Monthly Operating Report

CHAPTER 11

CASE NAME: Mississippi Phosphates Corporation

CASE NUMBER: 14-51671 For Period: October 1 to October 31 , 2015

THIS REPORT IS DUE 15 DAYS AFTER THE END OF THE MONTH. The debtor must attach each of the following forms unless the United States Trustee has waived the requirement in writing. File with the court and submit a paper copy to UST with an original signature.

Form Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
(mark only one - attached or waived)		
(X)	( )	Comparative Balance Sheet (FORM 2-B)
(X)	( )	Profit and Loss Statement (FORM 2-C)
(X)	( )	Cash Receipts & Disbursements Statement (FORM 2-D)
(X)	( )	Supporting Schedules (FORM 2-E)
(X)	( )	Narrative (FORM 2-F)
(X)	( )	Copies of Bank Statement(s) and Reconciliations of Bank Balance for all account(s)

I declare under penalty of perjury that the following Monthly Operating Report and any attachments therefor, are true and correct to the best of my knowledge and belief.

Executed on: 12/21/2015 (date)

Debtor(s)* Mississippi Phosphates Corporation

By:** /s/ Christopher Brokmeier

Position: Assistant CRO

Name of Preparer: Christopher Brokmeier

Telephone No. of Preparer: 1-312-890-3554

* both debtors must sign if a joint petition

** for corporate or partnership debtor

MPC Consolidating Balance Sheet (Amounts in Thousands USD)	MPC		ATS		SATS		MPC	
	10/31/2015 Adjusted Balances	9/30/2015 Adjusted Balances	10/30/2015 Adjusted Balances	9/30/2015 Adjusted Balances	10/31/2015 Adjusted Balances	9/30/2015 Adjusted Balances	10/31/2015 Eliminations	10/31/2015 Balances
Total Cash	889	1,433		-		-	-	889
Deferred Income Taxes - Current	5,004	5,004		-		-	-	5,004
Total A/R - Trade	0	0	-	356	-	-	-	0
Total A/R - Other	2,932	3,289	-	-	-	-	-	2,932
Total Prepaid & Other Current	2,653	4,325	-	-	-	-	-	2,653
Total Inventories	-	5,979	-	-	-	-	-	-
Total Current Assets	11,479	20,030	-	356	-	-	-	11,479
Investment in MPC	-	-		-		-	-	-
PHI Other Assets	-	-		-		-	-	-
Deferred Loan Costs	481	481		-		-	-	481
Morgan Keegan - Gyp Closure	-	10,815		-		-	-	-
LT Freight Deposits	-	-		-		-	-	-
LT Deferred Tax Asset	-	-		-		-	-	-
Investment - Ammonia Tank Subsidiary	2,861	2,861		-		-		2,861
Investment - Sulfuric Acid Tanks Sub	3,111	3,111		-		-		3,111
Total Other LT Assets	6,453	17,269		-		-	-	6,453
Total Net PP&E	-	43,205	-	665	-	2,411	-	-
Total Assets	**17,932**	**80,503**	**-**	**1,021**	**-**	**2,411**	**-**	**17,932**
A/P - Trade (Post Petition)	159	155		-		-	-	159
A/P - Trade (Pre-Petition	27,657	27,643		-		-	-	27,657
Payroll Liabilities	-	151		-		-		-
A/P-Accr	-	-		-		-	-	-
A/P-ATS	(8)	(8)	8	8		-	-	(0)
A/P-SATS	(14)	(14)		-	14	14	-	(0)
A/P - PHI	62	62		-		-	-	62
A/P - MPC	-	-	-	356		-	-	-
Total Accounts Payable	27,856	27,989	8	364	14	14	-	27,878
Accrued Liabilities	19,124	20,691	-	12	-	15	-	19,124
Total Current Liabilites	46,980	48,681	8	376	14	29	-	47,002
Hudson Bay LTD	31,000	46,000		-		-	-	31,000
Notes Payable - PHI/MPC	5,968	5,968		-		-	-	5,968
Notes Payable - Equipment Financing	-	83		-		-	-	-
Notes Payable - Ins Financing	-	538		-		-	-	-
Trammo Term Loan - Long Term	-	-		-		-	-	-
LT Notes Payable - Equipment Financing	-	131		-		-	-	-
Accrued Gypsum Disposal	-	23,541		-		-	-	-
Deferred Income Taxes - LT	1,263	1,263		-		-	-	1,263
Common Stock	1	1		0		0	-	1
Add'l Paid-In-Capital	29,877	29,877	2,861	2,861	3,111	3,111	-	35,849
Retained Earnings	(57,831)	(57,848)	(1,928)	(1,928)	(627)	(627)	-	(60,386)
Net Income	(39,327)	(17,731)	(941)	(288)	(2,498)	(102)	-	(42,766)
Total Shareholder's Equity	(67,280)	(45,701)	(8)	645	(14)	2,382	-	(67,302)
Total Liabilities & Shareholder's Equity	**17,932**	**80,503**	**(0)**	**1,021**	**(0)**	**2,411**	**-**	**17,932**

MCD Consolidating Profit and Loss Statement
(Amounts in Thousands USD)
Year to Date 10/30/2015

	MPC	ATS	SATS	MPC	MPC
	Adjusted Balances	Adjusted Balances	Adjusted Balances	Consolidated Eliminations	Consolidated Balances
Total Net Sales	2,872	2,906	-	(2,906)	2,872
Total Cost of Sales	18,075	288	102	-	18,465
Gross Profit (Loss)	(15,203)	2,618	(102)	(2,906)	(15,593)
	-	-	-		-
Total Selling, General & Admin Exp	3,282	2,906	-	(2,906)	3,282
Insurance Recoveries	(1,789)	-	-	-	(1,789)
Environmental Remediation	303	-	-	-	303
Operating Income (Loss)	(16,999)	(288)	(102)	-	(17,390)
Total Interest, Net	(347)	-	-	-	(347)
Total Other, Net	(21,980)	(653)	(2,396)	-	(25,029)
Income (Loss) Before Taxes	(39,327)	(941)	(2,498)	-	(42,766)
Income Tax Expense	-	-	-	-	-
Net Income (Loss)	(39,327)	(941)	(2,498)	-	(42,766)

Mississippi Phosphates Corporation
For the Period of Oct 1 to Oct 31, 2015

Cash Reconciliation

Beginning Cash Balance	$	1,433,884
Cash Receipts (ties to Form 2-D)	$	1,133,706
Cash Disbursements (ties to Form 2D)	$	(1,678,563)
Net Cash Flow	$	(544,857)
Ending Cash Balance (ties to Form 2B)	$	889,027

Cash Summary - Ending Balance

			Amount	Financial Institution
Real Estate Account				
Trust Account		$	-	
Operating and / or Personal Account		$	-	
DIP Funding Account		$	795,012	WF DIP Funding Account
Payroll Account				
Tax Account		$	92,516	Wells Fargo
Control Disbursements		$	-	
Other Accounts (Specify savings or checking)	Checking	$	-	
Other Accounts (Specify savings or checking)	Checking	$	-	
Cash Collateral Account				
Petty Cash		$	1,500	Cash on hand
Total Cash (must agree with above ending Cash)		$	889,027	

Adjusted Cash Disbursements:

Cash disbursments above less inter-account
transfers and UST fees paid
(to be used to determing quarterly UST fee)

Mississippi Phosphates Corporation

MPC Quarterly Fee Summary

October 31, 2015

Payment Date	Cash Disbursements	Quarterly Fee Due	Check No.	Date
January	$ 3,683,251.44			
February	$ 1,307,159.20			
March	$ 1,478,622.00			
Total 1st Quarter	$ 6,469,032.64	$ 13,000.00	58277	4/22/2015
April	$ 1,948,670.19			
May	$ 3,013,582.68			
June	$ 3,291,102.74			
Total 2nd Quarter	$ 8,253,355.61	$ 13,000.00	60187	7/15/2015
July	$ 2,712,662.47			
August	$ 1,384,943.81			
September	$ 1,100,125.67			
Total 3rd Quarter	$ 5,197,731.95	$ 13,000.00	60392	10/16/2015
October	$ 1,678,563.33			
November	$ -			
December	$ -			
Total 4th Quarter		$ -		

Mississippi Phosphates Corporation

Cash Receipts Oct 2015

Date		Request	Description	Receipts
10/14/2015	Wells Fargo		**Account Transfer**	$ 1,328.62
10/15/2015	Mississippi Phosphates		**Transfer**	$ 29,463.64
10/1/2015	MS Phosphates Corp Tax Account			$ 30,786.00
10/27/2015	transfer from MPC Lockbox			$ 41,470.73
10/9/2015	Wealth Management		**env funding**	$ 57,382.59
10/15/2015	Wealth Management		**Receipt**	$ 77,437.40
10/2/2015	Wealth management operations		**env trust funding**	$ 114,020.61
10/29/2015	Mississippi Power		**Refund**	$ 313,179.04
10/7/2015	MS Ammonia Leasing		**Sept Ammona receipt**	$ 356,100.24
			Grand total	**$1,021,168.87**
			Tax accounts	112,537.54
			petty cash	-
			Employee benefit account	-
			Plant Managers Account	
			MPC DIP Account	
				$1,133,706.41

Mississippi Phosphates Corporation

Cash Disbursements Oct 2015

Date	Check No.-TO	Vendor	DESCRIPTION	AMOUNT
10/13/2015		Bank Service Charge		$ (2,489.66)
10/1/2015		Payroll		$ (82,138.87)
10/1/2015		PHI		$ (13,160.36)
10/1/2015	60348	STANDARD PARTS CO	**batteries(lab)**	$ (435.15)
10/1/2015	60349	GOODGAMES' PRINTING COMPANY	**BOL AMMONIA**	$ (1,328.62)
10/1/2015	60350	J & L Courier Transportation	**Mail courier service**	$ (400.00)
10/1/2015	60351	Shavona R. Tillman	**Garnishment**	$ (225.69)
10/1/2015	60352	Tim Dupree	**Safety meeting**	$ (250.00)
10/1/2015	60353	United States Treasury {2}	**James Mccarty**	$ (55.00)
10/1/2015	60354	NAC Carbon Products	**Seal(ammonia)**	$ (69.95)
10/1/2015	60355	DOLPHIN SAFETY SUPPLY, INC.		$ (188.00)
10/1/2015	60356	CINTAS #240	**Uniform**	$ (103.06)
10/1/2015	60357	AT&T ATLANTA	**Telephone**	$ (243.96)
10/1/2015	60358	WASTE MANAGEMENT OF SOUTH MS-GULFPOR	**Gen Plant trash pickup**	$ (528.48)
10/2/2015		Deloitte		$ (26,412.68)
10/2/2015		Lockton Company		$ (304,900.00)
10/2/2015		Unimin		$ (50,000.00)
10/2/2015	60359	Allen Engineering	**Env Consultation(ww)**	$ (30,666.67)
10/5/2015		IRS		$ (29,463.64)
10/6/2015	60360	O'Reilly's Auto Parts	**Battery(waste water)**	$ (487.90)
10/6/2015	60361	TRINOVA	**probes waste water**	$ (35.05)
10/7/2015	60362	Ontrac Advisors	**board fees**	$ (3,000.00)
10/7/2015	60363	Richard Cryar	**board fees**	$ (3,000.00)
10/8/2015	60364	Tim Dupree	**safety class(gen plant**	$ (250.00)
10/8/2015	60365	Advancec Compressed Air Technologies	**Ultra coolant(ATS)**	$ (3,560.00)
10/8/2015	60366	Aaron oil Company	**oil pickup**	$ (25.00)
10/8/2015	60367	CINTAS #240	**uniforms**	$ (103.06)
10/8/2015	60368	FAIRBANKS SCALES	**Scale tickets(ats)**	$ (229.44)
10/8/2015	60369	MISSISSIPPI EXPORT RAILROAD CO INC	**Loco motive ATS**	$ (7,500.00)
10/8/2015	60370	RAINBOW WATER INC	**water(gen plant)**	$ (187.50)
10/8/2015	60371	CAROUSEL INDUSTRIES	**website hosting**	$ (959.10)
10/8/2015	60372	GREAT AMERICA LEASING CORP.	**printer(gen plant)**	$ (636.56)
10/8/2015	60373	infocus, LLC		$ (45.00)
10/8/2015	60374	JANI KING	**cleaning service(gen plant)**	$ (1,158.30)
10/8/2015	60375	UNITED RENTALS	**waste water(6 inch pump)**	$ (7,353.15)
10/9/2015		Deloitte		$ (25,000.00)
10/9/2015		Solenis/Ashland		$ (3,915.90)
10/9/2015		Unimin		$ (50,000.00)
10/12/2015	60376	MARTIN ENERGY SERVICES	**Fuel**	$ (37,494.59)
10/13/2015	60377	Jeffrey Bowman	**Cell Phone Reimbursement**	$ (90.00)
10/13/2015	60378	JOSEPH HOLLAND	**Cell Phone Reimbursement**	$ (90.00)
10/13/2015	60379	Dahls Automotive Parts	**Parts**	$ (636.76)
10/13/2015	60380	A&B Tire	**Tire Repair**	$ (120.00)
10/13/2015	60381	Excel Micro	**IT**	$ (156.00)
10/14/2015		Bayou Casotte Water Supply		$ (504.78)
10/14/2015		BMC Group		$ (14,375.36)
10/14/2015		MS Dept. of Revenue		$ (89.23)
10/14/2015		MS Dept. of Revenue		$ (103.86)
10/14/2015		MS Dept. of Revenue		$ (120.41)
10/14/2015		MS Dept. of Revenue		$ (123.24)
10/14/2015		MS Dept. of Revenue		$ (591.31)
10/14/2015	60382	Advanced Auto parts	**Parts**	$ (594.50)
10/14/2015	60383	AIRGAS SOUTH		$ (45.80)
10/14/2015	60384	beth carter- petty cash	**Operation Supplies**	$ (1,382.31)
10/14/2015	60385	STANDARD PARTS CO		$ (122.33)
10/14/2015	60386	CDW Direct		$ (1,131.75)
10/15/2015		Deloitte		$ (25,879.44)
10/15/2015		PHI Operating Account		$ (13,160.36)
10/15/2015		Quickbooks MPC Payroll		$ (80,755.11)
10/15/2015		Quickbooks PHI Payroll		$ (2,021.29)

Mississippi Phosphates Corporation

Cash Disbursements Oct 2015

Date	Check No.-TO	Vendor	DESCRIPTION	AMOUNT
10/15/2015	60387	Shavona R. Tillman	**Employee Garnishment**	$ (225.69)
10/15/2015	60388	Tim Dupree	**Safety Consulting**	$ (250.00)
10/15/2015	60389	United States Treasury {2}	**Employee Garnishment**	$ (55.00)
10/15/2015	60390	USA BLUE BOOK	**Environmental Parts**	$ (534.17)
10/15/2015	60391	COAST VALVE AND FITTING COMPANY		$ (1,090.00)
10/16/2015		MPC Environmental Trust		$ (50,000.00)
10/16/2015		MPC Liquidation Trust		$ (295,000.00)
10/16/2015		Unimin		$ (50,000.00)
10/16/2015	60394	U.S. Trustee	**3rd Quarter FEES SATS**	$ (325.00)
10/16/2015	60395	U.S. Trustee	**3rd Quarter Fees MPC**	$ (13,000.00)
10/16/2015	60396	U.S. Trustee	**3rd Quarter Fees ATS**	$ (6,500.00)
10/16/2015	60397	STANDARD PARTS CO		$ (268.38)
10/16/2015	60398	AIRGAS SOUTH		$ (240.00)
10/16/2015	60400	GREAT AMERICA LEASING CORP.		$ (636.56)
10/16/2015	60401	HERTZ EQUIPMENT AND PUMP DIVISION		$ (4,188.16)
10/16/2015	60402	PASCAGOULA UTILITIES		$ (4,366.99)
10/16/2015	60405	CINTAS #240		$ (84.11)
10/16/2015	60406	CINTAS #240		$ (18.95)
10/16/2015	60407	CINTAS #240		$ (161.77)
10/16/2015	60408	CINTAS #240		$ (670.17)
10/16/2015	60409	JOHN DEERE FINANCIAL		$ (6,604.02)
10/16/2015	60411	MARTIN ENERGY SERVICES		$ (2,694.61)
10/20/2015		Crawford & Company		$ (74.57)
10/21/2015		Intuit QB MPC Payroll		$ (3,675.58)
10/21/2015		Intuit QB MPC Payroll		$ (91,854.57)
10/21/2015		Lockton		$ (40,000.00)
10/21/2015		MPC DIP Tax Acct		$ (43,288.56)
10/21/2015		PHI Operating Acct		$ (6,580.18)
10/21/2015	60412	Allen Engineering	**Environmental Engineering Services**	$ (33,212.07)
10/21/2015	60413	AT&T BUSINESS	**Company Landline Phones**	$ (1,863.27)
10/21/2015	60414	MISSISSIPPI EXPORT RAILROAD CO INC	**Locomotive Rental for September**	$ (7,500.00)
10/21/2015	60415	Shavona R. Tillman	**Employee Garnishment**	$ (225.69)
10/21/2015	60416	United States Treasury {2}	**Employee Garnishment**	$ (55.00)
10/23/2015		Intuit QB		$ (85.60)
10/23/2015		Superior Press Checks		$ (221.65)
10/29/2015		BMC Group		$ (20,254.92)
10/29/2015		Deloitte		$ (25,000.00)
10/30/2015		Deloitte		$ (29,020.18)
10/30/2015	60417	C SPIRE	**Cell Phones**	$ (457.50)
10/30/2015	60418	Excel Micro	**McAfee Email Protection**	$ (156.00)
10/30/2015	60419	MICRO METHODS INC	**lab supplies & samples**	$ (1,320.00)
10/30/2015	60420	MISSISSIPPI EXPORT RAILROAD CO INC	**1/2 month Oct. locomotive rental**	$ (3,750.00)

Grand Total	**(1,575,603.10)**
Tax Account	($102,960.23)
petty cash	-
Employee benefit account	-
Plant Managers Account	-
Total disbursements	**(1,678,563.33)**

Mississippi Phosphates Corporation

Custom A/P Aging Summary
As of Oct, 2015

	Current	1 - 30	31 - 60	61 - 90	> 90	TOTAL
BROCK SERVICES, LTD	0.00	0.00	0.00	0.00	3,490.56	3,490.56
JACKSON COUNTY PORT AUTHORITY	0.00	0.00	-691.94	0.00	0.00	-691.94
JOE TUCKER, TAX COLLECTOR	0.00	0.00	0.00	0.00	149,682.69	149,682.69
PASCAGOULA UTILITIES	0.00	0.00	0.00	2,017.78	0.00	2,017.78
U.S. Trustee	0.00	0.00	0.00	0.00	0.00	0.00
UNITED RENTALS	0.00	3,676.58	0.00	0.00	0.00	3,676.58
USA BLUE BOOK	0.00	0.00	534.17	0.00	0.00	534.17
	0.00	**3,676.58**	**-157.77**	**2,017.78**	**153,173.25**	**158,709.84**

Mississippi Phosphates Corporation

Customer A/R Aging Summary 2

As of Oct 31, 2015

Filters: Amount Due (not equal to From: 0.0), Name (equal to A/R - Trade)

Customer:Work Order	Current	12/17/2014 - 1/15/2015 (30)	11/17/2014 - 12/16/2014 (60)	10/18/2014 - 11/16/2014 (90)	Before 10/18/2014 (>90)	Total
	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance	Open Balance
Debruce Fertilizer, INC	$0.00	$0.00	$0.00	$0.00	($5,357.17)	($5,357.17)
Growmark, Inc	$0.00	$0.00	$0.00	$0.00	($33,709.19)	($33,709.19)
Stuart Farm Center	$0.00	$0.00	$0.00	$0.00	$559.20	$559.20
Ammonia Tanks Subsidiary	$0.00	$0.00	$0.00	$0.00	$1,137,392.00	$1,137,392.00
Total	**$0.00**	**$0.00**	**$0.00**	**$0.00**	**$1,098,884.84**	**$1,098,884.84**
Inter-Oceanic Corp.					**$0.00**	**$0.00**
Less Reserve for Doubtful Accounts					($1,098,884.84)	($1,098,884.84)
Net AR Outstanding	$0.00	$0.00	$0.00	$0.00	$0.00	$0.00

Mississippi Phosphates Corporation

As of Oct 31, 2015

Insurance Schedule

Type	Carrier / Agent	Coverage	Date of Expiration	Premium Paid	
Workers Compensation	New Hampshire Ins. (AIG)	Statutory + 1M employer	22-Dec-15	237,686	
General Liability	National Union (AIG)	1,000,000	22-Dec-15	26,528	
Property (Fire, Theft)	AIG & Lloyds of London	100,000,000	22-Dec-15	1,783,031	
Vehicle	Granite State Insurance Co. (AIG)	2,000,000	22-Dec-15	32,074	
Other					
Other:					
Foreign Liability	ACE	1,000,000	22-Dec-15	2,500	
Marine Liability	Travelers Group	5,000,000	22-Dec-15	12,500	
Hull / P&I	Travelers Group	1,037,500	22-Dec-15	5,720	
Umbrella Liability	National Union (AIG)	25,000,000	22-Dec-15	188,346	
Environmental	AIG	10,000,000	22-Dec-15	357,158	
Fiduciary	XL Specialty Insurance Company	5,000,000	23-Dec-15	25,000	
Emp. Practices Liab.	XL Specialty Insurance Company	5,000,000	23-Dec-15	75,000	
Crime	U.S. Specialty Ins. Co.	1,000,000	22-Mar-16	4,342	
Director and Officer	Endurance American Insurance Compar	10,000,000	31-Oct-15	14,900	(A)
Kidnap & Ransom	Federal Insurance Company (Chubb)	5,000,000	22-Dec-16	5,250	

Note: Insurance is purchased by MPC for the consolidated group without segregation between the individual operations. The amounts above reflect the insurance in place for the entire group till expiration of the particular policy. Additionally, we increased the collateral on the workers compensation insurance from $1,500 thousand to $1,850 thousand at the time of the renewal in December 2014.

(A) In September 2015, the company obtained a one month coverage for D&O as noted above to cover the period from Oct. 1 to October 31, 2015.

WellsOne® Account

Account number: **4202608733** ■ October 1, 2015 - October 31, 2015 ■ Page 1 of 4

WELLS FARGO

MISSISSIPPI PHOSPHATES CORPORATION
DEBTOR-IN-POSSESSION
CASE NO. 14-51667-KMS
601 INDUSTRIAL RD
PASCAGOULA MS 39581-3233

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: *wellsfargo.com*

Write: Wells Fargo Bank, N.A. (182)
PO Box 63020
San Francisco, CA 94163

Account summary

WellsOne® Account

Account number	*Beginning balance*	*Total credits*	*Total debits*	*Ending balance*
4202608733	$1,405,891.06	$1,021,191.18	-$1,632,070.34	$795,011.90

Credits

Electronic deposits/bank credits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	10/01	30,786.00	WT Seq167956 Mississippi Phosphates /Org=Mississippi Phosphates Corp Srf# IN15100111483016 Trn#151001167956 Rfb# 000002386
	10/02	114,020.61	WT Fed#01353 Regions Bank /Org=Wealth Management Operations Srf# 2015100200004694 Trn#151002069667 Rfb# 0000434058
	10/07	356,100.24	WT Seq125944 Ammonia Tank Subsidiary /Org=Mississippi Phosphates Corp Srf# IN15100711525073 Trn#151007125944 Rfb# 000002391
	10/09	57,382.59	WT Fed#03056 Regions Bank /Org=Wealth Management Operations Srf# 2015100900010008 Trn#151009145345 Rfb# 0000434880
	10/09	22.31	ZBA Funding Account Transfer From 4122057334
	10/14	1,328.62	ZBA Funding Account Transfer From 4122057334
	10/15	77,437.40	WT Fed#03188 Regions Bank /Org=Wealth Management Operations Srf# 2015101500009643 Trn#151015159934 Rfb# 0000435399
	10/15	29,463.64	WT Seq#84240 Mississippi Phosphates /Org=Mississippi Phosphates Corp Srf# IN15101506562612 Trn#151015084240 Rfb# 000002400
	10/27	41,470.73	ZBA Funding Account Transfer From 4122057334
	10/29	313,179.04	Over The Counter Deposit
		$1,021,191.18	**Total electronic deposits/bank credits**
		$1,021,191.18	**Total credits**

(182)
Sheet Seq = 0153267
Sheet 00001 of 00004

WellsOne® Account

Account number: **4128195625** ■ October 1, 2015 - October 31, 2015 ■ Page 1 of 2

WELLS FARGO

MISSISSIPPI PHOSPHATES CORPORATION
DEBTOR-IN-POSSESSION TAX ACCOUNT
CASE NO. 14-51667-KMS
601 INDUSTRIAL RD
PASCAGOULA MS 39581-3233

Questions?

Call your Customer Service Officer or Client Services
1-800-AT WELLS (1-800-289-3557)
5:00 AM TO 6:00 PM Pacific Time Monday - Friday

Online: wellsfargo.com

Write: Wells Fargo Bank, N.A (182)
PO Box 63020
San Francisco, CA 94163

Account summary

WellsOne® Account

Account number	*Beginning balance*	*Total credits*	*Total debits*	*Ending balance*
4128195625	$82,938.20	$112,537.54	-$102,960.23	$92,515.51

Credits

Electronic deposits/bank credits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	10/01	34,403.64	WT Seq168054 Mississippi Phosphates /Org=Mississippi Phosphates Corp Srf# IN15100111494338 Trn#151001168054 Rfb# 000002387
	10/15	34,845.34	WT Seq#84234 Mississippi Phosphates /Org=Mississippi Phosphates Corp Srf# IN15101506553068 Trn#151015084234 Rfb# 000002398
	10/21	43,288.56	WT Seq#63596 Mississippi Phosphates /Org=Mississippi Phosphates Corp Srf# IN15102104045625 Trn#151021063596 Rfb# 000002407
		$112,537.54	**Total electronic deposits/bank credits**
		$112,537.54	**Total credits**

Debits

Electronic debits/bank debits

Effective date	*Posted date*	*Amount*	*Transaction detail*
	10/01	30,786.00	WT Seq167956 Mississippi Phosphates /Bnf=Mpc Dip Account Srf# IN15100111483016 Trn#151001167956 Rfb# 000002386
	10/02	42,710.59	Msdeptofrevenue Taxpayment M1597045760 Mississippi Phosphates
	10/15	29,463.64	WT Seq#84240 Mississippi Phosphates /Bnf=Mpc Dip Account Srf# IN15101506562612 Trn#151015084240 Rfb# 000002400
		$102,960.23	**Total electronic debits/bank debits**
		$102,960.23	**Total debits**

IN THE UNITED STATES BANKRUPTCY COURT
FOR THE SOUTHERN DISTRICT OF MISSISSIPPI
SOUTHERN DIVISION

In re:	)	
	)	
MISSISSIPPI PHOSPHATES	)	
CORPORATION, *et al.*[1]	)	**CASE NO. 14-51667-KMS**
	)	**Chapter 11**
	)	
Debtors	)	**Jointly Administered**
	)	

NARRATIVE STATEMENT

For Period October 1, 2015 to October 31, 2015

Please provide a brief description of the significant business and legal action by the debtor, its creditors, or the court during the reporting period. Comments should include any change in bank accounts, explanation of extraordinary expenses, and purpose of any new post-petition financing. Comments should also include debtor's efforts during the month to rehabilitate the business and to develop a plan.[2]

Mississippi Phosphates Corporation, *et al.*, the Debtors and debtors-in-possession herein (the "***Debtors***"), filed their Bankruptcy Cases on October 27, 2014 (the "***Petition Date***"). The Debtors have continued to operate and manage their businesses pursuant to Bankruptcy Code §§ 1107(a) and 1108.

Because the Debtors did not receive a Qualified Bid for their assets in the sales process conducted by Sandler O'Neill & Partners, L.P., as the Investment Banker, the Debtors and their professionals have been working with the United States Environmental Protection Agency and the Mississippi Department of Environmental Quality (the "***Environmental Agencies***"), the MPC Liquidation Trustee, and the MPC Environmental Trustee and their professionals on numerous issues related to the sale of the Debtors' assets (both operational and financial) following the entry by the Court of the following Orders:

(1) *Order Approving Debtors' Motions for Approval of Sale Motion (Dkt. No. 819), Committee Settlement (Dkt. No. 501), Government Settlement (Dkt. No. 818), and DOJ Settlement (Dkt. No. 870)* [Dkt. # 937];

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[1] The chapter 11 cases of the following affiliated Debtors have been administratively consolidated for joint administration pursuant to that certain *Order Granting Motion of the Debtor for Order Directing Joint Administration of Affiliated Cases Pursuant to Bankruptcy Rule 1015(b)*, dated October 29, 2014 [Dkt. # 62]: Mississippi Phosphates Corporation ("***MPC***"), Case No. 14-51667, Ammonia Tank Subsidiary, Inc. ("***ATS***"), Case No. 14-51668 and Sulfuric Acid Tanks Subsidiary, Inc. ("***SATS***"), Case No. 14-51671. These chapter 11 cases are sometimes referred to herein as the "***Bankruptcy Cases***." Consequently, this Narrative describes developments in all three Bankruptcy Cases.

[2] All references to Docket Numbers are to the Docket in the MPC case, which is the Lead Case.

(2) *Order Granting Motion of Debtors Pursuant to Bankruptcy Code Sections 105(a), 363, 365, 503, and 507, and Bankruptcy Rules 2002, 3007, 6004, 6006, 9007, and 9014 for Entry of: (I) Amended Order (A) Approving the Amended Sales and Bidding Procedures in Connection with Sale of Assets of the Debtors, (B) Approving Form and Manner of Notice, (C) Scheduling Auction and Sale Hearing, (D) Authorizing Procedures Governing Assumption and Assignment of Certain Executory Contracts and Unexpired Leases, and (E) Granting Related Relief; and (II) Order (A) Approving Purchase Agreement, (B) Authorizing Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, and (C) Granting Related Relief* [Dkt. # 939];

(3) *Order Granting Motion of Mississippi Phosphates Corporation for Order Approving Entry Into Settlement with the United States Department of Justice and for Authority to Enter Into and Perform to Proposed Plea Agreement* [Dkt. # 948];

(4) *Order Pursuant to Bankruptcy Rule 9019 Approving Compromise of Controversy and Settlement Agreement and Authorizing Settlement Among the Debtors, the Committee, the Lender Parties, and PHI* [Dkt. # 949];

(5) *Order Approving Motion of the Debtors Pursuant to §§ 105 and 363 of the Bankruptcy Code, and Federal Rules of Bankruptcy Procedure 9019 for an Order Approving Settlement Among the Debtors, Phosphate Holdings, Inc., the Lender Parties and the Environmental Agencies* [Dkt. # 950]; and

(6) *Order Granting Motion of Debtors, Pursuant to Bankruptcy Code Sections 105(a), 363, 365, 503, and 507, and Bankruptcy Rules 2002, 3007, 6004, 6006, 9007, and 9014 for Entry of an Order (A) Approving the Liquidation Trust Asset Purchase Agreement, (B) Authorizing Sale Free and Clear of All Liens, Claims, Encumbrances, and Other Interests, and (C) Granting Related Relief* [Dkt. # 1050] (the "***Sale Order***"), which was entered on October 14, 2015.

On October 16, 2015 (the "***Closing Date***"), the Debtors closed the Alternative Transactions by transferring to the MPC Environmental Trust and to the MPC Liquidation Trust substantially all of its real and personal property. As of that date, the MPC Environmental Trustee assumed the responsibility for the wastewater treatment and the gyp stacks maintenance, while the MPC Liquidation Trustee assumed the responsibility for the ammonia terminally operations of the Debtors. [On November 3, 2015, the Debtors filed their *Notice of Closing of Sale of Assets to Environmental Trustee and Liquidation Trustee Under Alternative Transaction* [Dkt. # 1070].

From October 1, 2015 through the Closing Date, the Debtors' professionals worked with professionals for the MPC Environmental Trustee, the MPC Liquidation Trustee, and the Environmental Agencies with respect to various financing and budget issues related to the proposed transfers of assets of the Debtors to those two Trusts, including discussions related to the allocation of operational responsibilities and the division of costs between those two Trusts in anticipation of the Court's granting of the Sale Motion, as well as with respect to numerous operational, transitional, and legal issues related to the transfer of the Debtors' real and personal property to the appropriate trust, including a survey of the subject property, easements and other

real estate title issues, and reviewing environmental permits to allocate permits to the appropriate Trust for future operations. Numerous cash flow budgets were prepared and vetted with the Environmental Trustee and the Liquidation Trustee to address post-closure operations by both of the Trusts. Subsequent to the Closing Date, the Debtors' professionals continued to work with the Liquidation Trustee and the Environmental Trustee and their professionals to ensure a smooth and orderly transition.

During October 2015 prior to the Closing Date, professionals of the Debtors continued their regular calls with professionals for the Governments to discuss environmental issues, financing issues, as well as current and prospective environmental and operational issues related to the Debtors' facility and to issues related to the transfer of the Debtors' assets to the MPC Environmental Trust and the MPC Liquidation Trust. Both the Liquidation Trustee and the Environmental Trustee and their counsel also participated in these conference calls. During October 2015, the Debtors' professionals participated in these calls on October 2, 6, 9, 12, 13, 15, and 16, 2015.

The Debtors' professionals continued from October 1, 2015 until the Closing Date to coordinate with the Mississippi Department of Environmental Quality and Regions Bank, as successor to Morgan Keegan Trust Company, FSB, as the Trustee of the Financial Assurance Environmental Trust (the "***Trust***") so that funds could be released from the Trust to begin closure activities of the MPC East Phosphogypsum Stack, including costs of wastewater treatment and maintenance of the Gypsum stacks in the normal course of operations, in order to prevent or significantly minimize the occurrence of a catastrophic release. The Debtors provided certification to MDEQ regarding the use of those funds, as well as subsequent accountings to the MDEQ for the actual expenditures of those funds.

On October 5, 2015, the Court entered an *Agreed Order with Respect to Mississippi Department of Environmental Quality's Motion for Allowance of Administrative Expense for the June 30, 2015, Quarterly Payment to the Trust Fund for Closure and/or Post-Closure Care of the Landfill at Debtors' Facility in Pascagoula, Mississippi* [Dkt. # 1044].

MPC continued to coordinate with State and Federal agencies with respect to the implementation of the requirements of the *Order Granting Motion of Mississippi Phosphates Corporation for Order Approving Entry Into Settlement with the United States Department of Justice and for Authority to Enter Into and Perform to Proposed Plea Agreement* [Dkt. # 948], and the Judgment entered on August 18, 2015 in the case styled, "*United States of America v. Mississippi Phosphates Corporation*," Criminal Action No: 1:15CR58, United States District Court, Southern District of Mississippi, in which MPC was ordered to deed, unencumbered, in fee simple, all title and interest in the 320-acre parcel adjacent to the MPC facility in Jackson County, Mississippi, to the Mississippi Department of Marine Resources to become part of the Grand Bay National Estuarine Research Reserve, more particularly described as the west half of Section 10, Township 8 South, Range 5 West, Jackson County, Mississippi. These discussions centered on the conditions and requirements under which the State of Mississippi for the Mississippi Department of Marine Resources would accept this 320-acre parcel. Although MPC has stood ready and willing to convey title to this 320-acre parcel, as of the end of October 2015, this matter had not been resolved, so no conveyance of this 320-acre parcel had occurred. The

professionals for MPC continue their discussions with the State and Federal Governments about the conveyance of this property.

On October 21, 2015, the Court entered its *Scheduling Order* [Dkt. # 1062] with respect to discovery in connection with the *Motion of Mississippi Phosphates, et al. Requesting Determination of Value for the Purpose of Calculating Tax Liability Pursuant to Sections 105, 505 and 506 of the Bankruptcy Code, and for Relief From Excess Taxation for Tax Years 2013, 2014 and 2015* [Dkt. # 951] and the *Response to Motion to Determine Tax Liability* filed by Jackson County, Mississippi [Dkt. # 1031]. The Scheduling Order provided that this contested matter that had been set for hearing on October 21, 2015 was continued to be reset by the Court at a future date.

On October 21, 2015, the Court conducted a hearing on the Debtors' *Emergency Motion to Enforce the Automatic Stay* [Dkt. # 1033] in which the Debtors sought to prevent a creditor from pursuing a state court lawsuit against the Chief Financial Officer and former controller of MPC for the same claim amount related to services billed by that creditor to MPC. The creditor filed its *Response* [Dkt. # 1046] and the Debtors filed their *Reply* [Dkt. # 1059] on October 20, 2015. The Court heard arguments and ordered the parties to submit post-hearing briefs [Dkt. # 1061].

The Court granted the following orders with respect to applications for compensations for professionals in the Bankruptcy Cases:

(a) *Agreed Order Granting Third Application for Compensation of Butler Snow LLP for Interim Allowance of Administrative Claim for Compensation and Reimbursement of Expenses for Butler Snow LLP* as Debtors' counsel for the period of June 1, 2015 to August 31, 2015 [Dkt. # 1067]; and

(b) *Order Granting First and Final Fee Application for Compensation for Services Rendered and Reimbursement of Expenses to Provide the Debtors with "Other Services" from December 20, 2014 through February 28, 2015* by Deloitte Transactions and Business Analytics LLP [Dkt. # 1066].

The Debtors also performed certain administrative functions, including filing the *Monthly Operating Report* for September 2015 [Dkt. # 1060]; the *Amendment to List of Creditors* [Dkt. # 1048]; and *Notice of Filing of Register of Proof of Claims Filed with the Claims Agent, BMC Group, Inc.* [Dkt. # 1047].

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