

**Monthly Operating Report**

<b>CASE NAME:</b> FiberTower Network Services
<b>CASE NUMBER:</b> 12-44027-DML-11
<b>JUDGE:</b> D. Michael Lynn

ACCRUAL BASIS

**UNITED STATES BANKRUPTCY COURT**

**NORTHERN  
DISTRICT OF  
TEXAS**

**DIVISION 6**

MONTHLY OPERATING REPORT

**MONTH ENDING: March 2014**  
(AMENDED)

IN ACCORDANCE WITH TITLE 28, SECTION 1746, OF THE UNITED STATES CODE, I DECLARE UNDER PENALTY OF PERJURY THAT I HAVE EXAMINED THE FOLLOWING MONTHLY OPERATING REPORT (ACCRUAL BASIS-1 THROUGH ACCRUAL BASIS-7) AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE, THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. DECLARATION OF THE PREPARER (OTHER THAN RESPONSIBLE PARTY): IS BASED ON ALL INFORMATION OF WHICH PREPARER HAS ANY KNOWLEDGE.

**RESPONSIBLE PARTY:**

  
ORIGINAL SIGNATURE OF RESPONSIBLE PARTY

John Lipscomb  
PRINTED NAME OF RESPONSIBLE PARTY

Vice President, Corporate Controller  
TITLE

8/5/2014  
DATE

**PREPARER:**

  
ORIGINAL SIGNATURE OF PREPARER

John Lipscomb  
PRINTED NAME OF PREPARER

Vice President, Corporate Controller  
TITLE

8/5/2014  
DATE

**Monthly Operating Report**

**CASE NAME:** FiberTower Network Services  
**CASE NUMBER:** 12-44027-DML-11

**ACCRUAL BASIS-1**

**COMPARATIVE BALANCE SHEET**

ASSETS	SCHEDULE AMOUNT	MONTH		
		January 2014	February 2014	March 2014
1. UNRESTRICTED CASH	\$23,131,661	\$2,714,300	\$2,337,933	\$1,895,159
2. RESTRICTED CASH	\$185,913	\$120,000	\$120,000	\$120,000
3. TOTAL CASH	\$23,317,574	\$2,834,300	\$2,457,933	\$2,015,159
4. ACCOUNTS RECEIVABLE (NET)	\$7,751,986	\$0	\$0	\$0
5. INVENTORY	\$0	\$0	\$0	\$0
6. MONTH NOTES RECEIVABLE	\$0	\$0	\$0	\$0
7. PREPAID EXPENSES	\$1,949,815	\$283,386	\$359,015	\$25,000
8. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
9. TOTAL CURRENT ASSETS	\$33,019,375	\$3,117,687	\$2,816,948	\$2,040,159
10. PROPERTY, PLANT & EQUIPMENT	\$55,982,204	\$0	\$0	\$0
11. LESS: ACCUMULATED DEPRECIATION / DEPLETION	\$17,619,711	\$0	\$0	\$0
12. NET PROPERTY, PLANT & EQUIPMENT	\$38,362,493	\$0	\$0	\$0
13. INTERCOMPANY RECEIVABLE	\$0	\$21,989,347	\$21,989,347	\$0
14. OTHER ASSETS - NET OF AMORTIZATION (Customer Relations)	\$1,236,290	\$0	\$0	\$0
15. OTHER (ATTACH LIST)	\$2,786,268	\$172,752	\$197,752	\$0
16. TOTAL ASSETS	\$75,404,426	\$25,279,786	\$25,004,047	\$2,040,159
<b>POSTPETITION LIABILITIES</b>				
17. ACCOUNTS PAYABLE		\$1,342,456	\$1,263,981	\$824,004
18. TAXES PAYABLE		\$97,464	\$97,464	\$0
19. NOTES PAYABLE		\$0	\$0	\$0
20. PROFESSIONAL FEES		\$0	\$0	\$0
21. SECURED DEBT		\$0	\$0	\$0
22. OTHER (ATTACH LIST)		\$1	\$1	\$114,662
23. TOTAL POSTPETITION LIABILITIES		\$1,439,921	\$1,361,445	\$938,665
<b>PREPETITION LIABILITIES</b>				
24. SECURED DEBT	\$0	(\$14,000,000)	(\$14,000,000)	\$0
25. PRIORITY DEBT	\$158,709	\$0	\$0	\$0
26. UNSECURED DEBT	\$4,166,552	\$4,140,672	\$4,140,672	\$0
27. OTHER (ATTACH LIST)	\$352,617,188	\$333,157,685	\$333,113,445	\$0
28. TOTAL PREPETITION LIABILITIES	\$356,942,448	\$323,298,357	\$323,254,117	\$0
29. TOTAL LIABILITIES	\$356,942,448	\$324,738,278	\$324,615,562	\$938,665
<b>EQUITY</b>				
30. PREPETITION OWNERS EQUITY	(\$281,538,023)	(\$281,538,023)	(\$281,538,023)	\$0
31. POSTPETITION CUMULATIVE PROFIT OR (LOSS)		(\$17,820,204)	(\$17,973,227)	\$1,101,494
32. DIRECT CHARGES TO EQUITY Stock Compensation (123R) Charges		(\$100,265)	(\$100,265)	\$0
33. TOTAL EQUITY	(\$281,538,023)	(\$299,458,492)	(\$299,611,515)	\$1,101,494
34. TOTAL LIABILITIES & OWNERS EQUITY	\$75,404,426	\$25,279,786	\$25,004,047	\$2,040,159

### Monthly Operating Report

**CASE NAME:** FiberTower Network Services

**ACCRUAL BASIS-2**
**CASE NUMBER:** 12-44027-DML-11

**INCOME STATEMENT**

	MONTH	MONTH	MONTH	MONTH
REVENUES	December 2013	January 2014	February 2014	March 2014
1. GROSS REVENUES	\$0	\$0	\$0	\$0
2. LESS: RETURNS & DISCOUNTS	\$0	\$0	\$0	\$0
3. NET REVENUE	\$0	\$0	\$0	\$0
<b>COST OF GOODS SOLD</b>				
4. MATERIAL	\$152,166	(\$6)	\$23,570	\$211,141
5. DIRECT LABOR	\$0	\$0	\$0	\$0
6. DIRECT OVERHEAD	\$0	\$0	\$0	\$0
MON TOTAL COST OF GOODS SOLD	\$152,166	(\$6)	\$23,570	\$211,141
8. GROSS PROFIT	(\$152,166)	\$6	(\$23,570)	(\$211,141)
<b>OPERATING EXPENSES</b>				
9. OFFICER / INSIDER COMPENSATION	\$0	\$109,167	\$19,583	\$0
10. SELLING & MARKETING	\$0	\$0	\$0	\$0
11. GENERAL & ADMINISTRATIVE	\$761,232	\$273,117	\$102,720	\$855,000
12. RENT & LEASE	\$0	\$0	\$0	\$0
13. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
14. TOTAL OPERATING EXPENSES	\$761,232	\$382,283	\$122,303	\$855,000
15. INCOME BEFORE NON-OPERATING INCOME & EXPENSE	(\$913,398)	(\$382,277)	(\$145,873)	(\$1,066,141)
<b>OTHER INCOME &amp; EXPENSES</b>				
16. NON-OPERATING INCOME (Interest Income)	\$0	\$0	\$0	(\$10,807)
17. NON-OPERATING EXPENSE (ATT. LIST)	\$0	(\$14,568)	\$0	(\$2,761,647)
18. INTEREST EXPENSE	\$0	\$0	\$0	\$0
19. DEPRECIATION / DEPLETION	\$0	\$0	\$0	\$0
20. AMORTIZATION	\$0	\$0	\$0	\$0
21. LOSS ON ASSET DISPOSAL	\$0	\$0	\$0	\$0
22. NET OTHER INCOME & EXPENSES	\$0	(\$14,568)	\$0	(\$2,772,454)
<b>REORGANIZATION EXPENSES</b>				
23. PROFESSIONAL FEES	\$0	\$0	\$0	\$0
24. U.S. TRUSTEE FEES	\$0	\$0	\$7,150	\$0
25. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
26. TOTAL REORGANIZATION EXPENSES	\$0	\$0	\$7,150	\$0
27. INCOME TAX	\$0	\$0	\$0	(\$270)
28. NET PROFIT (LOSS)	(\$913,398)	(\$367,709)	(\$153,023)	\$1,706,583

## Monthly Operating Report

CASE NAME: FiberTower Network Services

ACCRUAL BASIS-3

CASE NUMBER: 12-44027-DML-11

CASH RECEIPTS AND DISBURSEMENTS	MONTH	MONTH	MONTH	QUARTER
	January 2014	February 2014	March 2014	TOTAL
1. CASH - BEGINNING OF MONTH	\$3,254,216	\$2,714,300	\$2,337,933	
<b>RECEIPTS FROM OPERATIONS</b>				
2. CASH SALES	\$0	\$0	\$0	
<b>COLLECTION OF ACCOUNTS RECEIVABLE</b>				
3. PREPETITION	\$0	\$0	\$0	
4. POSTPETITION	\$0	\$0	\$0	
5. TOTAL OPERATING RECEIPTS	\$0	\$0	\$0	
<b>NON - OPERATING RECEIPTS</b>				
MON THIRD PARTY PAYMENT	\$9,595	\$0	\$0	
7. SALE OF ASSETS	\$8,499	\$0	\$10,181	
8. OTHER (Bank Interest)	\$0	\$0	\$39,181	
9. TOTAL NON-OPERATING RECEIPTS	\$18,094	\$0	\$49,362	
10. TOTAL RECEIPTS	\$18,094	\$0	\$49,362	\$0
11. TOTAL CASH AVAILABLE	\$3,272,311	\$2,714,300	\$2,387,295	\$0
<b>OPERATING DISBURSEMENTS</b>				
12. NET PAYROLL	\$0	\$0	\$0	
13. PAYROLL TAXES PAID	\$0	\$0	\$0	
14. SALES, USE & OTHER TAXES PAID	\$120,335	\$23,632	\$47,566	
15. SECURED / RENTAL / LEASES	\$0	\$0	\$0	
16. UTILITIES	\$0	\$0	\$0	
17. INSURANCE	\$0	\$4,323	\$0	
18. INVENTORY PURCHASES	\$2,277	\$0	\$846	
19. VEHICLE EXPENSES	\$0	\$0	\$0	
20. TRAVEL	\$0	\$0	\$0	
21. CONTRACTOR & CONSULTING FEES	\$295,457	\$127,856	\$52,540	
22. REPAIRS & MAINTENANCE	\$0	\$0	\$0	
23. SUPPLIES & PHONE	\$7,470	\$7,556	\$8,726	
24. BANK & PAYROLL FEES	\$1,531	\$0	\$0	
25. ADVANCES TO INTERCOMPANY	\$0	\$0	\$0	
26. TOTAL OPERATING DISBURSEMENTS	\$427,071	\$163,367	\$109,678	
<b>REORGANIZATION EXPENSES</b>				
27. PROFESSIONAL FEES	\$130,940	\$205,850	\$382,458	
28. U.S. TRUSTEE FEES	\$0	\$7,150	\$0	
29. CREDITOR DISTRIBUTION	\$0	\$0	\$0	
30. TOTAL REORGANIZATION EXPENSES	\$130,940	\$213,000	\$382,458	
31. TOTAL DISBURSEMENTS	\$558,011	\$376,367	\$492,136	\$0
32. NET CASH FLOW	(\$539,916)	(\$376,367)	(\$442,774)	\$0
33. CASH - END OF MONTH	\$2,714,300	\$2,337,933	\$1,895,159	\$0

**Monthly Operating Report**

**CASE NAME:** FiberTower Network Services

**ACCRUAL BASIS-4**

**CASE NUMBER:** 12-44027-DML-11

ACCOUNTS RECEIVABLE AGING	SCHEDULE AMOUNT	MONTH	MONTH	MONTH
		January 2014	February 2014	March 2014
1. 0-30		\$0	\$0	\$0
2. 31-60		\$1,100	\$1,100	\$0
3. 61-90		\$450	\$450	\$0
4. 91+		\$900	\$900	\$0
5. TOTAL ACCOUNTS RECEIVABLE	\$0	\$2,450	\$2,450	\$0
6. AMOUNT CONSIDERED UNCOLLECTIBLE		\$2,450	\$2,450	\$0
7. ACCOUNTS RECEIVABLE (NET)	\$0	\$0	\$0	\$0

**MONTHLY OPERATING REPORT  
AGING OF POSTPETITION TAXES AND PAYABLES**

**MONTH ENDING:** March 2014

TAXES PAYABLE	0-30 DAYS	31-60 DAYS	61-90 DAYS	91+ DAYS	TOTAL
1. FEDERAL	\$41,855				\$41,855
2. STATE	\$0				\$0
3. LOCAL - Property Tax	\$0				\$0
4. OTHER (ATTACH LIST)	\$0				\$0
5. TOTAL TAXES PAYABLE	\$41,855	\$0	\$0	\$0	\$41,855
6. ACCOUNTS PAYABLE	\$497,989	\$13,274	\$17,908	\$323,327	\$852,498

**STATUS OF POSTPETITION TAXES**

**MONTH ENDING:** March 2014

	BEGINNING TAX LIABILITY*	AMOUNT WITHHELD AND/OR ACCRUED	AMOUNT PAID	ENDING TAX LIABILITY
<b>FEDERAL</b>				
1. WITHHOLDING**	\$0	\$0	\$0	\$0
2. FICA-EMPLOYEE**	\$0	\$0	\$0	\$0
3. FICA-EMPLOYER**	\$0	\$0	\$0	8/4/2014
4. UNEMPLOYMENT	\$0	\$0	\$0	\$0
5. INCOME	\$0	\$0	\$0	\$0
6. OTHER (ATTACH LIST)	\$0	\$0	\$0	\$0
7. TOTAL FEDERAL TAXES	\$0	\$0	\$0	\$41,855
<b>STATE AND LOCAL</b>				
8. WITHHOLDING	\$0	\$0	\$0	\$0
9. SALES	\$0	\$0	\$0	\$0
10. EXCISE	\$0	\$0	\$0	\$0
11. UNEMPLOYMENT	\$0	\$0	\$0	\$0
John L. REAL PROPERTY	\$0	\$0	\$0	8/4/2014
13. PERSONAL PROPERTY	\$0	\$0	\$0	\$0
14. OTHER (State Income Taxes & Local Taxes)	\$0	\$0	\$0	\$0
15. TOTAL STATE & LOCAL	\$0	\$0	\$0	\$41,855
16. TOTAL TAXES	\$0	\$0	\$0	\$83,710

\* The beginning tax liability should represent the liability from the prior month or, if this is the first operating report, the amount should be zero.  
 \*\* Attach photocopies of IRS Form 6123 or your FTD coupon and payment receipt to verify payment or deposit.

**Monthly Operating Report**

**CASE NAME:** FiberTower Network Services  
**CASE NUMBER:** 12-44027-DML-11

**ACCRUAL BASIS-5**

The debtor in possession must complete the reconciliation below for each bank account, including all general, payroll and tax accounts, as well as all savings and investment accounts, money market accounts, certificates of deposit, government obligations, etc. Accounts with restricted funds should be identified by placing an asterisk next to the account number. Attach additional sheets if necessary.

1923758.42

MONTH ENDING: March 2014

BANK RECONCILIATIONS				
	Account #1	Account #2	Account #3	
MONTHLY OPERATING REPORT	SunTrust Bank	SunTrust Bank		TOTAL
B. ACCOUNT NUMBER:	xxxxxxx5141	xxx7624		
C. PURPOSE (TYPE):	Operational Checking	Saving		
1. BALANCE PER BANK STATEMENT	\$922,760	\$1,050,156		\$1,972,916
2. ADD: TOTAL DEPOSITS NOT CREDITED	\$0			\$0
3. SUBTRACT: OUTSTANDING CHECKS	\$77,739			\$77,739
4. OTHER RECONCILING ITEMS	\$0	\$18		\$18
5. MONTH END BALANCE PER BOOKS	\$845,020	\$1,050,138	\$0	\$1,895,159
6. NUMBER OF LAST CHECK WRITTEN	2441			

INVESTMENT ACCOUNTS				
BANK, ACCOUNT NAME & NUMBER	DATE OF PURCHASE	TYPE OF INSTRUMENT	PURCHASE PRICE	CURRENT VALUE
7. SunTrust Bank - Letter of Credit	2/3/2014	Certificate of Deposit	\$120,000	\$120,000
8.				
9.				
10.				
11. TOTAL INVESTMENTS			\$120,000	\$120,000

CASH	
12. CURRENCY ON HAND	\$0
13. TOTAL CASH - END OF MONTH	\$2,015,159

**Monthly Operating Report**

<b>CASE NAME:</b>	<b>FiberTower Network Services</b>
<b>CASE NUMBER:</b>	<b>12-44027-DML-11</b>

**ACCRUAL BASIS-6**

MONTH ENDING: March 2014

**PAYMENTS TO INSIDERS AND PROFESSIONALS**

OF THE TOTAL DISBURSEMENTS SHOWN FOR THE MONTH, LIST THE AMOUNT PAID TO INSIDERS (AS DEFINED IN SECTION 101 (31) (A)-(F) OF THE U.S. BANKRUPTCY CODE) AND TO PROFESSIONALS. ALSO, FOR PAYMENTS TO INSIDERS, IDENTIFY THE TYPE OF COMPENSATION PAID (e.g. SALARY, BONUS, COMMISSIONS, INSURANCE, HOUSING ALLOWANCE, TRAVEL, CAR ALLOWANCE, ETC.). ATTACH ADDITIONAL SHEETS IF NECESSARY.

INSIDERS			
MONTHLY OPERATING REPORT NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
1. Joseph Sandri	Salary	\$0	\$329,248
2. Ornella Napolitano	Salary	\$0	\$411,394
1. Black Raven Partners, LLC	Board or Director Fee	\$0	\$40,000
2. Mark Holliday	Board or Director Fee	\$0	\$40,000
3. Ontrec Advisors, Inc.	Board or Director Fee	\$0	\$40,000
3.			
4. TOTAL PAYMENTS TO INSIDERS		\$0	\$860,642

PROFESSIONALS					
NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID *
1. FTI Consulting, Inc and Subsidiaries	No Authorization in March 2014	-	\$0	\$471,984	\$471,984
2. Otterbourg, Seindler, Houston	March 2014	14,048	\$14,048	\$313,553	\$338,759
3. Latham & Watkins LLP	March 2014	70,581	\$70,581	\$874,939	\$924,792
4. Sroock, Sroock & Lavan	March 2014	252,295	\$252,295	\$473,884	\$473,884
5. Witkie Fari & Gallagher LLP	No Authorization in March 2014	-	\$0	\$49,244	\$49,244
6. Andrews Kurth LLP	No Authorization in March 2014	-	\$0	\$869,219	\$938,598
7. Cole, Schetz, Meisel, Forman	No Authorization in March 2014	-	\$0	\$10,606	\$10,606
8. Goldin Associates, LLC	March 2014	4,411	\$4,411	\$60,363	\$67,956
9. Hogan Lovells US LLP	No Authorization in March 2014	-	\$0	\$9,328	\$9,328
10. Reed Smith LLP	March 2014	-	\$25,250	\$48,715	\$48,715
11. Haynes and Boone	March 2014	1,500	\$1,500	\$66,080	\$66,080
TOTAL PAYMENTS TO PROFESSIONALS		\$342,835	\$368,085	\$3,247,914	\$3,399,946

\* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

**POSTPETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS**

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENTS DUE	AMOUNTS PAID DURING MONTH	TOTAL UNPAID POSTPETITION
1. N/A			
2.			
3. TOTAL	\$0	\$0	\$0

**Monthly Operating Report**

<b>CASE NAME:</b>	<b>FiberTower Network Services</b>
<b>CASE NUMBER:</b>	<b>12-44027-DML-11</b>

ACCRUAL BASIS-7

MONTH ENDING: March 2014

**QUESTIONNAIRE**

	YES	NO
1. HAVE ANY ASSETS BEEN SOLD OR TRANSFERRED OUTSIDE THE NORMAL COURSE OF BUSINESS THIS REPORTING PERIOD?		X
2. HAVE ANY FUNDS BEEN DISBURSED FROM ANY ACCOUNT OTHER THAN A DEBTOR IN POSSESSION ACCOUNT?		X
3. ARE ANY POSTPETITION RECEIVABLES (ACCOUNTS, NOTES, OR LOANS) DUE FROM RELATED PARTIES?		X
4. HAVE ANY PAYMENTS BEEN MADE ON PREPETITION LIABILITIES MON THIS REPORTING PERIOD?		X
5. HAVE ANY POSTPETITION LOANS BEEN RECEIVED BY THE DEBTOR FROM ANY PARTY?		X
6. ARE ANY POSTPETITION PAYROLL TAXES PAST DUE?		X
7. ARE ANY POSTPETITION STATE OR FEDERAL INCOME TAXES PAST DUE?		X
8. ARE ANY POSTPETITION REAL ESTATE TAXES PAST DUE?		X
9. ARE ANY OTHER POSTPETITION TAXES PAST DUE?		X
10. ARE ANY AMOUNTS OWED TO POSTPETITION CREDITORS DELINQUENT?		X
11. HAVE ANY PREPETITION TAXES BEEN PAID DURING THE REPORTING PERIOD?		X
12. ARE ANY WAGE PAYMENTS PAST DUE?		X

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "YES," PROVIDE A DETAILED EXPLANATION OF EACH ITEM. ATTACH ADDITIONAL SHEETS IF NECESSARY.

See explanation in attached email from Susan Young, Bankruptcy Analyst - Region 6

**INSURANCE**

	YES	NO
1. ARE WORKER'S COMPENSATION, GENERAL LIABILITY AND OTHER NECESSARY INSURANCE COVERAGES IN EFFECT?	X	
2. ARE ALL PREMIUM PAYMENTS PAID CURRENT?	X	
3. PLEASE ITEMIZE POLICIES BELOW.		

IF THE ANSWER TO ANY OF THE ABOVE QUESTIONS IS "NO," OR IF ANY POLICIES HAVE BEEN CANCELLED OR NOT RENEWED DURING THIS REPORTING PERIOD, PROVIDE AN EXPLANATION BELOW. ATTACH ADDITIONAL SHEETS IF NECESSARY.

John Lipscomb

**INSTALLMENT PAYMENTS**

TYPE OF POLICY	CARRIER	PERIOD COVERED	PAYMENT AMOUNT & FREQUENCY



## Other (Attach List)

## MOR-1

## Line 15 - Other Assets

	SCHEDULE	MONTH	MONTH	MONTH
	AMOUNT	1/31/2014	2/28/2014	3/31/2014
Inter Company Receivable	18,190	18,190	18,190	-
Deposits	442,177	154,562	179,562	-
FSP NRC Amortization - Long Term	2,325,901	-	-	-
<b>Line 15 - Other Assets Total</b>	<b>2,786,268</b>	<b>172,752</b>	<b>197,752</b>	<b>-</b>

## MOR-1

## Line 18 - Tax Payable

	SCHEDULE	MONTH	MONTH	MONTH
	AMOUNT	1/31/2014	2/28/2014	3/31/2014
Accrued Payroll - Taxes	-	-	-	-
Accrued Taxes	-	97,464	97,464	-
Accrued Property Taxes	-	-	-	-
<b>Line 18 - Tax Payable Total</b>	<b>-</b>	<b>97,464</b>	<b>97,464</b>	<b>-</b>

## MOR-1

## Line 22 - Other Liabilities

	SCHEDULE	MONTH	OPERATING	MONTH
	AMOUNT	1/31/2014	2/28/2014	3/31/2014
Accrued Payroll	-	-	-	-
Accrued Payroll - Garnishments	-	-	-	-
Accrued Vacation	-	-	-	-
Accrued Bonus	-	1	1	-
Asset Retirement Obligations	-	-	-	-
<b>Line 22 - Other Liabilities Total</b>	<b>-</b>	<b>1</b>	<b>1</b>	<b>-</b>

## MOR-1

## Line 27 - Other Liabilities

	SCHEDULE	MONTH	MONTH	MONTH
	AMOUNT	1/31/2014	2/28/2014	3/31/2014
Accrued Payroll - Taxes	7,002	-	-	-
Accrued Payroll - Garnishments	2,216	-	-	-
Accrued Vacation	285,593	-	-	-
Accrued Bonus/Commissions	-	-	-	-
Inter Company Rec - FT Corporation	330,629,321	330,748,623	330,725,920	-
Inter Company Due From, TO TSAI	1,845,458	1,845,458	1,845,458	-
Accrued Taxes	109,584	109,584	109,584	-
Accrued Expenses & ETL Credit	700,869	-	-	-
Accrued Property Taxes	272,738	-	-	-
Restructuring Liability - ST	86,611	-	-	-
Obligations Under Capital Leases - ST	1,143,286	-	-	-
Deferred Rent	7,651,422	-	-	-
Asset Retirement Obligations	6,123,711	-	-	-
FIN 48 Reserve	432,484	432,484	432,484	-
Accrued Restructuring Liability - LT	221,102	-	-	-
Deferred Revenue LT	715,642	-	-	-
Obligations Under Capital Leases - LT	2,390,149	-	-	-
Accrued Other	-	-	-	114,662
<b>Line 27 - Other Liabilities Total</b>	<b>352,617,188</b>	<b>333,136,149</b>	<b>333,113,445</b>	<b>114,662</b>

## MOR-2

## Line 9 - Officer Compensation

	MONTH	MONTH	MONTH
	1/31/2014	2/28/2014	3/31/2014
Joseph Sandri - SVP	39,167	25,734	-
Ornella Napolitano	70,000	-	-
<b>Line 9 - Officer Compensation Total</b>	<b>109,167</b>	<b>25,734</b>	<b>-</b>

Fresh Start Accounting Adjustments (following emergence from Chapter 11 on 3/31/14)

<u>Revaluation of assets to estimated fair value:</u>	<u>Reference</u>	<u>Debit Amount</u>	<u>Credit Amount</u>	<u>Net adjustment</u>
Write-off intercompany balances (fresh start accounting)	751511	\$310,467,241.39		\$310,467,241.39
Write-off deposits (fresh start accounting)	751511		(\$310,358.05)	(\$310,358.05)
Miscellaneous fresh accounting adjustments	-	\$8,470.95		\$8,470.95
<b><u>Revaluation liabilities to estimated fair value:</u></b>				
Write-off of pre-petition payables (fresh start accounting) - HUB rent	751948	\$68,202.38		\$68,202.38
Write-off of pre-petition payables (fresh start accounting) - FEP rent	751950/751947	\$1,800,595.09		\$1,800,595.09
Write-off of pre-petition payables (fresh start accounting) - site rent	751949	\$1,133,242.85		\$1,133,242.85
Write-off of pre-petition payables (fresh start accounting) - site maintenance	751951	\$97,183.01		\$97,183.01
Write-off of pre-petition payables (fresh start accounting) - site operating costs	751952	\$89,042.65		\$89,042.65
Write-off of pre-petition payables (fresh start accounting) - office rent	751953/751946	\$110,633.96		\$110,633.96
Write-off of pre-petition payables (fresh start accounting) - professional fees	751946	\$459,200.00		\$459,200.00
Write-off of pre-petition payables (fresh start accounting) - miscellaneous	751946	\$123,633.79		\$123,633.79
Write-off of pre-petition payables (fresh start accounting) - inventory	751511	\$312,238.73		\$312,238.73
Write-off of nice accruals (fresh start accounting)	751510	\$867,594.21		\$867,594.21
Adjust property taxes fresh start accounting)	751937		(\$270,601.37)	(\$270,601.37)
Write-off of creditor distributions (fresh start accounting)	751510		(\$14,000,000.00)	(\$14,000,000.00)
<b><u>Revaluation equity to estimated fair value:</u></b>				
Write-off common stock & additional paid in capital (fresh start)	751938	\$223,613,154.65		\$223,613,154.65
Write-off retained earnings (fresh start)	751938		(\$521,807,827.70)	(\$521,807,827.70)
		<u>\$539,150,433.66</u>	<u>(\$536,388,787.12)</u>	<u>\$2,761,646.54</u>

Non-operating expense