | \$ 460 | \$ 460 | \$ 460 | \$ 460 | \$ 2,360 | \$ 460 | \$ 460 | \$ 2,660 | \$ 460 | \$ 460 | \$ 2,360 | \$ 11,520 |
| Licenses | \$ 250 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 5,950 |
| Business Insurance | \$ 3,414 | \$ 3,414 | \$ 3,414 | \$ 4,014 | \$ 3,414 | \$ 3,414 | \$ 3,414 | \$ 3,414 | \$ 165 | \$ 765 | \$ 10,165 | \$ 165 | \$ 39,174 |
| Auto Expense | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 350 | \$ 4,200 |
| Total Operating Expenses | \$ 96,334 | \$ 93,833 | \$ 97,443 | \$ 96,454 | \$ 93,354 | \$ 106,974 | \$ 95,854 | \$ 93,354 | \$ 96,394 | \$ 93,204 | \$ 100,104 | \$ 98,269 | \$ 1,161,570 |
| NOI - NET OPERATING INCOME | \$ 32,566 | \$ 35,067 | \$ 31,457 | \$ 32,446 | \$ 35,546 | \$ 21,926 | \$ 33,046 | \$ 35,546 | \$ 32,506 | \$ 35,696 | \$ 28,796 | \$ 30,631 | \$ 385,230 |
| OTHER EXPENSES | | | | | | | | | | | | | |
| Vehicle Note Payments | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 17,640 |
| Franchise Tax | \$ - | \$ - | \$ - | \$ - | \$ 7,000 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 7,000 |
| Property Tax Escrow | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 900 | \$ 10,800 |
| TOTAL OTHER EXPENSE | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 9,370 | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 2,370 | \$ 35,440 |
| Payment Plans | | | | | | | | | | | | | |
| Note Payment | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 18,725 | \$ 224,700 |
| Bexar County | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 1,470 | \$ 17,640 |
| Unsecured Debt | \$ - | \$ - | \$ - | \$ 12,784 | \$ - | \$ - | \$ 12,784 | \$ - | \$ - | \$ 12,784 | \$ - | \$ - | \$ 38,352 |
| Katie Bro | \$ - | \$ 1,434 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,434 |
| IRS | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 384 | \$ 4,608 |
| TX Comptroller | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 309 | \$ 3,708 |
| Total Pre-Petition Debt | \$ 20,888 | \$ 22,322 | \$ 20,888 | \$ 33,672 | \$ 20,888 | \$ 20,888 | \$ 33,672 | \$ 20,888 | \$ 20,888 | \$ 33,672 | \$ 20,888 | \$ 20,888 | \$ 290,442 |
| NET CASH FLOW | \$ 9,308 | \$ 10,375 | \$ 8,199 | \$ (3,596) | \$ 5,288 | \$ (1,332) | \$ (2,996) | \$ 12,288 | \$ 9,248 | \$ (346) | \$ 5,538 | \$ 7,373 | \$ 59,348 |

Note 1: Higher sales anticipated due to wholesale customer switching some of their business to retail sales

| | Budget 2017 | Budget 2018 | Budget 2019 | Budget 2020 | Budget 2021 | Budget 2022 |
|-----------------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| INCOME | | | | | | |
| Biologics Sales | \$ 696,000 | \$ 730,800 | \$ 767,340 | \$ 805,707 | \$ 845,992 | \$ 888,292 |
| Metal Sales | \$ 211,200 | \$ 221,760 | \$ 232,848 | \$ 244,490 | \$ 256,715 | \$ 269,551 |
| PEEK Sales | \$ 639,600 | \$ 671,580 | \$ 705,159 | \$ 740,417 | \$ 777,438 | \$ 816,310 |
| Total Operating Income | \$ 1,546,800 | \$ 1,624,140 | \$ 1,705,347 | \$ 1,790,614 | \$ 1,880,145 | \$ 1,974,152 |
| OPERATING EXPENSES | | | | | | |
| Inventory | \$ 462,720 | \$ 485,856 | \$ 510,149 | \$ 535,656 | \$ 562,439 | \$ 590,561 |
| Commission | \$ 171,600 | \$ 180,180 | \$ 189,189 | \$ 198,648 | \$ 208,581 | \$ 219,010 |
| Shipping/Packaging Supplies | \$ 7,200 | \$ 7,560 | \$ 7,938 | \$ 8,335 | \$ 8,752 | \$ 9,189 |
| Payroll- Employees | \$ 102,890 | \$ 108,034 | \$ 113,436 | \$ 119,108 | \$ 125,063 | \$ 131,316 |
| Payroll- Executives | \$ 192,000 | \$ 201,600 | \$ 211,680 | \$ 222,264 | \$ 233,377 | \$ 245,046 |
| Quality System Consultant | \$ 6,000 | \$ 6,300 | \$ 6,615 | \$ 6,946 | \$ 7,293 | \$ 7,658 |
| Health Insurance | \$ 59,852 | \$ 62,845 | \$ 65,987 | \$ 69,287 | \$ 72,751 | \$ 76,388 |
| 401k | \$ 5,180 | \$ 5,439 | \$ 5,710 | \$ 5,996 | \$ 6,296 | \$ 6,611 |
| ERISA | \$ 725 | \$ 761 | \$ 799 | \$ 839 | \$ 881 | \$ 925 |
| Legal/Accounting | \$ 18,000 | \$ 18,900 | \$ 19,845 | \$ 20,837 | \$ 21,879 | \$ 22,973 |
| Royalties/Consulting | \$ 15,720 | \$ 16,506 | \$ 17,331 | \$ 18,198 | \$ 19,108 | \$ 20,063 |
| Office Expenses | \$ 12,000 | \$ 12,600 | \$ 13,230 | \$ 13,892 | \$ 14,586 | \$ 15,315 |
| American Express | \$ 1,479 | \$ 1,553 | \$ 1,631 | \$ 1,712 | \$ 1,798 | \$ 1,888 |
| Rent/Sec Deposit | \$ 37,200 | \$ 39,060 | \$ 41,013 | \$ 43,064 | \$ 45,217 | \$ 47,478 |
| Bank Fees | \$ 4,200 | \$ 4,410 | \$ 4,631 | \$ 4,862 | \$ 5,105 | \$ 5,360 |
| Telephone & Internet | \$ 3,960 | \$ 4,158 | \$ 4,366 | \$ 4,584 | \$ 4,813 | \$ 5,054 |
| Software/Server Hosting | \$ 11,520 | \$ 12,096 | \$ 12,701 | \$ 13,336 | \$ 14,003 | \$ 14,703 |
| Licenses | \$ 5,950 | \$ 6,248 | \$ 6,560 | \$ 6,888 | \$ 7,232 | \$ 7,594 |
| Business Insurance | \$ 39,174 | \$ 41,133 | \$ 43,190 | \$ 45,349 | \$ 47,617 | \$ 49,998 |
| Auto Expense | \$ 4,200 | \$ 4,410 | \$ 4,631 | \$ 4,862 | \$ 5,105 | \$ 5,360 |
| Total Operating Expenses | \$ 1,161,570 | \$ 1,219,648 | \$ 1,280,631 | \$ 1,344,662 | \$ 1,411,895 | \$ 1,482,490 |
| NOI - NET OPERATING INCOME | \$ 385,230 | \$ 404,492 | \$ 424,716 | \$ 445,952 | \$ 468,250 | \$ 491,662 |
| OTHER EXPENSES | | | | | | |
| Vehicle Note Payments | \$ 17,640 | \$ 17,640 | \$ 17,640 | \$ 17,640 | \$ 17,640 | \$ 17,640 |
| Franchise Tax | \$ 7,000 | \$ 8,000 | \$ 9,000 | \$ 10,000 | \$ 11,000 | \$ 12,000 |
| Property Tax Escrow | \$ 10,800 | \$ 11,340 | \$ 11,907 | \$ 12,502 | \$ 13,127 | \$ 13,784 |
| TOTAL OTHER EXPENSE | \$ 35,440 | \$ 36,980 | \$ 38,547 | \$ 40,142 | \$ 41,767 | \$ 43,424 |
| Payment Plans | | | | | | |
| Note Payment | \$ 224,700 | \$ 224,700 | \$ 224,700 | \$ 224,700 | \$ 224,700 | \$ - |
| Bexar County | \$ 17,640 | \$ 17,640 | \$ 17,640 | \$ 17,640 | \$ 17,640 | \$ - |
| Unsecured Debt | \$ 38,352 | \$ 51,136 | \$ 51,136 | \$ 51,136 | \$ 51,136 | \$ 12,784 |
| Katie Bro | \$ 1,434 | \$ - | \$ - | \$ - | \$ - | \$ - |
| IRS | \$ 4,608 | \$ 4,608 | \$ 4,608 | \$ 4,608 | \$ - | \$ - |
| TX Comptroller | \$ 3,708 | \$ 3,708 | \$ 3,708 | \$ 3,708 | \$ - | \$ - |
| Total Pre-Petition Debt | \$ 290,442 | \$ 301,792 | \$ 301,792 | \$ 301,792 | \$ 293,476 | \$ 12,784 |
| NET CASH FLOW | \$ 59,348 | \$ 65,720 | \$ 84,377 | \$ 104,018 | \$ 133,006 | \$ 435,454 |

Fill in this information to identify the case:

Debtor name Glasisr Medical, LP

United States Bankruptcy Court for the: WESTERN DISTRICT OF TEXAS

Case number (if known) 16-50612

Check if this is an amended filing

Official Form 206A/B

Schedule A/B: Assets - Real and Personal Property

12/15

Disclose all property, real and personal, which the debtor owns or in which the debtor has any other legal, equitable, or future interest. Include all property in which the debtor holds rights and powers exercisable for the debtor's own benefit. Also include assets and properties which have no book value, such as fully depreciated assets or assets that were not capitalized. In Schedule A/B, list any executory contracts or unexpired leases. Also list them on *Schedule G: Executory Contracts and Unexpired Leases* (Official Form 206G).

Be as complete and accurate as possible. If more space is needed, attach a separate sheet to this form. At the top of any pages added, write the debtor's name and case number (if known). Also identify the form and line number to which the additional information applies. If an additional sheet is attached, include the amounts from the attachment in the total for the pertinent part.

For Part 1 through Part 11, list each asset under the appropriate category or attach separate supporting schedules, such as a fixed asset schedule or depreciation schedule, that gives the details for each asset in a particular category. List each asset only once. In valuing the debtor's interest, do not deduct the value of secured claims. See the instructions to understand the terms used in this form.

Part 1: Cash and cash equivalents

1. Does the debtor have any cash or cash equivalents?

- No. Go to Part 2.
- Yes Fill in the information below.

| All cash or cash equivalents owned or controlled by the debtor | | | Current value of debtor's interest |
|--|--|-----------------|------------------------------------|
| 3. | Checking, savings, money market, or financial brokerage accounts (Identify all) | | |
| | Name of institution (bank or brokerage firm) | Type of account | Last 4 digits of account number |
| 3.1. | <u>Frost Bank</u> | <u>Checking</u> | <u>0470</u> <u>\$2,602.00</u> |
| 3.2. | <u>Frost</u> | <u>Checking</u> | <u>0034</u> <u>\$5,106.31</u> |

4. **Other cash equivalents** (Identify all)

5. **Total of Part 1.**

Add lines 2 through 4 (including amounts on any additional sheets). Copy the total to line 80.

\$7,708.31

Part 2: Deposits and Prepayments

6. Does the debtor have any deposits or prepayments?

- No. Go to Part 3.
- Yes Fill in the information below.

Part 3: Accounts receivable

10. Does the debtor have any accounts receivable?

- No. Go to Part 4.
- Yes Fill in the information below.

11. **Accounts receivable**

Debtor Glasisr Medical, LP
Name

Case number (If known) 16-50612

11a. 90 days old or less: 150,000.00 - 0.00 = \$150,000.00
face amount doubtful or uncollectible accounts

12. **Total of Part 3.** \$150,000.00
Current value on lines 11a + 11b = line 12. Copy the total to line 82.

Part 4: Investments

13. Does the debtor own any investments?

- No. Go to Part 5.
- Yes Fill in the information below.

Part 5: Inventory, excluding agriculture assets

18. Does the debtor own any inventory (excluding agriculture assets)?

- No. Go to Part 6.
- Yes Fill in the information below.

| General description | Date of the last physical inventory | Net book value of debtor's interest (Where available) | Valuation method used for current value | Current value of debtor's interest |
|--|-------------------------------------|---|---|------------------------------------|
| 19. Raw materials Materials for producing Debtor's implants. | January 2016 | \$0.00 | Replacement | \$24,971.00 |
| 20. Work in progress | | | | |
| 21. Finished goods, including goods held for resale Finished implants. (wholesale \$659,916) | January 2016 | \$0.00 | Comparable sale | \$1,100,000.00 |
| Alphatec Inventory (recently became available from contract restrictions) | | \$0.00 | Comparable sale | \$250,000.00 |

22. Other inventory or supplies

23. **Total of Part 5.** \$1,374,971.00
Add lines 19 through 22. Copy the total to line 84.

24. Is any of the property listed in Part 5 perishable?

- No
- Yes

25. Has any of the property listed in Part 5 been purchased within 20 days before the bankruptcy was filed?

- No
- Yes. Book value _____ Valuation method _____ Current Value _____

26. Has any of the property listed in Part 5 been appraised by a professional within the last year?

- No
- Yes

Debtor Glasisr Medical, LP
Name

Case number (If known) 16-50612

Part 6: Farming and fishing-related assets (other than titled motor vehicles and land)

27. Does the debtor own or lease any farming and fishing-related assets (other than titled motor vehicles and land)?

- No. Go to Part 7.
- Yes Fill in the information below.

Part 7: Office furniture, fixtures, and equipment; and collectibles

38. Does the debtor own or lease any office furniture, fixtures, equipment, or collectibles?

- No. Go to Part 8.
- Yes Fill in the information below.

| General description | Net book value of debtor's interest (Where available) | Valuation method used for current value | Current value of debtor's interest |
|---|--|---|------------------------------------|
| 39. Office furniture Phone System \$1000 4 Desks \$1500 Conference Room Table \$500 Office chairs \$1000 6 Computers \$2000 Two copiers \$2000 Office supplies \$500 | \$0.00 | Liquidation | \$8,500.00 |

40. Office fixtures

41. Office equipment, including all computer equipment and communication systems equipment and software

42. Collectibles *Examples:* Antiques and figurines; paintings, prints, or other artwork; books, pictures, or other art objects; china and crystal; stamp, coin, or baseball card collections; other collections, memorabilia, or collectibles

43. Total of Part 7.
Add lines 39 through 42. Copy the total to line 86.

| |
|-------------------|
| \$8,500.00 |
|-------------------|

44. Is a depreciation schedule available for any of the property listed in Part 7?

- No
- Yes

45. Has any of the property listed in Part 7 been appraised by a professional within the last year?

- No
- Yes

Part 8: Machinery, equipment, and vehicles

46. Does the debtor own or lease any machinery, equipment, or vehicles?

- No. Go to Part 9.
- Yes Fill in the information below.

Part 9: Real property

54. Does the debtor own or lease any real property?

- No. Go to Part 10.
- Yes Fill in the information below.

Part 10: Intangibles and intellectual property

Debtor Glisir Medical, LP
Name

Case number (If known) 16-50612

59. Does the debtor have any interests in intangibles or intellectual property?

- No. Go to Part 11.
 Yes Fill in the information below.

| General description | Net book value of debtor's interest (Where available) | Valuation method used for current value | Current value of debtor's interest |
|---|---|---|------------------------------------|
| 60. Patents, copyrights, trademarks, and trade secrets | | | |
| 61. Internet domain names and websites | | | |
| 62. Licenses, franchises, and royalties | | | |
| 63. Customer lists, mailing lists, or other compilations | | | |
| 64. Other intangibles, or intellectual property 510k FDA Preapproval that is Transferable with plans and blueprints. | \$0.00 | Replacement | \$500,000.00 |
| <u>Invio License to buy specialty material.</u> | <u>\$0.00</u> | <u>Replacement</u> | <u>\$225,000.00</u> |

65. Goodwill

66. Total of Part 10.

Add lines 60 through 65. Copy the total to line 89.

| |
|---------------------|
| \$725,000.00 |
|---------------------|

67. Do your lists or records include personally identifiable information of customers (as defined in 11 U.S.C. §§ 101(41A) and 107?)

- No
 Yes

68. Is there an amortization or other similar schedule available for any of the property listed in Part 10?

- No
 Yes

69. Has any of the property listed in Part 10 been appraised by a professional within the last year?

- No
 Yes

Part 11: All other assets

70. Does the debtor own any other assets that have not yet been reported on this form?

Include all interests in executory contracts and unexpired leases not previously reported on this form.

- No. Go to Part 12.
 Yes Fill in the information below.

| | | | Current value of debtor's interest |
|---------------------------------------|-------------------|----------------------------------|------------------------------------|
| 71. Notes receivable | | | |
| Description (include name of obligor) | | | |
| Judgement Receivables | <u>466,751.00</u> | - <u>150,000.00</u> | <u>\$316,751.00</u> |
| | Total face amount | doubtful or uncollectible amount | |

72. Tax refunds and unused net operating losses (NOLs)

Description (for example, federal, state, local)

73. Interests in insurance policies or annuities

Debtor Glasis Medical, LP
Name

Case number (If known) 16-50612

- 74. **Causes of action against third parties (whether or not a lawsuit has been filed)**
- 75. **Other contingent and unliquidated claims or causes of action of every nature, including counterclaims of the debtor and rights to set off claims**
- 76. **Trusts, equitable or future interests in property**
- 77. **Other property of any kind not already listed** *Examples: Season tickets, country club membership*

78. **Total of Part 11.**
Add lines 71 through 77. Copy the total to line 90.

| |
|---------------------|
| \$316,751.00 |
|---------------------|

79. **Has any of the property listed in Part 11 been appraised by a professional within the last year?**
 No
 Yes

Debtor Glasisr Medical, LP
Name

Case number (If known) 16-50612

Part 12: Summary

In Part 12 copy all of the totals from the earlier parts of the form

| Type of property | Current value of personal property | Current value of real property |
|---|------------------------------------|--|
| 80. Cash, cash equivalents, and financial assets. <i>Copy line 5, Part 1</i> | <u>\$7,708.31</u> | |
| 81. Deposits and prepayments. <i>Copy line 9, Part 2.</i> | <u>\$0.00</u> | |
| 82. Accounts receivable. <i>Copy line 12, Part 3.</i> | <u>\$150,000.00</u> | |
| 83. Investments. <i>Copy line 17, Part 4.</i> | <u>\$0.00</u> | |
| 84. Inventory. <i>Copy line 23, Part 5.</i> | <u>\$1,374,971.00</u> | |
| 85. Farming and fishing-related assets. <i>Copy line 33, Part 6.</i> | <u>\$0.00</u> | |
| 86. Office furniture, fixtures, and equipment; and collectibles. <i>Copy line 43, Part 7.</i> | <u>\$8,500.00</u> | |
| 87. Machinery, equipment, and vehicles. <i>Copy line 51, Part 8.</i> | <u>\$0.00</u> | |
| 88. Real property. <i>Copy line 56, Part 9.....></i> | | <u>\$0.00</u> |
| 89. Intangibles and intellectual property. <i>Copy line 66, Part 10.</i> | <u>\$725,000.00</u> | |
| 90. All other assets. <i>Copy line 78, Part 11.</i> | + <u>\$316,751.00</u> | |
| 91. Total. Add lines 80 through 90 for each column | <u>\$2,582,930.31</u> | + 91b. <u>\$0.00</u> |
| 92. Total of all property on Schedule A/B. Add lines 91a+91b=92 | | <u>\$2,582,930.31</u> |

Loan Calculator

Exhibit D

| Enter Values | |
|-----------------------------|-----------|
| Loan Amount | \$881,282 |
| Annual Interest Rate | 10.00 % |
| Loan Period in Years | 5 |
| Number of Payments Per Year | 12 |
| Start Date of Loan | 1/1/2017 |
| Optional Extra Payments | |

| Loan Summary | |
|------------------------------|---------------|
| Scheduled Payment | \$ 18,724.64 |
| Scheduled Number of Payments | 60 |
| Actual Number of Payments | 60 |
| Total Early Payments | \$ - |
| Total Interest | \$ 242,196.28 |

Lender Name:

| Pmt No. | Payment Date | Beginning Balance | Scheduled Payment | Extra Payment | Total Payment | Principal | Interest | Ending Balance |
|---------|--------------|-------------------|-------------------|---------------|---------------|--------------|-------------|----------------|
| 1 | 2/1/2017 | \$ 881,282.00 | \$ 18,724.64 | \$ - | \$ 18,724.64 | \$ 11,380.62 | \$ 7,344.02 | \$ 869,901.38 |
| 2 | 3/1/2017 | 869,901.38 | 18,724.64 | - | 18,724.64 | 11,475.46 | 7,249.18 | 858,425.92 |
| 3 | 4/1/2017 | 858,425.92 | 18,724.64 | - | 18,724.64 | 11,571.09 | 7,153.55 | 846,854.83 |
| 4 | 5/1/2017 | 846,854.83 | 18,724.64 | - | 18,724.64 | 11,667.51 | 7,057.12 | 835,187.32 |
| 5 | 6/1/2017 | 835,187.32 | 18,724.64 | - | 18,724.64 | 11,764.74 | 6,959.89 | 823,422.57 |
| 6 | 7/1/2017 | 823,422.57 | 18,724.64 | - | 18,724.64 | 11,862.78 | 6,861.85 | 811,559.79 |
| 7 | 8/1/2017 | 811,559.79 | 18,724.64 | - | 18,724.64 | 11,961.64 | 6,763.00 | 799,598.15 |
| 8 | 9/1/2017 | 799,598.15 | 18,724.64 | - | 18,724.64 | 12,061.32 | 6,663.32 | 787,536.83 |
| 9 | 10/1/2017 | 787,536.83 | 18,724.64 | - | 18,724.64 | 12,161.83 | 6,562.81 | 775,375.00 |
| 10 | 11/1/2017 | 775,375.00 | 18,724.64 | - | 18,724.64 | 12,263.18 | 6,461.46 | 763,111.82 |
| 11 | 12/1/2017 | 763,111.82 | 18,724.64 | - | 18,724.64 | 12,365.37 | 6,359.27 | 750,746.44 |
| 12 | 1/1/2018 | 750,746.44 | 18,724.64 | - | 18,724.64 | 12,468.42 | 6,256.22 | 738,278.03 |
| 13 | 2/1/2018 | 738,278.03 | 18,724.64 | - | 18,724.64 | 12,572.32 | 6,152.32 | 725,705.71 |
| 14 | 3/1/2018 | 725,705.71 | 18,724.64 | - | 18,724.64 | 12,677.09 | 6,047.55 | 713,028.62 |
| 15 | 4/1/2018 | 713,028.62 | 18,724.64 | - | 18,724.64 | 12,782.73 | 5,941.91 | 700,245.88 |
| 16 | 5/1/2018 | 700,245.88 | 18,724.64 | - | 18,724.64 | 12,889.26 | 5,835.38 | 687,356.63 |
| 17 | 6/1/2018 | 687,356.63 | 18,724.64 | - | 18,724.64 | 12,996.67 | 5,727.97 | 674,359.96 |
| 18 | 7/1/2018 | 674,359.96 | 18,724.64 | - | 18,724.64 | 13,104.97 | 5,619.67 | 661,254.99 |
| 19 | 8/1/2018 | 661,254.99 | 18,724.64 | - | 18,724.64 | 13,214.18 | 5,510.46 | 648,040.81 |
| 20 | 9/1/2018 | 648,040.81 | 18,724.64 | - | 18,724.64 | 13,324.30 | 5,400.34 | 634,716.51 |
| 21 | 10/1/2018 | 634,716.51 | 18,724.64 | - | 18,724.64 | 13,435.33 | 5,289.30 | 621,281.18 |
| 22 | 11/1/2018 | 621,281.18 | 18,724.64 | - | 18,724.64 | 13,547.29 | 5,177.34 | 607,733.88 |
| 23 | 12/1/2018 | 607,733.88 | 18,724.64 | - | 18,724.64 | 13,660.19 | 5,064.45 | 594,073.69 |
| 24 | 1/1/2019 | 594,073.69 | 18,724.64 | - | 18,724.64 | 13,774.02 | 4,950.61 | 580,299.67 |
| 25 | 2/1/2019 | 580,299.67 | 18,724.64 | - | 18,724.64 | 13,888.81 | 4,835.83 | 566,410.86 |
| 26 | 3/1/2019 | 566,410.86 | 18,724.64 | - | 18,724.64 | 14,004.55 | 4,720.09 | 552,406.31 |
| 27 | 4/1/2019 | 552,406.31 | 18,724.64 | - | 18,724.64 | 14,121.25 | 4,603.39 | 538,285.06 |
| 28 | 5/1/2019 | 538,285.06 | 18,724.64 | - | 18,724.64 | 14,238.93 | 4,485.71 | 524,046.13 |
| 29 | 6/1/2019 | 524,046.13 | 18,724.64 | - | 18,724.64 | 14,357.59 | 4,367.05 | 509,688.55 |
| 30 | 7/1/2019 | 509,688.55 | 18,724.64 | - | 18,724.64 | 14,477.23 | 4,247.40 | 495,211.31 |
| 31 | 8/1/2019 | 495,211.31 | 18,724.64 | - | 18,724.64 | 14,597.88 | 4,126.76 | 480,613.44 |
| 32 | 9/1/2019 | 480,613.44 | 18,724.64 | - | 18,724.64 | 14,719.53 | 4,005.11 | 465,893.91 |
| 33 | 10/1/2019 | 465,893.91 | 18,724.64 | - | 18,724.64 | 14,842.19 | 3,882.45 | 451,051.72 |
| 34 | 11/1/2019 | 451,051.72 | 18,724.64 | - | 18,724.64 | 14,965.87 | 3,758.76 | 436,085.85 |
| 35 | 12/1/2019 | 436,085.85 | 18,724.64 | - | 18,724.64 | 15,090.59 | 3,634.05 | 420,995.26 |
| 36 | 1/1/2020 | 420,995.26 | 18,724.64 | - | 18,724.64 | 15,216.34 | 3,508.29 | 405,778.91 |
| 37 | 2/1/2020 | 405,778.91 | 18,724.64 | - | 18,724.64 | 15,343.15 | 3,381.49 | 390,435.77 |
| 38 | 3/1/2020 | 390,435.77 | 18,724.64 | - | 18,724.64 | 15,471.01 | 3,253.63 | 374,964.76 |
| 39 | 4/1/2020 | 374,964.76 | 18,724.64 | - | 18,724.64 | 15,599.93 | 3,124.71 | 359,364.83 |
| 40 | 5/1/2020 | 359,364.83 | 18,724.64 | - | 18,724.64 | 15,729.93 | 2,994.71 | 343,634.90 |
| 41 | 6/1/2020 | 343,634.90 | 18,724.64 | - | 18,724.64 | 15,861.01 | 2,863.62 | 327,773.88 |
| 42 | 7/1/2020 | 327,773.88 | 18,724.64 | - | 18,724.64 | 15,993.19 | 2,731.45 | 311,780.69 |
| 43 | 8/1/2020 | 311,780.69 | 18,724.64 | - | 18,724.64 | 16,126.47 | 2,598.17 | 295,654.23 |
| 44 | 9/1/2020 | 295,654.23 | 18,724.64 | - | 18,724.64 | 16,260.85 | 2,463.79 | 279,393.38 |
| 45 | 10/1/2020 | 279,393.38 | 18,724.64 | - | 18,724.64 | 16,396.36 | 2,328.28 | 262,997.02 |
| 46 | 11/1/2020 | 262,997.02 | 18,724.64 | - | 18,724.64 | 16,533.00 | 2,191.64 | 246,464.02 |
| 47 | 12/1/2020 | 246,464.02 | 18,724.64 | - | 18,724.64 | 16,670.77 | 2,053.87 | 229,793.25 |
| 48 | 1/1/2021 | 229,793.25 | 18,724.64 | - | 18,724.64 | 16,809.69 | 1,914.94 | 212,983.55 |
| 49 | 2/1/2021 | 212,983.55 | 18,724.64 | - | 18,724.64 | 16,949.78 | 1,774.86 | 196,033.78 |
| 50 | 3/1/2021 | 196,033.78 | 18,724.64 | - | 18,724.64 | 17,091.02 | 1,633.61 | 178,942.75 |
| 51 | 4/1/2021 | 178,942.75 | 18,724.64 | - | 18,724.64 | 17,233.45 | 1,491.19 | 161,709.31 |
| 52 | 5/1/2021 | 161,709.31 | 18,724.64 | - | 18,724.64 | 17,377.06 | 1,347.58 | 144,332.25 |
| 53 | 6/1/2021 | 144,332.25 | 18,724.64 | - | 18,724.64 | 17,521.87 | 1,202.77 | 126,810.38 |
| 54 | 7/1/2021 | 126,810.38 | 18,724.64 | - | 18,724.64 | 17,667.88 | 1,056.75 | 109,142.49 |
| 55 | 8/1/2021 | 109,142.49 | 18,724.64 | - | 18,724.64 | 17,815.12 | 909.52 | 91,327.37 |
| 56 | 9/1/2021 | 91,327.37 | 18,724.64 | - | 18,724.64 | 17,963.58 | 761.06 | 73,363.80 |

| Pmt No. | Payment Date | Beginning Balance | Scheduled Payment | Extra Payment | Total Payment | Principal | Interest | Ending Balance |
|----------------|---------------------|--------------------------|--------------------------|----------------------|----------------------|------------------|-----------------|-----------------------|
| 57 | 10/1/2021 | 73,363.80 | 18,724.64 | - | 18,724.64 | 18,113.27 | 611.36 | 55,250.52 |
| 58 | 11/1/2021 | 55,250.52 | 18,724.64 | - | 18,724.64 | 18,264.22 | 460.42 | 36,986.31 |
| 59 | 12/1/2021 | 36,986.31 | 18,724.64 | - | 18,724.64 | 18,416.42 | 308.22 | 18,569.89 |
| 60 | 1/1/2022 | 18,569.89 | 18,724.64 | - | 18,569.89 | 18,415.14 | 154.75 | 0.00 |

EXHIBIT E

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE WESTERN DISTRICT OF TEXAS
SAN ANTONIO DIVISION**

| | | |
|---------------------------|---|-----------------------------------|
| In re: | § | Chapter 11 |
| | § | |
| GLASIR MEDICAL, LP | § | Case No. 16-50612 |
| | § | |
| Debtor | § | |
| And | § | |
| In re: | § | Chapter 11 |
| | § | |
| MFLR, LLC | § | Case No. 16-50613 |
| | § | |
| Debtor | § | Jointly Administered under |
| | § | Case No. 16-50612 |

DEBTORS’ FIRST AMENDED JOINT PLAN OF REORGANIZATION

**ARTICLE I
SUMMARY**

This Plan of Reorganization (the “Plan”) under chapter 11 of the Bankruptcy Code (the “Code”) proposes to pay creditors of Glasir Medical, LP (the “Debtor”) from operation cash flow.

This Plan provides for one class of secured tax claims, one class of prepetition secured lender claims, one class of general unsecured claims, one class of non-tax priority unsecured claims, and one class of equity claims. Creditors holding allowed general unsecured claims shall receive 100% of their claims over five (5) years. This Plan also provides for the payment of non-tax priority claims in full within 90 days the Plan’s effective date and payment of administrative claims upon confirmation.

All creditors and equity security holders should refer to Articles III through VI of this Plan for information regarding the precise treatment of their claim. A disclosure statement that provides more detailed information regarding this Plan and the rights of creditors and equity security holders has been circulated with this Plan. **Your rights may be affected. You should read these papers carefully and discuss them with your attorney, if you have one. If you do not have an attorney, you may wish to consult one.**

**ARTICLE II
CLASSIFICATION OF CLAIMS AND INTERESTS**

| Class | Description | Impaired? | Voting? |
|-----------------------|--------------------|------------------|----------------|
| 2.01. <u>Class 1.</u> | Secured Tax Claims | N | No |

| | | | |
|-----------------------|----------------------------|---|-----|
| 2.02. <u>Class 2.</u> | Prepetition Secured Claims | Y | Yes |
| 2.03. <u>Class 3.</u> | General Unsecured Claims | Y | Yes |
| 2.04. <u>Class 4.</u> | Priority Unsecured Claims | Y | Yes |
| 2.05. <u>Class5.</u> | Equity Holders | Y | No |

**ARTICLE III
TREATMENT OF ADMINISTRATIVE EXPENSE CLAIMS,
U.S. TRUSTEES FEES, AND PRIORITY TAX CLAIMS**

3.01. Professional Fees. The following professional fees shall be paid within 60 days of the Effective date provided they have been approved by the Court:

| | |
|--|-------------------------|
| Curl Stahl & Geis (Special Counsel) | \$ 20,000.00 |
| The Smeberg Law Firm. (Attorneys) | \$15,000.00 |
| David A Schueller (Accountant) | \$1000.00 |
| George Billingsley (Property Tax Consultant) | \$2000.00 |
| JD Webb (FDA Consultant) | \$2000.00 |
| Total Estimated Professional Claims | <u>\$ 40,000.00</u> |

[This estimate is subject to revision; no claim for administrative claims can be paid absent Court approval.]

The amount of the professional fees disclosed above is an approximate amount. It is unknown at this time exactly how much money will be incurred in professional fees in this Chapter 11 case. A final determination cannot be made until such time as the case is closed as to reasonable professional fees for the provision of whatever services become necessary in this Chapter 11 case. Any other allowed costs and expenses of administration of the Debtors Chapter 11 bankruptcy cases will also be entitled to administrative treatment. These will be paid in full at confirmation, less any retainers already received, after approval by the Court of said fees. The anticipated administrative expenses of the Debtor are moderate for a case of this size.

3.02. United States Trustee Fees. All fees required to be paid by 28 U.S.C. §1930(a)(6) (U.S. Trustee Fees) will accrue and be timely paid until the case is closed, dismissed, or converted

to another chapter of the Code. Any U.S. Trustee Fees owed on or before the effective date of this Plan will be paid on the effective date.

3.03. Priority Tax Claims. Priority tax claims are unsecured income, employment, and other taxes described by § 507(a)(8) of the Code. Unless the holder of such a § 507(a)(8) priority tax claim agrees otherwise, it must receive the present value of such claim, in regular installments paid over a period not exceeding 5 years from the order of relief.

3.03.1. Internal Revenue Service.

The IRS filed a proof of claim on behalf of unpaid employment withholding taxes, penalties and interest in the amount of \$17,000.00. This claim is disputed and to the extent the parties are unable to resolve the dispute, Debtors shall file an objection with the Court. The IRS debt shall be paid in equal installments of principal and interest over the first 4 years of the Plan with interest at four (4%) per annum beginning on the first day of the month following 30 days after the Effective Date. The estimated monthly payment to the IRS is \$384.00

The debt owed by the Debtors to the IRS (except unsecured non priority debt) is a nondischargeable debt, except as otherwise provided for in the Bankruptcy Code, and that if the Debtors should default, the IRS is not subject to the provisions of the Bankruptcy Code so that the IRS can take whatever actions are necessary to collect said debt in the event of default.

A failure by the Debtors to make a payment to the IRS pursuant to the terms of the Plan shall be an event of default; as to the IRS, there is an event of default if payment is not received by the 15th day of each month; if there is a default to IRS, IRS must send written demand for payment to the Debtors and said payment must be received by the IRS within fifteen (15) days of the date of the demand letter; the Debtors can receive up to five (5) notices of default from the IRS; however, on the fifth default cannot be cured, and the IRS may accelerate its allowed claim(s), past or future, and declare the outstanding amount of such claim(s) to be immediately due and owing, and pursue any and all available state and federal rights and remedies.

3.03.2 Texas Comptroller.

The Texas Comptroller filed a proof of claim in the amount of \$13,600.00 for franchise taxes. This claim is disputed and to the extent the parties are unable to resolve the dispute, Debtors shall file an objection with the Court. The Texas Comptroller debt shall be paid in equal installments of principal and interest over the first 4 years of the Plan with interest at four and one quarter (4.25%) per annum beginning on the first day of the month following 30 days after the Effective Date. The estimated monthly payment to the Texas Comptroller is \$309.00

ARTICLE IV
TREATMENT OF CLAIMS AND INTERESTS UNDER THE PLAN

4.01 Claims and interests shall be treated as follows under this Plan:

| <u>Class #</u> | <u>Description</u> | <u>Treatment</u> |
|-----------------------|--|--|
| 1 | Prepetition Claim of Bexar County Taxing Authority | <p>The Class 1 claims consist of the unimpaired secured claims of the taxing entities located in Bexar County in the amount of \$63,395, which includes all taxes owed through 2016. This claim is disputed as Debtors are currently in the process of contesting the amount of the claim through the administrative property tax dispute process. Debtors shall not file an objection to the claim. However, the claim shall be reduced to the amount ultimately determined in the dispute process for all claimed years.</p> <p>The Bexar County allowed claim will be paid in full in forty-eight (48) equal, consecutive monthly installments, with the first payment being made on the first day of the first month following 30 days after the Plan’s Effective Date. Post-petition interest at the rate of twelve percent (12%) per annum shall accrue beginning from the Petition Date until the confirmation date. Thereafter, plan interest at the rate of twelve percent (12%) per annum shall accrue on the entire balance until the tax debt is paid in full. Debtors shall make separate payments on each account consistent with separate amortization schedules provided to the Debtors. Each separate payment which will be applied pro rata to the various tax accounts indicated above. In the event the Debtors sell, conveys or transfers any property which is collateral of the Bexar County claim or post confirmation tax debt, the Debtors shall remit such sales proceeds first to Bexar County to be applied to the Bexar County tax debt incident to any such property/tax account sold, conveyed or transferred.</p> |

| | | |
|--|--|--|
| | | <p>The Reorganized Debtors may pre-pay the pre-petition tax debt to any of the ad valorem taxing entities at any time. The Debtors shall have thirty (30) days from the Effective Date to object to the Bexar County claim; otherwise, such claim is deemed as an allowed secured claim in the amount of its Proof of Claim consistent with the treatment of each tax account under this Plan. Bexar County shall retain its statutory lien securing their pre-petition and post-petition tax debts until such time as the tax debts are paid in full. Debtors shall pay all post-petition ad valorem tax liabilities (tax year 2016 and subsequent tax years) owing to Bexar County in the ordinary course of business as such tax debts come due and prior to said ad valorem taxes becoming delinquent without need of any ad valorem taxing entity filing an administrative claim and request for payment.</p> <p>Should the Reorganized Debtors fail to make any payments as required in this Plan, Bexar County shall provide written notice of that default by sending written notice by certified mail to Debtors' counsel advising of that default, and providing the Reorganized Debtors with a period of fifteen (15) days to cure the default. In the event that the default is not cured within fifteen (15) days, Bexar County may, without further order of this Court or notice to the Debtors, pursue all of their rights and remedies available to them under the Texas Property Tax Code to collect the full amount of all taxes, penalties and interest owed. Additionally, the failure to timely pay post-petition and/or post-confirmation taxes while the Reorganized Debtors are still paying any pre-petition debt, shall be considered an event of default. The Reorganized Debtors shall be entitled to no more than three (3) Notices of Default. In the event of a fourth (4th) default, Bexar County may pursue all rights and remedies available to it under the Texas Property</p> |
|--|--|--|

| | | |
|---|--|---|
| | | <p>Tax Code in state district court without further order of this court or further notice to the Debtors.</p> <p>The Class 1 claim is not impaired under the Debtors’ Plan of Reorganization and is not eligible to vote on the Plan.</p> |
| 2 | Secured claim of Harold B. Childs, III | <p>The Class 2 claim consists of the impaired secured claim(s) of Harrold B. Childs, III (“Childs”) in the amount of \$881,282. The debt to Childs is secured by pre-petition liens as set forth in the loan documents. The debt to Childs shall be paid at 10% interest in 60 equal monthly installments of \$18724.76, beginning on February 1, 2017, in accordance with Exhibit D. Except for the change in payment terms and default terms stated in the Plan, the loan shall be reinstated upon confirmation and the documents making the basis for the Class 2 Claim shall remain in full force and effect. Debtor shall continue making adequate assurance payments pursuant to the cash collateral order entered by the Court until the month prior to its first payment under the Plan.</p> <p>Because the Class 2 Claim is over secured, Harrold B. Childs is entitled to reasonable attorney fees pursuant to 11 USC § 506(b). The Debtors have reviewed the attorney fees accrued by Harrold B. Child’s counsel during the bankruptcy and Debtors agree the claimed fees in the amount \$10,877.50 are fair and reasonable (“Agreed Fees”). Debtor shall pay Harrold B. Childs’ the Agreed Fees no later than January 5, 2017. In addition to the Agreed Fees, Debtor shall pay up to a maximum of \$4,122.50 in additional reasonable attorney fees incurred by Childs’ from October 1, 2016, through the closing of Debtors’ bankruptcy</p> |

| | | |
|--|--|---|
| | | <p>cases (the “Additional Fees”).¹ Childs shall not be entitled to any fees in excess of the Additional Fees. Any party in interest may obtain a copy of the Agreed Fees by requesting them in writing from Childs’ counsel, Patrick Huffstickler, Dykema, Cox, Smith, 112 E. Pecan #1800, San Antonio, Texas 78205, Email: phuffstickler@dykema.com</p> <p>The Class 2 claim is impaired under the Debtors’ Plan of Reorganization and is eligible to vote on the Plan.</p> |
|--|--|---|

| <u>Class #</u> | <u>Description</u> | <u>Treatment</u> |
|----------------|---|---|
| 3 | <p>General Unsecured Claims</p> <p>Turnco Tool & Instrument \$21,026 Allowed</p> <p>Cellright Technologies \$53,750 Allowed</p> <p>X-Spine Systems, Inc. \$60,400 <u>Disputed</u>²</p> <p>Victrex USA, Inc. (Invibio) \$24,971 Allowed</p> <p>American Express Bank \$7478.63 Allowed³</p> | <p>The Class 3 claims consist of the claims of general unsecured creditors. The unsecured claims included the claims scheduled on the Debtors’ Schedules (Schedule F) and/or filed with the Court, including any amendments to schedules and claims, and are estimated to be in the approximate amount of \$233,000. The Class 3 creditors shall receive (100%) of the creditor’s allowed claim in 20 quarterly payments beginning the first day of the first quarter occurring 30 days after the effective date. The Class 3 claims are deemed to be impaired under the Plan and shall vote on the Plan.</p> |

The claim of this amount of \$2,56 claim shall be pa note on a 20 year interest rate of th monthly payment 1st day of the 1s the Effective Da continue making until the month o under the Plan. penalty should D outstanding note 5. The terms of remain in full fo modified by Deb Class 3 Claim sh

¹ A claim for Additional Fees must be submitted in writing to Debtors counsel (which may be via email), no later than 30 days after the order confirming Debtors’ plan of reorganization is entered. If Debtors contend the Additional Fees are not reasonable, Debtors shall file a motion with the Court objecting to the fees within 14 days of receipt of the fee request. If no objection is timely made or sustained, then Debtors shall pay the additional fees the later of 1) January 5, 2017, 2) 14 days after receipt of the fee request, or 3) 5 days after any objection is overruled and no longer is subject to appeal.

² The claim contains a post petition Invoice 74810 that was paid on 04/05/16 with Cashiers Check# 117010011 and a \$600 credit granted to Debtor on January 6, 2016, leaving a total prepetition balance owed of \$54,400.

³ Christopher Canis is a guarantor of the American Express account and has been making payments on the American Express account to prevent damage to his personal credit rating. On confirmation, of Debtors’ Plan Christopher

| | | | |
|----------|---|---|--|
| | <p>David K. Young Consulting \$2568.70 Allowed</p> <p>Lattice Biologistics \$59,360 Allowed</p> <p>Rackspace Hosting \$456 Allowed</p> <p>SLR Medical Consulting, Inc. \$1000 Allowed</p> <p>Travelers Insurance \$3249 Allowed</p> <p>American Funds \$401 Allowed</p> | | <p>interests as original documents until Plan.</p> |
| <p>4</p> | <p>Priority Wage Claim of Katie Bro</p> | <p>The Class 4 claims consist of the impaired priority wage claim of Katie Bro in the amount of \$1433.59. The Class 4 claim shall be paid in two equal payments during the first 90 days after the effective date and second 90 days after the effective date. The Class 4 claim is deemed to be impaired under the Plan and shall vote on the Plan.</p> | |
| <p>5</p> | <p>Equity Holders</p> | <p>The Class 5 claims consist of the claims of the equity interest holders of the Debtor, Thomas Wilson and Christopher Canis. The Class 4 parties shall retain their ownership interests in the Debtors. The Class 5 Claims are not impaired or are deemed to have accepted the Plan.</p> | |

ARTICLE V
ALLOWANCE AND DISALLOWANCE OF CLAIMS

Canis shall be reimbursed for all payments made on the American Express account. Further, the American Express claim shall be reduced down to the amount owed as of the date of Confirmation. American Express shall send a statement of the amount owed as of the Confirmation date to Debtors within 20 days of confirmation.

5.01. Disputed Claim. A disputed claim is a claim that has not been allowed or disallowed [by a final non-appealable order], and as to which either: (i) a proof of claim has been filed or deemed filed, and the Debtor or another party in interest has filed an objection; or (ii) no proof of claim has been filed, and the Debtor has scheduled such claim as disputed, contingent, or unliquidated. Debtor shall file all objections to claims within 60 days of the Confirmation Date.

5.02. Delay of Distribution on a Disputed Claim. No distribution will be made on account of a disputed claim unless such claim is allowed by a final non-appealable order.

5.03. Settlement of Disputed Claims. The Debtor will have the power and authority to settle and compromise a disputed claim with court approval and compliance with Rule 9019 of the Federal Rules of Bankruptcy Procedure.

ARTICLE VI

EXECUTORY CONTRACTS AND UNEXPIRED LEASES

All executory contracts of the Debtor not expressly assumed in writing on or before the date of the hearing on Confirmation of the Plan shall be deemed rejected.

ARTICLE VII

MEANS FOR IMPLEMENTATION OF THE PLAN

7.01 Continued Corporate Existence. The Debtors shall continue to exist after the Effective Date as their respective Texas entities, with all the powers of a corporation, partnership, or limited liability company, as applicable, under applicable law and without prejudice to any right to alter or terminate such existence (whether by merger or otherwise) under applicable state law.

7.02 Advance Payment of Claims. Provided Debtors stay current on all payments to creditors pursuant to the Plan, Debtors may make advance payments on claims in Debtors' business judgment discretion.

ARTICLE VIII

GENERAL PROVISIONS

8.01 Definitions and Rules of Construction. The definitions and rules of construction set forth in §§ 101 and 102 of the Code shall apply when terms defined or construed in the Code are used in this Plan, and they are supplemented by the following definitions:

8.01.1 Administrative Claim shall mean any Claim that is defined in Section 503(b) of the Bankruptcy Code as being an "administrative expense" within the meaning of such section and referenced in Bankruptcy Code Section 507(a)(1) including, without limitation, the actual necessary costs and expenses of preserving the Debtors' estates and operating the business of the Debtors, including wages, salaries, or commissions for services rendered after the commencement of the

case, compensation for legal and other services and reimbursement of expenses. Allowed or awarded under Bankruptcy Code Sections 33(a) or 331, and all fees and charges assessed against the estate of the Debtor under title 28 of the United States Code

- 8.01.2 Allowed Claim or Allowed Interest shall mean a Claim or Interest (a) in respect of which a proof of claim or application has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of Creditors prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b) and not listed as Disputed Claims or contingent or liquidated as to amount, in either case as to which no objection to the allowance thereof has been interposed within any applicable period of limitation fixed by Bankruptcy rule 3001 or an order of the Bankruptcy Court, or this Plan, or as to which any such objection has been determined by an order or judgment which is no longer subject to appeal or certiorari proceeding and as to which no appeal or certiorari proceedings is pending or as otherwise allowed under this Plan. An Allowed Claim may refer to a Secured Claim, a General Unsecured Claim, an Administrative Claim or a Priority Claim as the context provides.
- 8.01.3 Avoidance Actions shall mean those causes of action provided for under Sections 547 to 551 of the Bankruptcy Code, causes of action under applicable non-bankruptcy law for fraudulent transfer or similar legal theories.
- 8.01.4 Bankruptcy Code shall mean the Bankruptcy Code, 11 U.S.C. §101 *et seq.*, as it existed on the Filing Date
- 8.01.5 Bankruptcy Court shall mean the United States Bankruptcy Court for the Western District of Texas, San Antonio Division, in which the Debtors' Chapter 11 case, pursuant to which the Plan is proposed, is pending, and any Court having competent jurisdiction to hear appeals or certiorari proceedings therefrom.
- 8.01.6 Bankruptcy Estate or Estates shall mean all of the assets owned by the Debtors and their respective estates.
- 8.01.7 Cash shall mean Cash and Cash equivalents including, without limitation, checks and wire transfers.
- 8.01.8 Claim shall have the meaning given in Section 101 of the Bankruptcy Code, to wit, any right to payment, or right to an equitable remedy for breach of performance if such breach gives rise to a right to payment, against the Debtors in existence on or before the Filing Date, whether or not such right to payment or right to equitable remedy is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, legal, secured or unsecured whether or not asserted.

- 8.01.9 Class shall mean any class into which Allowed Claims or Allowed Interests are classified pursuant to Article 4.
- 8.01.10 Confirmation Date shall mean the date upon which the Confirmation Order is entered by the Clerk of the Bankruptcy Court.
- 8.01.11 Confirmation Hearing shall mean the hearing held by the Bankruptcy Court to consider confirmation of the Plan.
- 8.01.12 Confirmation Order shall mean the order entered by the Bankruptcy Court confirming this Plan in accordance with the provisions of Chapter 11 of the Bankruptcy Code.
- 8.01.13 Creditor shall mean any entity holding a Claim.
- 8.01.14 Debtors shall mean Glasir Medical, LP and MFLR, LLC
- 8.01.15 Disbursing Agent shall mean the Debtors.
- 8.01.16 Disclosure Statement shall mean the written document filed by the Debtors in accordance with Section 1125(b) of the Bankruptcy Code containing information sufficient to enable a hypothetical reasonable investor typical of Holders of Claims or Interests of the relevant Class to make an informed judgment about this Plan.
- 8.01.17 Disallowed Claim shall mean any Claim or portion thereof which has been disallowed by a Final Order and includes any Claim which is not an Allowed Claim for any other reason.
- 8.01.18 Disputed Claim shall mean that portion (including, where appropriate, the whole) or any Claim (other than an Allowed Claim) that (a) is listed in Debtors' schedules of liabilities as disputed, contingent, or unliquidated; (b) is listed in the Debtors' schedules of liabilities and as to which a proof of Claim has been filed with the Bankruptcy Court, to the extent the proof of Claim exceeds the scheduled amount; (c) is not listed in the Debtors' schedules of liabilities, but as to which a proof of Claim has been filed with the Bankruptcy Court; or (d) as to which an objection has been filed and has not become an Allowed Claim.
- 8.01.19 Effective Date shall mean the later of January 1, 2017, or the first date that the Confirmation Order is final and no longer subject to appeal.
- 8.01.20 Equity Interest shall mean the interests represented by an "equity security" as defined in Section 101 of the Bankruptcy Code.

- 8.01.21 Executory Contracts shall mean any Pre-petition Unexpired Lease(s) or executor contract(s) of the Debtor within the meaning of Section 365 of the Bankruptcy Code.
- 8.01.22 Filing Date shall mean March 15, 2016, the date Debtors filed their voluntary petition under Chapter 11 of the Bankruptcy Code.
- 8.01.23 Final Order shall mean an order or judgment of a Court which has become final in accordance with law, and which has not been stayed pending appeal.
- 8.01.24 General Unsecured Claim shall mean either (i) a Claim that is not secured by a lien, security interest or other charge against or interest in property in which Debtors have an interest or which is not subject to setoff under Section 553 of the Bankruptcy Code; (ii) a Claim that is not a Secured Claim; (iii) a claim that is not an Administrative Claim; (iv) a Claim that is not a Priority Claim; or (v) a Claim that is not otherwise entitled to priority under Bankruptcy Code Sections 503 or 507.
- 8.01.25 Holder shall mean the owner or Holder of any Claim or Interest.
- 8.01.26 Interest shall mean an Interest (a) in respect to which a proof of interest has been filed with the Bankruptcy Court within the applicable period of limitation fixed by Bankruptcy Rule 3001 or (b) scheduled in the list of Equity Security Holders prepared and filed with the Bankruptcy Court pursuant to Bankruptcy Rule 1007(b).
- 8.01.27 Insider has the definition ascribed to it under the Bankruptcy Code.
- 8.01.28 Lien shall mean a "lien" as defined in Section 101(37) of the Bankruptcy Code.
- 8.01.29 Net Proceeds shall mean, any cash recovery, the funds remaining after a final judgment on an Avoidance Action, net of all legal fees (and/or contingency legal fees), costs and expenses of suit. The Net Proceeds, for any non-cash recovery, is the amount of cash remaining after the final judgment and recovery of non-cash asset is liquidated and the cash proceeds are distributed net of all legal fees, costs and expenses of suit. Compromises of Avoidance Actions may include cash or benefits to the Debtors or Reorganized Debtors and are not Net Proceeds.
- 8.01.30 Person shall mean an individual, corporation, partnership, joint venture, trust, estate, unincorporated organization, or a government or any agency or political subdivision thereof.
- 8.01.31 Plan shall mean this Chapter 11 Plan, as altered, modified or amended in accordance with the terms hereof in accordance with the Bankruptcy Code, the Bankruptcy Rules and this Plan.

- 8.01.32 Priority Tax Claims shall mean any claim that is defined in Section 507(a)(8) of the Bankruptcy Code.
- 8.01.33 Professionals shall mean all professional employed in this case pursuant to Section 327 or 1103 of the Bankruptcy Code.
- 8.01.34 Pro-Rata shall mean the proportion that the Allowed amount of such Claim bears to the aggregate amount of Claims in each respective Class.
- 8.01.35 Secured Claim shall mean a claim secured by a lien, security interest or other charge against or interest in property in which the Debtors have an interest, or which is subject to setoff under Section 553 of the Bankruptcy Code, to the extent of the value (determined in accordance with Section 506(a) of the Bankruptcy Code) of the interest of the Holder of such Claim in the Debtors' interest in such property or to the extent of the amount subject to such setoff, as the case may be.
- 8.01.37 Severability. If any provision in this Plan is determined to be unenforceable, the determination will in no way limit or affect the enforceability and operative effect of any other provision of this Plan.
- 8.01.38 Binding Effect. The rights and obligations of any entity named or referred to in this Plan will be binding upon, and will inure to the benefit of the successors or assigns of such entity.
- 8.01.39 Captions. The headings contained in this Plan are for convenience of reference only and do not affect the meaning or interpretation of this Plan.
- 8.01.40 Controlling Effect. Unless a rule of law or procedure is supplied by federal law (including the Code or the Federal Rules of Bankruptcy Procedure), the laws of the State of Texas govern this Plan and any agreements, documents, and instruments executed in connection with this Plan, except as otherwise provided in this Plan.

ARTICLE IX

DISCHARGE AND EFFECT OF CONFIRMATION

Legally Binding Effect. The provisions of this Plan shall bind all Creditors and Interest Holders, whether or not they accept this Plan. On and after the Effective Date, all holders of Claims shall be precluded and forever enjoined from asserting any (i) Claim against the Debtors based on any transaction or other activity of any kind that occurred prior to the Confirmation Date except as permitted under the Plan; and (ii) derivative claims, including claims against third parties asserting alter ego claims, fraudulent transfer claims, guaranty claims or any type of successor liability based on acts or omissions of the Debtors.

Limited Discharge of Debtors and Injunction. Pursuant to Section 1141(d) of the Bankruptcy Code, upon the Effective Date, the Debtors shall be discharged from any debt that arose before the date of such confirmation, and any debt of a kind specified in Section 502(g), 502(h) or 502(i) of the Bankruptcy Code, whether or not a proof of the Claim based on such debt is filed or deemed filed under Section 501 of this title; such Claim is allowed under Section 502 of this title; or the Holder of such Claim has accepted the Plan. The entry of the Confirmation Order will operate as a general resolution with prejudice, as of the Effective Date, of all pending Legal Proceedings, if any, against the Debtors and their assets and properties and any proceedings not yet instituted against the Debtors or their assets, except as otherwise provided in the Plan. Except as otherwise expressly provided in the Plan or the Confirmation Order, all Persons who have held, may have held, hold, or may hold Claims against the Debtors are permanently enjoined on and after the Effective Date from (a) commencing or continuing in any manner any action or other proceeding of any kind against the Debtors or their property, with respect to any such Claim, (b) the enforcement, attachment, collection or recovery by any manner or means of any judgment, award, decree or order with respect to any such Claim against the Debtors or their property, (c) creating, perfecting, or enforcing any encumbrance of any kind against the Debtors or their property, with respect to such Claim, (d) asserting any right of subrogation of any kind against any obligation due to the Debtor or the property of the Debtors or the Estates with respect to any such Claim and (e) asserting any right of setoff or recoupment against the Debtors or the Estates except as specifically permitted by § 553 of the Bankruptcy Code. Unless otherwise provided in the Plan or by order of the Bankruptcy Court, all injunctions or automatic stays provided for in these cases pursuant to § 105, if any, or § 362 of the Bankruptcy Code, or otherwise, and in existence on the Confirmation Date will remain in full force and effect until the Effective Date.

Limited Protection of Certain Parties in Interest. Neither (a) the Debtors, or any of their respective employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by the Debtor, nor (b) each Professional for the Debtors or any of their employees, officers, directors, agents, representatives, affiliates, attorneys, financial advisors, or any other professional persons employed by any of them, (the persons identified in (a) and (b), are collectively referred to as “Protected Persons”), shall have or incur any liability to any Person or Entity under any theory of liability for any act or omission occurring on or after the Petition Date in connection with or related to the Debtors, the Chapter 11 Cases, or the Estates, including, but not limited to, (i) formulating, preparing disseminating, implementing, confirming, consummating or administering this Plan (including soliciting acceptances or rejections thereof); or (ii) the Disclosure Statement or any contract, instrument, release or other agreement or document entered into or any action taken or omitted to be taken in connection with this Plan, except for acts constituting willful misconduct, gross negligence, or *ultra vires* activity and in all respects such Protected Persons shall be entitled to rely in good faith upon the advice of counsel. In any action, suit or Legal Proceeding by any Person contesting any action by, or non-action of any Protected Person as constituting willful

misconduct, gross negligence, or *ultra vires* activity or not being in good faith, the reasonable attorneys' fees and costs of the prevailing party will be paid by the losing party and as a condition to going forward with such action, suit, or Legal Proceeding at the outset thereof, all parties thereto will be required to provide appropriate proof and assurances of their capacity to make such payments of reasonable attorneys' fees and costs in the event they fail to prevail.

Continuation of Anti-Discrimination Provisions of Bankruptcy Code. A Governmental Unit may not deny, revoke, suspend, or refuse to renew a license, permit, charter, franchise, or other similar grant to, condition such a grant to, or discriminate with respect to such a grant against, the Debtors, or another Person with whom the Debtors have been or are associated or affiliated, solely because of the commencement, continuation, or termination of the case or because of any provision of the Plan or the legal effect of the Plan, and the Confirmation Order will constitute an express injunction against any such discriminatory treatment by a Governmental Unit.

ARTICLE X **OTHER PROVISIONS**

DEFAULT

10.01. Default. Upon default by the Reorganized Debtors and unless otherwise specified in the Plan, creditors are required to provide written notice of such Default to the Reorganized Debtors and their counsel, The Smeberg Law Firm, PLLC by certified mail, return receipt requested, and by regular first class mail, and the Reorganized Debtors shall have thirty (30) days from the date of the notice to cure the default. Any defect in such default notice shall toll the running of the thirty (30) day cure period. Notice of default shall be given to the Reorganized Debtors and Ronald Smeberg. If the Reorganized Debtors fail to cure within the thirty (30) day cure period provided herein, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court. The Reorganized Debtors shall be entitled to three (3) notices of default for each calendar year. On the fourth (4th) notice of default for a calendar year, creditors shall be allowed to foreclose their liens without further notice of hearing before the Court, or move to have the case converted to a case under Chapter 7.

10.03. Vesting of Estate Property and Effect of Default. On the Effective Date, title to all assets and properties dealt with by the Plan shall vest in the Debtor that held title to the asset or property, free and clear of all Claims and Interests other than any contractual secured claims granted under any lending agreement, on the condition that Reorganized Debtors comply with the terms of the Plan, including the making of all payments to creditors provided for in such Plan. If Reorganized Debtors default in performing under the provisions of this Plan and this case is converted to a case under chapter 7, all property vested in Reorganized Debtors and all subsequently acquired property owned as of or after the conversion date shall re-vest and constitute property of the bankruptcy estate in the converted case.

Respectfully submitted,

By: /s/ Thomas Wilson
Thomas Wilson, Manager, MFLR, LLC, General Partner of
Glasir Medical, LP.

By: /s/ Ronald J. Smeberg
Ronald J. Smeberg, Attorney for Debtor

State Bar No. 24033967
2010 West Kings Highway
San Antonio, Texas 78201
210-695-6684 (Tel)
210-598-7357 (Fax)
ATTORNEY FOR DEBTOR