

Revised: 01/07/16

TO: DEBTORS IN POSSESSION, TRUSTEES AND THEIR COUNSEL
FROM: THE UNITED STATES TRUSTEE
SUBJECT: CHAPTER 11 OPERATING INSTRUCTIONS AND REPORTING
REQUIREMENTS

The United States Code, Title 28, Section 581(a)(11) provides for the appointment of a United States Trustee for the Northern District of Illinois and the State of Wisconsin. 28 U.S.C. § 586(a)(3) provides that the United States Trustee shall supervise the administration of Chapter 11 cases within the districts. Sections 1106 and 1107 of Title 11 of the United States Code ("the Bankruptcy Code") require the Trustee or Debtor In Possession ("DIP") to furnish such information regarding the case as the United States Trustee requires. Hereinafter the term "DIP" also shall refer to trustees appointed in Chapter 11 cases.

The following requirements of the United States Trustee are applicable for all DIPs in a Chapter 11 case under the Bankruptcy Code. **FAILURE TO COMPLY WITH THESE REQUIREMENTS WILL RESULT IN A MOTION OR APPLICATION TO THE BANKRUPTCY COURT FOR APPROPRIATE RELIEF, INCLUDING DISMISSAL OF THE CASE, CONVERSION TO ANOTHER CHAPTER OF THE BANKRUPTCY CODE, APPOINTMENT OF A CHAPTER 11 TRUSTEE OR EXAMINER, OBJECTION TO ATTORNEY'S FEE, OBJECTION TO DISCHARGE AND/OR ASSESSMENT OF COSTS, FEES, PENALTIES, OR DAMAGES AGAINST INDIVIDUALS OR OTHER ENTITIES FOR SUCH NONCOMPLIANCE.**

1. OIRR RECEIPT AND VERIFICATION. In order to ensure appropriate compliance with the Operating Instructions and Reporting Requirements ("OIRR") it is imperative

that counsel carefully review these requirements with the DIP immediately upon receipt. The DIP and counsel shall acknowledge receipt of the OIRR and furnish to the United States Trustee verification that they have read, understand and agree to perform in accordance with the requirements by executing the enclosed verification and returning it within five (5) business days. See attached EXHIBIT "A." This receipt needs to be completed only once.

2. **BANK ACCOUNTS, BOOKS, AND RECORDS.** Immediately upon the filing of the Chapter 11 case, the DIP is required to close previous bank accounts and open one or more accounts designated as Debtor In Possession accounts. "Debtor In Possession" shall be imprinted on the face of all checks issued by the DIP. All disbursements made by a DIP must be made by check or draft drawn on the DIP's account. Note that as of October 17, 2005, the effective date of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, PL 109-8, April 20, 2005, 119 Stat 23, 11 U.S.C. § 1115(a)(2) provides that earnings from services performed by the debtor after the commencement of the case but before the case is closed, dismissed or converted to a case under chapter 7, 12, or 13, whichever occurs first, are property of the estate. Accordingly, such post-petition earnings from services performed by an *individual* debtor should be deposited in the DIP account. Note also that unless court approval is obtained, post-petition earnings should not be used to pay any claims against the estate. All DIP funds and bank accounts must be collateralized in accordance with the provisions of 11 U.S.C. §345.

Pre-petition books and records of the debtor should be closed as of the date of the filing of the petition. Thereafter new books and records should be kept for the DIP.

3. **TAX DEPOSITS.** The DIP shall set aside all monies required to be withheld from employees or collected from others for taxes under any law of the United States or any other governmental unit during the pendency of the proceeding. See Fed. R. Bankr. P. 2015(a)(3). The

DIP shall pay all federal taxes due to the Internal Revenue Service through a bank or other authorized financial institution, as prescribed by Circular E, Employer's Tax Guide. The payment of taxes shall be made with an accompanying IRS Form 6123, "Verification of Fiduciary Federal Tax Deposit," a copy of which shall be transmitted to the United States Trustee for each payroll period, *see* OPERATING REPORT, Page 7, as an attachment to the monthly report.

Note that under 28 U.S.C. § 960 any officers and agents conducting any business under authority of a United States court are subject to all Federal, State and local taxes applicable to such business to the same extent as if it were conducted by an individual or corporation. Taxes are required to be paid on or before the due date of the tax under applicable nonbankruptcy law, unless excused under a specific provision of Title 11, United States Code. If the tax is a property tax secured by a lien against property that is abandoned under section 554 of Title 11, the tax must be paid within a reasonable period of time after the lien attaches.

4. PROOF OF INSURANCE COVERAGE. All DIPs must maintain adequate insurance and make all post-petition premium payments when due. **Within five (5) business days of the filing of the petition, the DIP must furnish to the Office of the United States Trustee a certificate of insurance for each policy.** Such insurance shall include worker's compensation, general liability, fire, theft, and motor vehicle insurance, together with all other insurance coverage normally and customarily used in the business. The standard cancellation notice on each policy must be amended to read as follows: "Should any of the insurance policies be canceled before the expiration date thereof, the issuing company will mail ten days prior written notice to the certificate holder and the United States Trustee, 219 South Dearborn Street, Room 873, Chicago, Illinois 60604. Note that as of October 17, 2005, the effective date of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, § 1112(b)(4)(C) provides that failure to maintain appropriate

insurance that poses a risk to the estate or to the public is cause for dismissal or conversion of the case to chapter 7.

5. INVENTORY. If the Bankruptcy Court so directs, the DIP shall conduct a physical inventory of all its real and personal property as of the filing of the petition. The DIP must file the complete inventory with the Bankruptcy Court and transmit a copy to the United States Trustee within 30 days. *See* Fed. R. Bankr. P. 2015(a)(1).

6. USE OF ESTATE PROPERTY. Section 363 of the Code permits the DIP to use estate property in the ordinary course of business. Estate property may *not* be used to pay professional fees, including those of attorneys and accountants or *pre-petition* debts, including claims of secured creditors and landlords, except pursuant to order of Court. Further, to the extent that a secured creditor has a lien on cash or its equivalent in the DIP's possession, the DIP may not use such cash except with the secured creditor's consent or pursuant to order of the Court. Failure to abide by these requirements may result in the United States Trustee's requesting the Court to terminate your status as DIP and place estate property in the hands of a Court approved trustee.

7. MONTHLY OPERATING REPORTS - SEE ATTACHED EXHIBIT "B" OR, FOR SMALL BUSINESS CASES, EXHIBIT "G." For financial reporting purposes, a Chapter 11 DIP is a different entity from that which existed prior to the commencement of the bankruptcy. The financial report ("report") required by the United States Trustee to be submitted by all Chapter 11 DIPs is designed to reflect changes in the financial position of a DIP during the pendency of a Chapter 11 case. Each report is a sworn statement by the respective DIP and must be as accurate as possible. If your case is being jointly administered with another case or has been consolidated for administrative purposes with another case, you must submit a separate Report for each case.

The initial report submitted by a DIP in its Chapter 11 case should cover the period from the date of the commencement of the bankruptcy case to the end of the month in which the case was commenced; provided, however, that if the order for relief was after the first 15 days of the calendar month, the initial report should cover the remaining portion of the month in which the case is commenced and the next reporting period. **Disbursements for the partial portion of the month, if at the end of the Quarter, shall be broken out separately, and fees shall be calculated and payable based on actual disbursements for that partial period.** The opening balance for inventory, cash and receivables in the initial report should reflect the DIP's financial condition as of the date the case commenced. Liabilities of the DIP should always start at zero, since the DIP is a "new" reporting entity. Pre-petition liabilities should not be included in the DIP reports.

The monthly report must be dated and signed by the DIP or its responsible person. Original reports, with original signatures, shall be transmitted to the United States Trustee at 219 South Dearborn Street, Room 873, Chicago, IL 60604. Additional copies of each report shall be filed with the United States Bankruptcy Court, 219 South Dearborn Street, Suite 713, Chicago, Illinois 60604 and served upon the Territory Manager, Insolvency Territory 7, Internal Revenue Service, Mail Stop 5010 CHI, 230 S. Dearborn Street, Chicago, IL 60604; and the designated representative or chairperson of a duly appointed creditors' committee, if any. Note that the United States Bankruptcy Court for the Northern District of Illinois has promulgated Administrative Procedures For The Case Management/Electronic Case Filing System. In order to comply with those procedures, all operating reports filed with the Court must contain the report preparer's scanned original signature as an attachment to the report. *See* II, C, 1, b of the Administrative Procedures. **Monthly operating reports shall be submitted not later than the 21st of each month. Incomplete reports shall be deemed not submitted.** Monthly operating reports are not required for periods after the case is

confirmed, converted or dismissed, however, Quarterly Fee Statements and plan payment status reports must be filed until the case is closed. See Exhibits D and E.

8. REPORTS OF FINANCIAL INFORMATION ON ENTITIES IN WHICH THE ESTATE HOLDS A CONTROLLING OR SUBSTANTIAL INTEREST –SEE ATTACHED EXHIBIT “H.” Fed. R. Bankr. P. 2015.3(a) provides that “in a chapter 11 case, the trustee or debtor in possession shall file periodic financial reports of the value, operations, and profitability of each entity that is not a publicly traded corporation or a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest.” See Exhibit H. In the event this rule applies to your case, your first report must be filed no later than seven days before the first date set for the meeting of creditors. Subsequent reports must be filed no less frequently than every six months thereafter, until the effective date of a plan or the case is dismissed or converted.

9. MODIFICATION OF REQUIREMENTS. In the event a DIP believes the reporting requirements to be inappropriate in whole or in part due to the circumstances of the particular case, the DIP may submit a written request to the United States Trustee for a modification of the reporting requirements setting forth the reasons the DIP believes the requirements to be inappropriate. Such requests will be reviewed by the United States Trustee and responded to in writing. Until a DIP receives a written authorization to modify the reporting requirements, the DIP is required to continue to submit complete and timely reports.

10. CHAPTER 11 QUARTERLY FEE AND DISBURSEMENT INSTRUCTIONS
WHO MUST PAY: Every case pending under Chapter 11 of the Bankruptcy Code is subject to 28 U.S.C. § 1930(a)(6) and must pay the quarterly fee. If a trustee has been appointed to serve in the case, the trustee is required to pay the quarterly fee. If the case is jointly administered with another case or has been consolidated with another case for administrative purposes only, submit a separate

quarterly fee payment stub for each case. If the court has ordered the case to be substantively consolidated (consolidated for all purposes), then only one fee is payable per quarter based on the disbursement total of all of the entities. However, if substantive consolidation occurs during a quarter, the individual cases remain subject to the fee for that part of the quarter prior to the consolidation. **Dismissal of a case by the court does not relieve you of the responsibility to pay unpaid fees for previous quarters and the quarter that includes the dismissal.**

FEE CALCULATION: The fee due is based on disbursements during the days of the quarter that the case is open; it is not prorated when open for less than a full quarter. The minimum fee applies even when there are no disbursements and even if the case was open for as little as one day of the quarter. The fee amount will be estimated if disbursements for all of the months of a quarter that the case is open have not been reported to the United States Trustee. The estimated fee is based on, a) reported disbursement history, b) initial financial data submitted when the case was filed, or c) an estimation done by the United States Trustee office. If you calculated the fee to be less than the estimated quarterly fee, you must submit the reports supporting your estimation to the United States Trustee, and send the revised fee amount to the U.S. Trustee Payment Center. The fee is based on the following table:

<u>Quarterly Disbursement Range</u>	<u>Fee Due</u>	<u>Quarterly Disbursement Range</u>	<u>Fee Due</u>
\$0 to \$ 14,999.00	\$ 325	\$ 1,000,000.00 to 1,999,999.99	\$ 6,500
\$15,000.00 to \$ 74,999.99	\$ 650	\$ 2,000,000.00 to \$ 2,999,999.99	\$ 9,750
\$ 75,000.00 to \$ 149,999.99	\$ 975	\$ 3,000,000.00 to \$ 4,999,999.99	\$ 10,400
\$ 150,000.00 to \$ 224,999.99	\$ 1,625	\$ 5,000,000.00 to \$ 14,999,999.99	\$ 13,000
\$ 225,000.00 to \$ 299,999.99	\$ 1,950	\$ 15,000,000.00 to \$ 29,999,999.99	\$ 20,000
\$ 300,000.00 to \$ 999,999.99	\$ 4,875	\$ 30,000,000 or more	\$ 30,000

INTEREST: Pursuant to 31 U.S.C. §3717, effective October 1, 2007, the United States Trustee Program has begun assessing interest on unpaid Chapter 11 quarterly fees charged in accordance

with 28 U.S.C. § 1930(a). The interest rate assessed is the rate in effect as determined by the Treasury Department at the time your account becomes past due. If payment of the full principal amount past due is received within thirty (30) days of the date of the notice of initial interest assessment, the interest assessed will be waived.

PENALTIES: Failure to pay quarterly fees is cause for conversion or dismissal of your case under 11 U.S.C. § 1112(b)(4)(K). Filing a false report may subject you to civil liability under 31 U.S.C. § 3729(a)(7) and to criminal penalties under 18 U.S.C. §§ 1001 and 1621.

WHEN TO PAY: The fee is due on the last day of the calendar month following the calendar quarter for which the fee is owed, starting with the quarter in which the case is commenced, and continuing until and including the quarter in which the case is dismissed, converted to another chapter, or closed by the court. The effective date is the date these orders are docketed by the court or as otherwise contained in the court order. For cases seeking plan confirmation, all quarterly fees must be paid in full on or before the court hearing or effective date of the plan.

QUARTERLY FEE PAYMENT STUB COMPLETION: If you are sending payments for more than one case, a separate payment form is required for each case. The totals on the payment forms must equal the total amount of the check. Your account number is a special national United States Trustee number, and is not the number assigned by your local bankruptcy court. If you do not know your United States Trustee account number, contact your local United States Trustee office. The payment stub is specially printed for electronic processing; to assure proper credit, submit only the original stub, and not a copy of it. Substitute payment forms are available from your local United States Trustee office.

SENDING YOUR PAYMENT: The Payment Center is not a United States Trustee office; it is a bank that only processes your payment. The Payment Center does not read any notes or

supplemental material you may send with your payment, and will destroy all such material sent. If you need to report an address change, or are sending other papers such as your monthly financial reports, send these materials to your local United States Trustee office address. Write your account number(s) on your check, make it payable to United States Trustee, and send it and the payment form in the pre-addressed envelope sent with the statement. If you do not have a pre-addressed envelope, send the mail to: *U.S. Trustee Payment Center, P.O. Box 530202, Atlanta, GA 30353-0202. Failure to remit timely payments may result in your being served with a Notice Of Unpaid Fees And Impending Collection Actions. See attached Exhibit "C."*

QUARTERLY STATEMENT OF DISBURSEMENTS: Fed. R. Bankr. P. 2015(a)(5) requires that a DIP file with the Bankruptcy Court and transmit to the United States Trustee a statement of disbursements made during a calendar quarter, the amount of quarterly fees owed and the amount of fees paid to the United States Trustee. The U.S. Trustee Quarterly Fee Statement, *see attached EXHIBIT "D,"* must be filed with the Bankruptcy Court and transmitted to the United States Trustee on or before the last day of the month after the end of each calendar quarter. *Even if a plan has been confirmed, this report must be timely submitted by all Chapter 11 debtors until the case has been converted or dismissed.*

VOLUNTARY DISMISSALS: If you seek to voluntarily dismiss your case, you must tender a copy of the check representing payment of the quarterly fee together with a completed Form D to the United States Trustee's representative attending the hearing on dismissal. Failure to tender the quarterly fee may result in the United States Trustee's opposing dismissal of the case and requesting its conversion to a Chapter 7 liquidation case.

CONSEQUENCES OF NONPAYMENT OF QUARTERLY FEES: Failure to pay the quarterly fee is cause for the involuntary conversion or dismissal of your case. *See 11 U.S.C.*

§ 1112(b)(4)(K). All fees must have been paid, or the plan must provide for the payment of the fees on its effective date for a Plan of Reorganization to be confirmed by the Court. *See* 11 U.S.C. § 1129(a)(12). **Failure to pay quarterly fees by the effective date will be considered grounds for the revocation of confirmation under 11 U.S.C. §1144.**

Finally, please take notice that a Chapter 11 debtor's failure to pay quarterly fees to the United States Trustee pursuant to 28 U.S.C. §1930 has additional significant legal consequences. Please be advised that, pursuant to the Debt Collection Improvements Act of 1996, Public Law 104-134, Title III, § 31001(i)(3)(A), 110 Stat. 1321-365, codified at 31 U.S.C. § 3701, the United States Trustee intends to use the debtor's Taxpayer Identifying Number (TIN) as reported by the debtor or debtor's counsel in connection with the chapter 11 bankruptcy proceedings for the purpose of collecting and reporting on any delinquent debt, including chapter 11 quarterly fees, that are owed to the United States Trustee.

The United States Trustee will provide the debtor's TIN to the Department of Treasury for its use in attempting to collect overdue debts. Treasury may take the following steps: (1) submit the debt to the Internal Revenue Service Offset Program so that the amount owed may be deducted from any payment made by the federal government to the debtor, including but not limited to tax refunds; (2) report the delinquency to credit reporting agencies, (3) send collection notices to the debtor, (4) engage private collection agencies to collect the debt, and (5) engage the United States Attorney's office to sue for collection. Collection costs will be added to the total amount of the debt.

11. POST-CONFIRMATION QUARTERLY REPORTS. Although monthly operating reports are not required for periods after confirmation, the Debtor or other plan proponent is required to submit and file quarterly reports on the status of plan payments. *See* attached EXHIBIT "E." Like the Quarterly Fee Statement, these reports are due thirty (30) days after the calendar quarter

ends. So, for example, if the case confirms on June 20th, the final operating report covers the period from May 1st to June 20th. The first report on the status of plan payments will be due on July 31st and should cover the period from June 21st through June 30th.

12. U.S. TRUSTEE STAFF CONTACT WITH DIPS. Regulations promulgated by the Attorney General restrict direct communication between employees of the Office of the United States Trustee and the represented debtor without the permission of debtor's counsel. Most communication occurring between Program employees and debtors is administrative in nature relating to the United States Trustee's statutory duty to supervise the administration of bankruptcy cases. In order to comply with these regulations, we request that you sign an authorization which will allow us to communicate directly with the debtor regarding administrative and financial matters such as insurance coverage, bank account information, monthly operating reports, quarterly fees and post-confirmation reports. This authorization is attached as Exhibit F. If you agree to the provisions stated above, please sign a copy the authorization where indicated and return it to us. The authorization may be rescinded at anytime by giving us written notice of rescission. If you do not agree, all communication with the debtor will be directed to you. If the debtor initiates any contact with us, we will advise him or her that we may communicate only with you. If the United States Trustee files or has a contested motion or an adversary proceeding against the debtor, all contact regarding that matter will be with counsel.

Questions regarding these instructions and reporting requirements should be referred to the staff attorney assigned to your case. The Office of the United States Trustee reserves the right to require additional information as may be necessary to the administration of the case.

PATRICK S. LAYNG
UNITED STATES TRUSTEE
219 South Dearborn Street, Room 873
Chicago, Illinois 60604

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

RECEIPT AND VERIFICATION

TO: PATRICK S. LAYNG, UNITED STATES TRUSTEE

CASE NAME: _____

CASE NO.: _____

I, _____ DECLARE UNDER PENALTY OF PERJURY
THAT I AM THE DULY AUTHORIZED REPRESENTATIVE OF THE DEBTOR IN
POSSESSION DESIGNATED TO OPERATE THE BUSINESS OF
_____, AND AS SUCH I HEREBY ACKNOWLEDGE RECEIPT
FROM THE UNITED STATES TRUSTEE OF THE OPERATING INSTRUCTIONS AND
REPORTING REQUIREMENTS. I HAVE READ AND UNDERSTAND THE INSTRUCTIONS
AND AGREE TO COMPLY WITH THEM.

SIGNED: _____

DATED: _____

I, _____, COUNSEL FOR THE DEBTOR IN
POSSESSION, HAVE REVIEWED AND DISCUSSED THE OPERATING INSTRUCTIONS
AND REPORTING REQUIREMENTS WITH THE SIGNATORY ABOVE.

SIGNED: _____

DATED: _____

EXHIBIT "A"

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO. _____

SUMMARY OF CASH RECEIPTS AND CASH DISBURSEMENTS

For Month Ending _____, 20__

BEGINNING BALANCE IN ALL ACCOUNTS \$ _____

RECEIPTS:

- 1. Receipts from operations \$ _____
- 2. Other Receipts \$ _____

DISBURSEMENTS:

- 3. Net payroll:
 - a. Officers \$ _____
 - b. Others \$ _____

- 4. Taxes
 - a. Federal Income Taxes \$ _____
 - b. FICA withholdings \$ _____
 - c. Employee's withholdings \$ _____
 - d. Employer's FICA \$ _____
 - e. Federal Unemployment Taxes \$ _____
 - f. State Income Tax \$ _____
 - g. State Employee withholdings \$ _____
 - h. All other state taxes \$ _____

- 5. Necessary expenses:
 - a. Rent or mortgage payments(s) \$ _____
 - b. Utilities \$ _____
 - c. Insurance \$ _____
 - d. Merchandise bought for manufacture or sale \$ _____
 - e. Other necessary expenses (specify) _____ \$ _____

TOTAL DISBURSEMENTS \$ _____

NET RECEIPTS (DISBURSEMENTS) FOR THE CURRENT PERIOD \$ _____

ENDING BALANCE IN _____ \$ _____
(Name of Bank)

ENDING BALANCE IN _____ \$ _____
(Name of Bank)

ENDING BALANCE IN ALL ACCOUNTS \$ _____

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____

RECEIPTS LISTING

FOR MONTH ENDING _____, 20__

Bank: _____

Location: _____

Account Name: _____

Account No.: _____

DATE RECEIVED

DESCRIPTION

AMOUNT

TOTAL: _____

Receipts may be identified by major categories. It is not necessary to list each transaction separately by name of customer or invoice number. You must, however, create a separate list for each bank account to which receipts were deposited during the month.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____

DISBURSEMENT LISTING

FOR MONTH ENDING _____, 20__

Bank: _____

Location: _____

Account Name: _____

Account No.: _____

<u>DATE DISBURSED</u>	<u>CHECK NO.</u>	<u>DESCRIPTION</u>	<u>AMOUNT</u>
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TOTAL: _____

You must create a separate list for each bank account from which disbursements were made during the month.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____
FOR MONTH ENDING _____, 20__

STATEMENT OF INVENTORY

Beginning inventory	\$ _____
Add: purchases	\$ _____
Less: goods sold (cost basis)	\$ _____
Ending inventory	\$ _____

PAYROLL INFORMATION STATEMENT

Gross payroll for this period	\$ _____
Payroll taxes due but unpaid	\$ _____

STATUS OF PAYMENTS TO SECURED CREDITORS AND LESSORS

<u>Name of Creditor/ Lessor</u>	<u>Date regular payment is due</u>	<u>Amount of Regular Payment</u>	<u>Number of Payments Delinquent*</u>	<u>Amount of Payments Delinquent*</u>
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* Include only post-petition payments.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____
FOR MONTH ENDING _____, 20__

STATEMENT OF AGED RECEIVABLES

ACCOUNTS RECEIVABLE:

Beginning of month balance		\$ _____		
Add: sales on account		\$ _____		
Less: collections		\$ _____		
End of month balance		\$ _____		
<u>0-30</u> <u>Days</u>	<u>31-60</u> <u>Days</u>	<u>61-90</u> <u>Days</u>	<u>Over 90</u> <u>Days</u>	<u>End of Month</u> <u>TOTAL</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

STATEMENT OF ACCOUNTS PAYABLE (POST-PETITION)

Beginning of month balance		\$ _____		
Add: credit extended		\$ _____		
Less: payments of account		\$ _____		
End of month balance		\$ _____		
<u>0-30</u> <u>Days</u>	<u>31-60</u> <u>Days</u>	<u>61-90</u> <u>Days</u>	<u>Over 90</u> <u>Days</u>	<u>End of Month</u> <u>TOTAL</u>
\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

ITEMIZE ALL POST-PETITION PAYABLES OVER 30 DAYS OLD ON A SEPARATE
SCHEDULE AND FILE WITH THIS REPORT

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____

FOR MONTH ENDING _____, 20__

TAX QUESTIONNAIRE

Debtors in possession and trustees are required to pay all taxes incurred after the filing of their Chapter 11 petition on an as due basis. Please indicate whether the following post petition taxes or withholdings have been paid currently.

- | | | | |
|----|-----------------------------|---------|--------|
| 1. | Federal Income Taxes | Yes () | No () |
| 2. | FICA withholdings | Yes () | No () |
| 3. | Employee's withholdings | Yes () | No () |
| 4. | Employer's FICA | Yes () | No () |
| 5. | Federal Unemployment Taxes | Yes () | No () |
| 6. | State Income Tax | Yes () | No () |
| 7. | State Employee withholdings | Yes () | No () |
| 8. | All other state taxes | Yes () | No () |

If any of the above have not been paid, state below the tax not paid, the amounts past due and the date of last payment.

Form 6123 (Rev. 06-97)	Department of the Treasury-Internal Revenue Service Verification of Fiduciary's Federal Tax Deposit	
Do not attach this Notice to your Return		
TO	District Director, Internal revenue Service Attn: Chief, Special Procedures Function	
FROM:	Name of Taxpayer _____	
	Taxpayer Address _____	
The following information is to notify you of Federal tax deposit(s)(FTD) as required by the United States Bankruptcy Court (complete sections 1 and/or 2 as appropriate):		
Section 1	Form 941 Federal Tax Deposit (FTD) Information	
Taxes Reported on Form 941, Employer's Quarterly Federal Tax Return	For the payroll period from _____ to _____	
	Payroll date _____	
	Gross wages paid to employees \$ _____	
	Income tax withheld \$ _____	
	Social Security (Employer's plus Employee's share of Social Security Tax) \$ _____	
	Tax Deposited \$ _____	
Date Deposited _____		
Section 2	Form 940 Federal Tax Deposit (FTD) Information	
Taxes Reported on Form 940, Employer's Annual Federal Unemployment Tax Return	For the payroll period from _____ to _____	
	Gross wages paid to employees \$ _____	
	Tax Deposited \$ _____	
	Date Deposited _____	
Certification		
(Certification is limited to receipt or electronic transmittal of deposit only)		
This certifies receipt or electronic transmittal of deposits described below for Federal taxes as defined in Circular E, Employer's Tax Guide (Publication 15)		
Deposit Method (check box)	<input checked="" type="checkbox"/> Form 8109/8109B Federal Tax Deposit (FTD) coupon <input type="checkbox"/> Electronic Federal Tax Payment System (EFTPS) Deposit	
Amount (Form 941)	Date of Deposit	EFTPS acknowledgment number or Form 8109 FTD received by:
Amount (Form 940)	Date of Deposit	EFTPS acknowledgment number or Form 8109 FTD received by:
Depositor's Employer Identification Number:	Name and Address of Bank	
Under penalties of perjury, I certify that the above federal tax deposit information is true and correct		
Signed:	Date:	
Name and Title (print or type)		

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

CASE NAME: _____

CASE NO.: _____

FOR MONTH ENDING _____, 20__

INSURANCE QUESTIONNAIRE

Debtors in possession and trustees are required to maintain appropriate insurance on property of the estate to avoid risk to the estate or to the public. See 11 U.S.C. §§ 1107(a) and 1112(b)(4)(C).

1. For each policy of insurance maintained by the debtor in possession as of the Petition Date, state the following (*provide certificates of insurance for each policy if not already provided*):

Carrier	Policy No.	Coverage Type	Policy Expiration Date	Cancellation Date, if applicable*

*If a policy was cancelled for any reason during the reporting period, identify the reason for cancellation (*i.e., non-payment, sale of asset, abandonment, etc.*).

2. Have all required insurance premium payments during the reporting period been made? If not, identify the policy for which premiums have not been paid, the amount due, and reason for non-payment (attach separate sheet if necessary).

3. Has the debtor/trustee received notice from any insurer during the reporting period that a policy of insurance is subject to cancellation or non-renewal? If so, identify the carrier, coverage type and basis for potential cancellation or non-renewal (attach separate sheet if necessary).

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

DECLARATION UNDER PENALTY OF PERJURY

I, _____, acting as the duly authorized agent for the Debtor in Possession (Trustee) declare under penalty of perjury under the laws of the United States that I have read and I certify that the figures, statements, disbursement itemizations, and account balances as listed in this Monthly Report of the Debtor are true and correct as of the date of this report to the best of my knowledge, information and belief.

For the Debtor In Possession (Trustee)

Print or type name and capacity of
person signing this Declaration:

DATED: _____

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____

Office of the U.S. Trustee
219 South Dearborn Street; Room 873
Chicago, IL 60604

Debtor: _____ Notice Date: _____

Account Number: _____

Amount Due: _____

NOTICE OF UNPAID FEES AND IMPENDING COLLECTION ACTIONS

According to the accounts receivable records, you owe the above amount to the United States Trustee in unpaid quarterly fee charges. If you do not pay this debt or take other action described below before _____, the United States Trustee will submit your debt to the U.S. Department of Treasury for further collection. Interest, penalties, and other charges for costs may be added to the amount you owe. Payment must be sent to the above address.

Once your debt is sent to the Department of Treasury, Treasury will take all authorized collection actions, including reporting the debt to credit reporting agencies and engaging private collection agencies as necessary. The debt will also be submitted to the Treasury Offset Program which means the debt will be deducted from eligible payments that are owed to you by the federal government, including but not limited to tax refunds. The Treasury Offset Program is authorized by the Debt Collection Act of 1982 and the Debt Collection Improvement Act of 1996. You may not receive another notice before your payment is offset.

Before we submit your debt to the Treasury Offset Program, we are required to tell you the following: (1) you may inspect and copy our records related to your debt; (2) you may request a review of our determination that you owe this debt; and (3) you may enter into a written repayment agreement if it is acceptable to the United States Trustee. If you are interested in these options, please send a written request to the above address.

If you make or provide any knowingly false or frivolous statements, representations, or evidence, you may be liable for penalties under the False Claims Act, 31 U.S.C. §§ 286, 287, 1001, and 1002, or other applicable statutes.

If you have any questions about this letter or your rights, you should immediately contact your local field office at the above address.

EXHIBIT "C"

U. S. TRUSTEE QUARTERLY FEE STATEMENT
Pursuant to Fed. R. Bankr. P. 2015(a)(5)

CASE NAME: _____ CASE NO.: _____

FOR CALENDAR QUARTER ENDING _____, 20__

1.	MONTH	DISBURSEMENTS*	DISBURSEMENTS
	_____		\$ _____
	_____		\$ _____
	_____		\$ _____
		TOTAL DISBURSEMENTS FOR QUARTER	\$ _____
2.	QUARTERLY FEE OWED PURSUANT TO 28 U.S.C. § 1930(A)(6)		\$ _____
3.	QUARTERLY FEE PAID (Attach proof of payment)		\$ _____
4.	AMOUNT OF UNPAID FEES (IF ANY)		\$ _____

I, _____ acting as the duly authorized agent for the Debtor In Possession (Trustee) (Plan Administrator) declare under penalty of perjury under the laws of the United States that I have read and certify that the figures, statements, disbursement itemizations, and account balances as listed in this U.S. Trustee Quarterly Fee Statement are true and correct as of the date of this report to the best of my knowledge, information and belief.

DATED: _____

For the Debtor In Possession (Trustee) (Plan administrator)

(Print or type name and capacity of person signing this Declaration). _____

* For periods subsequent to plan confirmation, this includes payments pursuant to the confirmed plan as well as all other disbursements.

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION

CASE NAME: _____ CASE NO.: _____

U. S. TRUSTEE QUARTERLY REPORT ON STATUS OF PLAN PAYMENTS

FOR CALENDAR QUARTER ENDING _____, 20__

1. Were any payments required to be made under the plan this past calendar quarter? yes _____ no _____

2. If yes, were all required payments made? yes _____ no _____

3. If not, on a separate schedule, state the name, address and telephone number of each unpaid creditor, the amount due and the reason payment was not made.

I, _____ acting as the duly authorized agent under the confirmed plan declare under penalty of perjury under the laws of the United States that I have read and certify that the information listed in this U.S. Trustee Quarterly Report on Status of Plan Payments is true and correct as of the date of this report to the best of my knowledge, information and belief.

DATED: _____

For the Debtor In Possession (Trustee) (Plan Administrator)

(Print or type name and capacity of person signing this Declaration).

EXHIBIT "E"

**IN THE UNITED STATES BANKRUPTCY COURT
FOR THE NORTHERN DISTRICT OF ILLINOIS
EASTERN DIVISION**

**Direction of Attorney for the Debtor
Concerning Contacts with Client Regarding Administrative Matters**

In re: _____

Case Number: _____

Part I : Purpose

The United States Trustee is responsible for supervising the administration of cases under chapters 7, 11, 12, and 13 of the United States Bankruptcy Code. 28 U.S.C. § 586. To fulfill this responsibility, the U.S. Trustee has issued Guidelines for Debtors-in-Possession. The Guidelines impose certain administrative and reporting responsibilities on chapter 11 debtors-in-possession. In addition, there are other requirements imposed by law, including a requirement to pay U.S. Trustee quarterly fees. The U.S. Trustee's staff is available to assist debtors-in-possession in fulfilling these requirements. In addition, it is frequently necessary for members of the U.S. Trustee's staff to contact debtors concerning missing documents, incomplete forms, and other administrative matters. Many debtors-in-possession and attorneys prefer that these administrative matters be handled directly between the debtor and the U.S. Trustee's staff. Others prefer that all such contacts be made through counsel. We need to know how you and your client would like these matters to be handled.

Part II: Direction

_____ We direct that all contacts between the U.S. Trustee's staff concerning the administrative requirements of the U.S. Trustee, including completion of operating reports, insurance, banking arrangements, payment and calculation of quarterly fees, may be made directly between the U.S. Trustee and the debtor-in-possession.

_____ We direct that all contacts between the U.S. Trustee's staff concerning this case, including all administrative matters, be conducted through counsel for the debtor-in-possession.

Dated: _____

Attorney for Debtor-in-Possession

EXHIBIT F

UNITED STATES BANKRUPTCY COURT

District of _____

In re , Case No. _____

Debtor

Small Business Case under Chapter 11

SMALL BUSINESS MONTHLY OPERATING REPORT

Month: Date filed: _____

Line of Business: NAISC Code: _____

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 _____

Printed Name of Responsible Party _____

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

Yes No

1. IS THE BUSINESS STILL OPERATING? ' '
2. HAVE YOU PAID ALL YOUR BILLS ON TIME THIS MONTH? ' '
3. DID YOU PAY YOUR EMPLOYEES ON TIME? ' '
4. HAVE YOU DEPOSITED ALL THE RECEIPTS FOR YOUR BUSINESS INTO THE DIP ACCOUNT THIS MONTH? ' '
5. HAVE YOU FILED ALL OF YOUR TAX RETURNS AND PAID ALL OF YOUR TAXES THIS MONTH? ' '
6. HAVE YOU TIMELY FILED ALL OTHER REQUIRED GOVERNMENT FILINGS? ' '
7. HAVE YOU PAID ALL OF YOUR INSURANCE PREMIUMS THIS MONTH? ' '
8. DO YOU PLAN TO CONTINUE TO OPERATE THE BUSINESS NEXT MONTH? ' '
9. ARE YOU CURRENT ON YOUR QUARTERLY FEE PAYMENT TO THE U.S. TRUSTEE? ' '
10. HAVE YOU PAID ANYTHING TO YOUR ATTORNEY OR OTHER PROFESSIONALS THIS MONTH?
11. DID YOU HAVE ANY UNUSUAL OR SIGNIFICANT UNANTICIPATED EXPENSES THIS MONTH?
12. HAS THE BUSINESS SOLD ANY GOODS OR PROVIDED SERVICES OR TRANSFERRED ANY ASSETS TO ANY BUSINESS RELATED TO THE DIP IN ANY WAY?
13. DO YOU HAVE ANY BANK ACCOUNTS OPEN OTHER THAN THE DIP ACCOUNT? ' '
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? ' '

Page 2

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.

INCOME
(Exhibit A)

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 \$

SUMMARY OF CASH ON HAND

Cash on Hand at Start of Month \$

Cash on Hand at End of Month \$

PLEASE PROVIDE THE TOTAL AMOUNT OF CASH CURRENTLY AVAILABLE TO YOU TOTAL \$ *(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 \$

(Exhibit C)

CASH PROFIT

INCOME FOR THE MONTH (TOTAL FROM EXHIBIT B) \$

EXPENSES FOR THE MONTH (TOTAL FROM EXHIBIT C) \$

(Subtract Line C from Line B) CASH PROFIT FOR THE MONTH \$

Page 3

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 \$

(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 \$

(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.

EMPLOYEES

NUMBER OF EMPLOYEES WHEN THE CASE WAS FILED?

NUMBER OF EMPLOYEES AS OF THE DATE OF THIS MONTHLY REPORT?

PROFESSIONAL FEES

BANKRUPTCY RELATED:
PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID DURING THIS REPORTING PERIOD \$

TOTAL PROFESSIONAL FEES RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$

NON-BANKRUPTCY RELATED:

PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID DURING THIS

REPORTING PERIOD? \$

TOTAL PROFESSIONAL FEES NOT RELATING TO THE BANKRUPTCY CASE PAID SINCE THE FILING OF THE CASE? \$

Page 4

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 \$ \$ \$

EXPENSES \$ \$ \$

CASH PROFIT \$ \$ \$

TOTAL PROJECTED INCOME FOR THE NEXT MONTH: \$

TOTAL PROJECTED EXPENSES FOR THE NEXT MONTH: \$

TOTAL PROJECTED CASH PROFIT FOR THE NEXT MONTH: \$

ADDITIONAL INFORMATION

PLEASE ATTACH ALL FINANCIAL REPORTS INCLUDING AN INCOME STATEMENT AND BALANCE SHEET

WHICH YOU PREPARE INTERNALLY.

EXHIBIT "G"

United States Bankruptcy Court
District of _____

In re _____,

Case No. _____

Debtor

Chapter 11

**PERIODIC REPORT REGARDING VALUE, OPERATIONS AND PROFITABILITY OF
ENTITIES IN WHICH THE ESTATE OF [NAME OF DEBTOR]
HOLDS A SUBSTANTIAL OR CONTROLLING INTEREST**

This is the report as of _____ on the value, operations and profitability of those entities in which the estate holds a substantial or controlling interest, as required by Bankruptcy Rule 2015.3. The estate of [Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Entity	Interest of the Estate	Tab #

This periodic report (the "Periodic Report") contains separate reports ("Entity Reports") on the value, operations, and profitability of each entity listed above.

Each Entity Report shall consist of three exhibits. Exhibit A contains a valuation estimate for the entity as of a date not more than two years prior to the date of this report. It also contains a description of the valuation method used. Exhibit B contains a balance sheet, a statement of income (loss), a statement of cash flows, and a statement of changes in shareholders' or partners' equity (deficit) for the period covered by the Entity Report, along with summarized footnotes. Exhibit C contains a description of the entity's business operations.

THIS REPORT MUST BE SIGNED BY A REPRESENTATIVE OF THE TRUSTEE OR DEBTOR IN POSSESSION.

The undersigned, having reviewed the above listing of entities in which the estate of [Debtor] holds a substantial or controlling interest, and being familiar with the Debtor's financial affairs,

verifies under the penalty of perjury that the listing is complete, accurate and truthful to the best of his/her knowledge.

Date: _____

Signature of Authorized Individual

Name of Authorized Individual

Title of Authorized Individual

[If the Debtor is an individual or in a joint case]

Signature(s) of Debtor(s) (Individual/Joint)

Signature of Debtor

Signature of Joint Debtor

Exhibit A
Valuation Estimate for [Name of Entity]

[Provide a statement of the entity's value and the value of the estate's interest in the entity, including a description of the basis for the valuation, the date of the valuation and the valuation method used. This valuation must be no more than two years old. Indicate the source of this information.]

Exhibit B
Financial Statements for [Insert Name of Entity]

Exhibit B-1
Balance Sheet for [Name of Entity]
As of [date]

[Provide a balance sheet dated as of the end of the most recent six-month period of the current fiscal year and as of the end of the preceding fiscal year. Indicate the source of this information.]

Exhibit B-2
Statement of Income (Loss) for [Name of Entity]
Period ending [date]

[Provide a statement of income (loss) for the following periods:

- (i) For the initial report:
 - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
 - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

Exhibit B-3
Statement of Cash Flows for [Name of Entity]
For the period ending [date]

[Provide a statement of changes in cash flows for the following periods:

(i) For the initial report:

- a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
- b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

Exhibit B-4
Statement of Changes in Shareholders'/Partners' Equity (Deficit) for [Name of Entity]
period ending [date]

Exhibit "H"

[Provide a statement of changes in shareholders'/partners equity (deficit) for the following periods:

- (i) For the initial report:
 - a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and
 - b. the prior fiscal year.
- (ii) For subsequent reports, since the closing date of the last report.

Indicate the source of this information.]

Exhibit C
Description of Operations for [name of entity]

[Describe the nature and extent of the estate's interest in the entity.

Describe the business conducted and intended to be conducted by the entity, focusing on the entity's dominant business segment(s). Indicate the source of this information.]

Form B26, Instructions (12/1/08)

Instructions for Periodic Report Concerning Related Entities

General Instructions

1. This form periodic report ("Periodic Report") on value, profitability, and operations of entities in which the estate holds a substantial or controlling interest (the "Form") implements § 419 of the Bankruptcy Abuse Prevention and Consumer Protection Act of 2005, Pub. L. No. 19-8, 119 Stat. 23 (April 20, 2005) ("BAPCPA"). This Form should be used when required by Fed. R. Bankr. P. 2015.3, with such variations as may be approved by the court pursuant to subdivisions (d) and (e) of that rule.

2. In a chapter 11 case, the trustee or debtor in possession shall file Periodic Reports of the value, operations, and profitability of each entity that is not also a debtor in a case under title 11, and in which the estate holds a substantial or controlling interest. The reports shall be prepared as prescribed by this Form, and shall be based upon the most recent information reasonably available to the trustee or debtor in possession.

3. Rule 2015.3 provides that, where the estate controls or owns at least a 20 percent interest of an entity, the estate's interest is presumed to be substantial or controlling. Where the estate controls or owns less than a 20 percent interest, the rule presumes that the estate's interest is not substantial or controlling. The question of substantial or controlling interest is, however, a factual one to be decided in each case.

4. The first Periodic Report required by subdivision (a) of Rule 2015.3 shall be filed no later than five days before the first date set for the meeting of creditors under § 341 of the Code. Subsequent Periodic Reports shall be filed no less frequently than every six months thereafter, until a plan of reorganization becomes effective or the case is closed, dismissed, or converted. Copies of the Periodic Report shall be served on the U.S. Trustee, any committee appointed under § 1102 of the Code, and any other party in interest that has filed a request therefor.

5. The source of the information contained in each Periodic Report shall be indicated.

Specific Instructions

6. Each entity subject to the reporting requirement of Rule 2015.3 shall be listed in the table contained on the first page of the form. Reports for each such entity shall be placed behind separate tabs, and each such report shall consist of three exhibits. Exhibit A shall provide valuation information; Exhibit B shall provide financial statements; and Exhibit C shall provide a description of operations.

Form 26 Instr. (12/08) – Cont. 2
Instructions for Exhibit A – Valuation

7. Provide a statement of the entity's value and the value of the estate's interest in the entity, including a description of the basis for the valuation, the date of the valuation, the valuation method used and the source or preparer of the information. This valuation must be no more than two years old.

Instructions for Exhibit B – Financial Statements and Profitability

8. The financial statements may be unaudited. The financial statements should be prepared in accordance with generally accepted accounting principles in the United States ("USGAAP"); deviations, if any from USGAAP, shall be disclosed. Indicate the source or preparer of the information.

9. Exhibit B shall include the following financial statements, and shall indicate the source of the information presented:

(a) A balance sheet dated as of the end of the most recent six-month period of the current fiscal year and as of the end of the preceding fiscal year.

(b) A statement of income (loss) for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

(c) A statement of changes in cash flows for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

(d) A statement of changes in shareholders'/partners' equity (deficit) for the following periods:

(i) For the initial report:

a. the period between the end of the preceding fiscal year and the end of the most recent six-month period of the current fiscal year; and

b. the prior fiscal year.

(ii) For subsequent reports, since the closing date of the last report.

10. The balance sheet contained in Exhibit B-1 may include only major captions with the exception of inventories. Data as to raw materials, work in process, and finished goods inventories should be included either on the face of the balance sheet or in the notes to

Form 26 Instr. (12/08) – Cont. 3

the financial statements, if applicable. Where any major balance sheet caption is less than 10% of total assets, the caption may be combined with others. An illustrative example of such a balance sheet is set forth below:

XYZ Company
Balance Sheet
As of _____

Assets Year to date Prior Fiscal Year

Cash and cash items _____
Marketable securities _____
Accounts and notes receivable
(non-affiliates), net of allowances _____
Accounts due from affiliates _____
Inventories
 Raw materials _____
 Work in Process _____
 Finished goods _____
 Long-term contract costs _____
 Supplies _____
 LIFO reserve _____
 Total inventories _____
Prepaid expenses _____
Other current assets _____
 Total current assets _____
Securities of affiliates _____
Indebtedness of affiliates (non-current) _____
Other investments _____
Property, plant and equipment, net of
accumulated depreciation and amortization _____
Intangible assets _____
Other assets _____
 Total Assets _____

Liabilities and Shareholders'/Partners' Equity Year to date Prior Fiscal Year

Accounts and notes payable (non-affiliates) _____
Payables to affiliates _____
Other current liabilities _____

Total current
liabilities

Bonds, mortgages, and other long-term debt,
including capitalized leases _____
Indebtedness to affiliates (non-current) _____
Other liabilities _____
Commitments and contingencies _____
Deferred credits _____
Minority interests in consolidated subsidiaries _____
Preferred stock subject to mandatory redemption
or whose redemption is outside the control
of the issuer _____
Total liabilities _____
Shareholders' equity _____
Total liabilities and shareholders'/partners' equity _____

11. The statement of income (loss) contained in Exhibit B-2 should also include major captions. When any major statement of income (loss) caption is less than 15% of net income (loss) for the most recent fiscal year, the caption may be combined with others. Notwithstanding these tests, de minimis amounts need not be shown separately. An illustrative example of such a statement of income (loss) is set forth below:

XYZ Company

Statement of income (loss)
For the periods ending _____

	<u>Year to date Prior Fiscal Year</u>
Net sales and gross revenues _____	
Costs and expenses applicable to sales and revenues _____	
Gross profit _____	
Selling, general, and administrative expenses _____	
Provision for doubtful accounts _____	
Other general expenses _____	
Operating income (loss) _____	
Non-operating income (loss) _____	
Interest and amortization of debt discount _____	
Non-operating expenses _____	
	Income or loss before income tax expense _____
Income tax expense _____	
Minority interest in income of consolidated subsidiaries _____	
Equity in earnings of unconsolidated subsidiaries _____	

and 50 per cent or less owned persons _____
 Income or loss from continuing operations _____
 Discontinued operations _____
 Income or loss before extraordinary items and
 cumulative effects of changes in
 accounting principles _____
 Extraordinary items, net of tax _____
 Cumulative effects of changes in
 accounting principles _____
 Net income (loss) _____
 Earnings per share data _____

12. The statement of cash flows in Exhibit B-3 may be abbreviated, starting with a single figure of funds provided by operations and showing other changes individually only when they exceed 10% of the average of funds provided by operations for the most recent fiscal year. Notwithstanding this test, de minimis amounts need not be shown separately. An illustrative example of such a statement of cash flows is set forth below:

XYZ Company

Statement of cash flows

For the periods ending _____

Year to date Prior Fiscal Year

Net cash provided (used) by operating activities _____

Cash flows from investing activities

Capital expenditures _____

Sale of _____

Other (describe) _____

Net cash provided (used) in investing
 activities _____

Cash flows provided (used) by financing activities

Net borrowings under line-of-credit _____

Principal payments under capital leases _____

Proceeds from issuance of long-term debt _____

Proceeds from sale of stock _____

Dividends paid/Partner Distributions _____

Net cash provided (used)

in financing activities _____

Net increase (decrease) in cash and cash equivalents _____

Cash and cash equivalents

Beginning of period _____

End of period _____

13. Subject to paragraph 11 above, an illustrative example of such a statement of changes in shareholders'/partners' equity in Exhibit B-4 is set forth below:

XYZ Company

Statement of changes in shareholders'/partners' equity (deficit)

For the periods ending

Year to date Prior Fiscal Year

Balance, beginning of period _____

Comprehensive net income

Net income _____

Other comprehensive

income, net of tax _____

Unrealized gains (losses) on

securities _____

Foreign translation adjustments _____

Minimum pension liability

adjustment _____

Issuance of stock _____

Dividends paid _____

Balance, end of period _____

14. The financial information in the financial statements shall include disclosures either on the face of the statements or in accompanying footnotes sufficient to make the information not misleading. Disclosures should encompass, but not be limited to, for example, accounting principles and practices; estimates inherent in the preparation of financial statements; status of long-term contracts; capitalization including significant borrowings or modification of existing financing arrangements; and the reporting entity resulting from business combinations or dispositions. Where material contingencies exist, disclosure of such matters shall be provided.

15. If appropriate, the statement of income (loss) should show earnings (loss) per share and dividends declared per share applicable to common stock. The basis of the earnings per share computation should be stated together with the number of shares used in the computation.

Form 26 Instr.

16. In addition to the financial statements required above, entities in the development stage should provide the cumulative financial statements (condensed to the same degree as allowed above) and disclosures required by Statement of Financial Accounting Standards No. 7, "Accounting and Reporting by Development Stage Enterprises," to the date of the latest balance sheet presented.

Instructions for Exhibit C – Description of Operations

17. The description of operations contained in Exhibit C of this Form should describe the nature and extent of the estate's interest in the entity, as well as the business conducted by and intended to be conducted by the entity, focusing on the entity's dominant business segment(s) including, but not limited to the following as applicable:

- Principal product produced or services rendered and methods of distribution
- Description of the status of a new product or segment if a public announcement has been made or information publicly disseminated
- Sources and availability of raw materials
- Any significant patents, trademarks, licenses, franchises, and concessions held
- Seasonality of the business
- Dependence upon a single customer or a few customers
- Dollar amount of backlog orders believed to be firm
- Exposure to renegotiation or redetermination or termination of significant contracts
- Competitive conditions facing the entity
- Description of properties owned
- Significant legal proceedings
- Material purchase commitments
- Identified trends events or uncertainties that are likely to have a material impact on the entity's short-term liquidity, net sales, or income from continuing operations

18. The source preparer of the information should be indicated.