

UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK

In re Urban Radio of Mississippi, LLC  
Debtor

Case No. 11-13977 (SCC)  
Reporting Period: 01/01/12 - 01/31/12

Federal Tax I.D. # 52-2231154

**CORPORATE MONTHLY OPERATING REPORT**

**File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.**

*(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)*

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	<u>MOR-1</u>	Yes	
Bank Reconciliation (or copies of debtor's bank reconciliations)	<u>MOR-1 (CONT)</u>	Yes	
Copies of bank statements		*	*
Cash disbursements journals		*	*
Statement of Operations	<u>MOR-2</u>	Yes	
Balance Sheet	<u>MOR-3</u>	Yes	
Status of Post-petition Taxes	<u>MOR-4</u>	Yes	
Copies of IRS Form 6123 or payment receipt		N/A	N/A
Copies of tax returns filed during reporting period		N/A	N/A
Summary of Unpaid Post-petition Debts	<u>MOR-4</u>	Yes	
Listing of Aged Accounts Payable		*	*
Accounts Receivable Reconciliation and Aging	<u>MOR-5</u>	Yes	
Taxes Reconciliation and Aging	<u>MOR-5</u>	N/A	N/A
Payments to Insiders and Professional	<u>MOR-6</u>	Yes	
Post Petition Status of Secured Notes, Leases Payable	<u>MOR-6</u>	N/A	N/A
Debtor Questionnaire	<u>MOR-7</u>	Yes	

**\* AVAILABLE UPON REQUEST**

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

Signature of Debtor \_\_\_\_\_

Date \_\_\_\_\_

Signature of Authorized Individual\* Lois E. Wright Esq.

Date: 3/28/12

Printed Name of Authorized Individual: Lois E. Wright, Esq.

Date: \_\_\_\_\_

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

In re Urban Radio of Mississippi, LLC  
 Debtor

Case No. 11-13977 (SCC)  
 Reporting Period: 01/01/12 - 01/31/12

**SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS**

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

ACCOUNT NUMBER (LAST 4)	BANK ACCOUNTS				CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)
	OPER - #8569 & #2019	PAYROLL	TAX	OTHER Petty Cash & Payroll	
<b>CASH BEGINNING OF MONTH</b>	134,423		-	300	134,723
<b>RECEIPTS</b>					
CASH SALES					-
ACCOUNTS RECEIVABLE - PREPETITION	172,051				172,051
ACCOUNTS RECEIVABLE - POSTPETITION	170,690				170,690
LOANS AND ADVANCES					-
SALE OF ASSETS					-
OTHER (ATTACH LIST)		81,711			81,711
TRANSFERS (FROM DIP ACCTS)					-
<b>TOTAL RECEIPTS</b>	342,741	81,711	-	-	424,452
<b>DISBURSEMENTS</b>					
NET PAYROLL (Gross Payroll)	9,308	72,961			82,269
PAYROLL TAXES (Employer)		8,750			8,750
SALES, USE, & OTHER TAXES					-
INVENTORY PURCHASES					-
SECURED/ RENTAL/ LEASES	19,247				19,247
INSURANCE					-
ADMINISTRATIVE	75,939				75,939
SELLING (Advertising/Mktg)	9,030				9,030
OTHER - Intercompany Transfer				-	-
OWNER DRAW *				-	-
TRANSFERS (TO DIP ACCTS)	200,000				200,000
PROFESSIONAL FEES					-
U.S. TRUSTEE QUARTERLY FEES					-
COURT COSTS					-
<b>TOTAL DISBURSEMENTS</b>	313,523	81,711	-	-	395,234
<b>NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)</b>	29,218	-	-	-	29,218
<b>CASH - END OF MONTH</b>	163,641	-	-	300	163,941

\* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

**THE FOLLOWING SECTION MUST BE COMPLETED**

DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)

<b>TOTAL DISBURSEMENTS</b>	395,234
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	(200,000)
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
<b>TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES</b>	195,234

\*\* Payroll is paid by NY bank account



In re Urban Radio of Mississippi, LLC  
Debtor

Case No. 11-13977 (SCC)  
Reporting Period: 01/01/12 - 01/31/12

**STATEMENT OF OPERATIONS (Income Statement)**

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE -FILING TO DATE
Gross Revenues	315,387	1,996,617
Less: Returns and Allowances	-	-
Net Revenue	315,387	1,996,617
<b>COST OF GOODS SOLD</b>		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs ( <i>attach schedule</i> )		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
<b>OPERATING EXPENSES</b>		
Advertising	992	4,910
Auto and Truck Expense	-	3,279
Bad Debts	2,500	11,917
Contributions	-	-
Employee Benefits Programs	24,750	123,781
Officer/Insider Compensation*	15,739	81,114
Insurance	3,548	14,779
Management Fees/Bonuses	2,500	11,917
Office Expense	805	3,238
Pension & Profit-Sharing Plans	-	-
Repairs and Maintenance	174	46,937
Rent and Lease Expense	21,513	100,295
Salaries/Commissions/Fees	93,632	419,392
Supplies	3,226	21,594
Taxes - Payroll	8,750	32,885
Taxes - Real Estate	-	6,008
Taxes - Other	-	-
Travel and Entertainment	381	1,866
Utilities	14,008	56,773
Other ( <i>attach schedule</i> )	86,848	589,587
Total Operating Expenses Before Depreciation	279,366	1,530,272
Depreciation/Depletion/Amortization	8,849	47,953
Net Profit (Loss) Before Other Income & Expenses	27,172	418,392
<b>OTHER INCOME AND EXPENSES</b>		
Other Income ( <i>attach schedule</i> )		10,920
Interest Expense	-	-
Other Expense ( <i>attach schedule</i> )		
Net Profit (Loss) Before Reorganization Items	27,172	429,312

In re Urban Radio of Mississippi, LLC  
**Debtor**

**Case No.** 11-13977 (SCC)  
**Reporting Period:** 01/01/12 - 01/31/12

<b>REORGANIZATION ITEMS</b>		
Professional Fees		
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 <i>(see continuation sheet)</i>		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses <i>(attach schedule)</i>		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)		

\*\*"Insider" is defined in 11 U.S.C. Section 101(31).

**BREAKDOWN OF "OTHER" CATEGORY**

**OTHER COSTS**


**OTHER OPERATIONAL EXPENSES**

Agency Commission	33,799	227,850
Professional Fees	122	14,459
Broadcasting Expenses	32,733	176,915
Research	14,769	73,636
Bank Fees/Postage/Dues&Subs/Corporate Overhead	1,165	27,597
Barter - Ad Premium/Misc	4,260	69,130

**OTHER INCOME**


**OTHER EXPENSES**


**OTHER REORGANIZATION EXPENSES**


**Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:**

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

Debtor

Reporting Period: 01/01/12 - 01/31/12

**BALANCE SHEET**

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED
<b>CURRENT ASSETS</b>			
	1/31/2012	12/31/2011	9/7/2011
Unrestricted Cash and Equivalents	163,941	134,723	52,649
Restricted Cash and Cash Equivalents ( <i>see continuation sheet</i> )	-	-	-
Accounts Receivable (Net)	1,072,392	1,137,182	1,035,006
Notes Receivable	-	-	-
Inventories	-	-	-
Prepaid Expenses	7,599	7,235	12,368
Professional Retainers	-	-	-
Other Current Assets ( <i>attach schedule</i> )	(33,336,818)	(33,432,824)	(33,194,835)
<b>TOTAL CURRENT ASSETS</b>	<b>(32,092,886)</b>	<b>(32,153,684)</b>	<b>(32,094,812)</b>
<b>PROPERTY &amp; EQUIPMENT</b>			
Real Property and Improvements	99,840	99,840	99,840
Machinery and Equipment	2,213,724	2,213,724	2,213,724
Furniture, Fixtures and Office Equipment	258,252	258,252	258,252
Leasehold Improvements	178,364	178,364	178,364
Vehicles	64,000	64,000	51,437
Less: Accumulated Depreciation	(2,259,675)	(2,250,826)	(2,233,079)
<b>TOTAL PROPERTY &amp; EQUIPMENT</b>	<b>554,505</b>	<b>563,354</b>	<b>568,538</b>
<b>OTHER ASSETS</b>			
Amounts due from Insiders*	-	-	-
Other Assets ( <i>attach schedule</i> )	22,517,441	22,517,441	22,517,441
<b>TOTAL OTHER ASSETS</b>	<b>22,517,441</b>	<b>22,517,441</b>	<b>22,517,441</b>
<b>TOTAL ASSETS</b>	<b>(9,020,940)</b>	<b>(9,072,889)</b>	<b>(9,008,833)</b>
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>LIABILITIES NOT SUBJECT TO COMPROMISE (Postpetition)</b>			
Accounts Payable	46,469	60,340	-
Taxes Payable ( <i>refer to FORM MOR-4</i> )	-	-	-
Wages Payable	83,840	67,666	-
Notes Payable	-	-	-
Rent / Leases - Building/Equipment	-	-	-
Secured Debt / Adequate Protection Payments	-	-	-
Professional Fees	-	-	-
Amounts Due to Insiders*	-	-	-
Other Post-petition Liabilities ( <i>attach schedule</i> )	72,044	49,570	-
<b>TOTAL POST-PETITION LIABILITIES</b>	<b>202,353</b>	<b>177,576</b>	<b>-</b>
<b>LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)</b>			
Secured Debt	-	-	-
Priority Debt	66,241	66,241	71,329
Unsecured Debt **	88,692	88,692	742,376
<b>TOTAL PRE-PETITION LIABILITIES</b>	<b>154,933</b>	<b>154,933</b>	<b>813,705</b>
<b>TOTAL LIABILITIES</b>	<b>357,286</b>	<b>332,509</b>	<b>813,705</b>
<b>OWNERS' EQUITY</b>			
Capital Stock	-	-	-
Additional Paid-In Capital	-	-	-
Partners' Capital Account	-	-	-
Owner's Equity Account	-	-	-
Retained Earnings - Pre-Petition	(9,822,538)	(9,822,538)	(9,822,538)
Retained Earnings - Post-petition	444,312	417,140	-
Adjustments to Owner Equity ( <i>attach schedule</i> )	-	-	-
Post-petition Contributions ( <i>attach schedule</i> )	-	-	-
<b>NET OWNERS' EQUITY</b>	<b>(9,378,226)</b>	<b>(9,405,398)</b>	<b>(9,822,538)</b>
<b>TOTAL LIABILITIES AND OWNERS' EQUITY</b>	<b>(9,020,940)</b>	<b>(9,072,889)</b>	<b>(9,008,833)</b>

\*"Insider" is defined in 11 U.S.C. Section 101(31).

**BALANCE SHEET - continuation section**

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Current Assets</b>			
Barter Receivable	11,889	11,889	11,889
Due from Others	29,435	29,435	21,635
Due from Affiliates	(33,378,142)	(33,474,148)	(33,228,359)
<b>Other Assets</b>			
Intangibles	22,517,441	22,517,441	22,517,441
LIABILITIES AND OWNER EQUITY	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE
<b>Other Post-petition Liabilities</b>			
PP FSA Payable	1,781	1,327	
PP Deferred Revenue - ST	6,523	9,026	
PP Other	30,779	35,217	
PP Accrued Exp - Health	28,961	-	
PP Barter Payable	4,000	4,000	
<b>Adjustments to Owner's Equity</b>			
<b>Post-Petition Contributions</b>			

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account.

**\*\* Decrease is primarily due to intercompany balance transfers.**

In re Urban Radio of Mississippi, LLC  
**Debtor**

Case No. 11-13977 (SCC)  
Reporting Period: 01/01/12 - 01/31/12

**STATUS OF POST-PETITION TAXES**

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding	-					-
FICA-Employee	-					-
FICA-Employer	-					-
Unemployment	-					-
Income	-					-
Other: _____	-					-
Total Federal Taxes	-					-
<b>State and Local</b>						
Withholding	-					-
Sales	-					-
Excise	-					-
Unemployment	-					-
Real Property	-					-
Personal Property	-					-
Other: _____	-					-
Total State and Local	-	-	-			-
<b>Total Taxes</b>						
<b>ALL PAYROLL TAXES ARE PAID BY ADP</b>						

**SUMMARY OF UNPAID POST-PETITION DEBTS**

Attach aged listing of accounts payable.

	Current	31-60	61-90	Over 91	Total
Accounts Payable	19,064	240	194	26,971	46,469
Wages Payable	83,840	-	-	-	83,840
Taxes Payable	-	-	-	-	-
Rent/Leases-Building	-	-	-	-	-
Rent/Leases-Equipment	-	-	-	-	-
Secured Debt/Adequate Protection Payments	-	-	-	-	-
Professional Fees	-	-	-	-	-
Amounts Due to Insiders	-	-	-	-	-
Other: _____	-	-	-	-	-
Other: See MOR-3	72,044	-	-	-	72,044
<b>Total Post-petition Debts</b>	<b>174,948</b>	<b>240</b>	<b>194</b>	<b>26,971</b>	<b>202,353</b>

**Explain how and when the Debtor intends to pay any past due post-petition debts.**

Past due post-petition debts will be paid out of current funds.



In re Urban Radio of Mississippi, LLC  
Debtor

Case No. 11-13977 (SCC)  
Reporting Period: 01/01/12 - 01/31/12

**ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

Accounts Receivable Reconciliation	Amount
Total Accounts Receivable at the beginning of the reporting period	1,014,516
Plus: Amounts billed during the period	309,414
Less: Amounts collected during the period	(342,741)
Total Accounts Receivable at the end of the reporting period	981,189

Accounts Receivable Aging	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old	278,752				278,752
31 - 60 days old		231,156			231,156
61 - 90 days old			182,803		182,803
91+ days old				288,478	288,478
Total Accounts Receivable					981,189
Less: Bad Debts (Amount considered uncollectible)					65,779
Net Accounts Receivable **					1,046,968

\*\* A/R aging balance is lower than B/S amount due to revenue accruals and reclass of credit balances

**TAXES RECONCILIATION AND AGING**

Taxes Payable	0-30 Days	31-60 Days	61-90 Days	91+ Days	Total
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

In re Urban Radio of Mississippi, LLC  
Debtor

Case No. 11-13977 (SCC)  
Reporting Period: 01/01/12 - 01/31/12

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. For payments to insiders, identify the type of compensation paid (e.g. Salary, Bonus, Commissions, Insurance, Housing Allowance, Travel, Car Allowance, Etc.). Attach additional sheets if necessary.

INSIDERS			
NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Kevin Webb	Salary	13,118	69,501
Kevin Webb	Commission	2,621	11,614
Kevin Webb	T&E	240	918
TOTAL PAYMENTS TO INSIDERS		15,979	82,032

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
TOTAL PAYMENTS TO PROFESSIONALS					

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

**POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
TOTAL PAYMENTS			

In re Urban Radio of Mississippi, LLC  
Debtor

Case No. 11-13977 (SCC)  
Reporting Period: 01/01/12 - 01/31/12

### DEBTOR QUESTIONNAIRE

<b>Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.</b>		Yes	No
1	Have any assets been sold or transferred outside the normal course of business this reporting period?		No
2	Have any funds been disbursed from any account other than a debtor in possession account this reporting period?		No
3	Is the Debtor delinquent in the timely filing of any post-petition tax returns?		No
4	Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?		No
5	Is the Debtor delinquent in paying any insurance premium payment?		No
6	Have any payments been made on pre-petition liabilities this reporting period?		No
7	Are any post petition receivables (accounts, notes or loans) due from related parties?		No
8	Are any post petition payroll taxes past due?		No
9	Are any post petition State or Federal income taxes past due?		No
10	Are any post petition real estate taxes past due?		No
11	Are any other post petition taxes past due?		No
12	Have any pre-petition taxes been paid during this reporting period?		No
13	Are any amounts owed to post petition creditors delinquent?	Yes**	
14	Are any wage payments past due?		No
15	Have any post petition loans been received by the Debtor from any party?		No
16	Is the Debtor delinquent in paying any U.S. Trustee fees?		No
17	Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		No
18	Have the owners or shareholders received any compensation outside of the normal course of business?		No

\*\* See note on MOR-4