

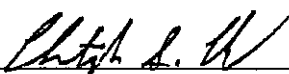
UNITED STATES BANKRUPTCY COURT  
FOR THE DISTRICT OF NORTHERN OKLAHOMA

IN RE: RC MAGNOLIA OWNER, LLC	}	CASE NUMBER: 10-12198-R
	}	
	}	
	}	
DEBTOR(S)	}	CHAPTER 11

DEBTOR'S STANDARD MONTHLY OPERATING REPORT (BUSINESS)

FOR THE PERIOD  
FROM May 1, 2010 TO May 31, 2010

Comes now the above-named debtor and files its Monthly Operating Reports in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

  
\_\_\_\_\_  
Attorney for Debtor's Signature

Debtor's Address  
and Phone Number:

RC MAGNOLIA OWNER, LLC

445 Park Avenue

9<sup>th</sup> Floor

New York, NY 10022

(212) 858-5894

Attorney's Address  
and Phone Number:

Christopher S. Chow

BALLARD SPAHR, LLP

919 N. Market Street, 12<sup>th</sup> Floor

Wilmington, DE 19801

(302) 252-4431

Note: The original Monthly Operating Report is to be filed with the court and a copy simultaneously provided to the United States Trustee Office. Monthly Operating Reports must be filed by the 15<sup>th</sup> day of the following month.

For assistance in preparing the Monthly Operating Report, refer to the following resources on the United States Trustee Program Website, <http://www.justice.gov/ust/r20/index.htm>.

- 1) Instructions for Preparations of Debtor's Chapter 11 Monthly Operating Report
- 2) Initial Filing Requirements
- 3) Frequently Asked Questions (FAQs)

CASE NAME:	RC MAGNOLIA MANOR OWNER, LLC
CASE NUMBER:	10-12198-R
JUDGE:	DANA RASURE

UNITED STATES BANKRUPTCY COURT  
NORTHERN DISTRICT OF OKLAHOMA

MONTHLY OPERATING REPORT  
MONTH ENDING MAY 31, 2010

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 AND THE ACCOMPANYING ATTACHMENTS AND, TO THE BEST OF MY KNOWLEDGE THESE DOCUMENTS ARE TRUE, CORRECT AND COMPLETE. THE 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

\_\_\_\_\_  
Manager

PRINTED NAME: Daniel Gordon  
ADDRESS: 445 Park Avenue, 9<sup>th</sup> Floor  
New York, NY 10022  
TELEPHONE: (212) 858-5894

\_\_\_\_\_  
7/19/2010



**MONTHLY SCHEDULE OF RECEIPTS AND DISBURSEMENTS (cont'd)**

**Detail of Other Receipts and Other Disbursements**

**OTHER RECEIPTS:**

Describe Each Item of Other Receipt and List Amount of Receipt. Write totals on Page MOR-2, Line 2C.

<u>Description</u>	<u>Current Month</u>
NONE	
<b>TOTAL OTHER RECEIPTS</b>	

“Other Receipts” includes Loans from Insiders and other sources (i.e. Officer/Owner, related parties directors, related corporations, etc.). Please describe below:

<u>Loan Amount</u>	<u>Source of Funds</u>	<u>Purpose</u>	<u>Repayment Schedule</u>

**OTHER DISBURSEMENTS:**

Describe Each Item of Other Disbursement and List Amount of Disbursement. Write totals on Page MOR-2, Line 5W.

<u>Description</u>	<u>Current Month</u>
NONE	
<b>TOTAL OTHER DISBURSEMENTS</b>	

**NOTE: Attach a current Balance Sheet and Income (Profit & Loss) Statement.**

**ATTACHMENT 1**

**MONTHLY ACCOUNTS RECEIVABLE RECONCILIATION AND AGING**

Name of Debtor: RC MAGNOLIA OWNER, LLC Case Number: 10-12198-R

Reporting Period beginning May 1, 2010 Period ending May 31, 2010

ACCOUNTS RECEIVABLE AT PETITION DATE:

**ACCOUNTS RECEIVABLE RECONCILIATION**

(Include all accounts receivable, pre-petition and post-petition, including charge card sales which have not been received):

Beginning of Month Balance	\$ NONE	(a)
PLUS: Current Month New Billings		
MINUS: Collection During the Month	\$ NONE	(b)
PLUS/MINUS: Adjustments or Writeoffs	\$ _____	*
End of Month Balance	\$ NONE	(c)

\*For any adjustments or Write-offs provide explanation and supporting documentation, if applicable:

**POST PETITION ACCOUNTS RECEIVABLE AGING**

(Show the total for each aging category for all accounts receivable)

0-30 Days	31-60 Days	61-90 Days	Over 90Days	Total
\$ N/A	\$ N/A	\$ N/A	\$ N/A	\$ N/A (c)

For any receivables in the "Over 90 Days" category, please provide the following:

<u>Customer</u>	<u>Receivable Date</u>	<u>Status</u> (Collection efforts taken, estimate of collectibility, write-off, disputed account, etc.)
<u>N/A</u>	_____	
_____	_____	
_____	_____	
_____	_____	

(a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.

(b) This must equal the number reported in the "Current Month" column of Schedule of Receipts and Disbursements (Page MOR-2, Line 2B).

(c) These two amounts must equal.



**SECURED PAYMENTS REPORT**

List the status of Payments to Secured Creditors and Lessors (Post Petition Only). If you have entered into a modification agreement with a secured creditor/lessor, consult with your attorney and the United States Trustee Program prior to completing this section).

Secured Creditor/ Lessor	Date Payment Due This Month	Amount Paid This Month	Number of Post Petition Payments Delinquent	Total Amount of Post Petition Payments Delinquent
NONE				
<b>TOTAL</b>			(d)	

- (a) This number is carried forward from last month's report. For the first report only, this number will be zero.
- (b, c) The total of line (b) must equal line (c).
- (d) This number is reported in the "Current Month" column of Schedule of Receipts and Disbursements (Page MOR-2, Line 5N).

**ATTACHMENT 3**

**INVENTORY AND FIXED ASSETS REPORT**

Name of Debtor: RC MAGNOLIA OWNER, LLC

Case Number: 10-12198-R

Reporting Period beginning May 1, 2010

Period ending May 31, 2010

**INVENTORY REPORT**

INVENTORY BALANCE AT PETITION DATE: \$ \_\_\_\_\_

INVENTORY RECONCILIATION:

Inventory Balance at Beginning of Month	\$	<u>NONE</u>	(a)
PLUS: Inventory Purchased During Month	\$	_____	
MINUS: Inventory Used or Sold	\$	_____	
PLUS/MINUS: Adjustments or Write-downs	\$	_____	*
Inventory on Hand at End of Month	\$	_____	

**METHOD OF COSTING INVENTORY:**

\*For any adjustments or write-downs provide explanation and supporting documentation, if applicable.

**INVENTORY AGING**

Less than 6 months old	6 months to 2 years old	Greater than 2 years old	Considered Obsolete	Total Inventory
_____ %	_____ %	_____ %	_____ %	= _____ 100%*

\* Aging Percentages must equal 100%.

Check here if inventory contains perishable items.

**Description of Obsolete Inventory:**

**FIXED ASSET REPORT**

FIXED ASSETS FAIR MARKET VALUE AT PETITION DATE: NONE (b)  
(Includes Property, Plant and Equipment)

**BRIEF DESCRIPTION (First Report Only):**

FIXED ASSETS RECONCILIATION:

Fixed Asset Book Value at Beginning of Month	\$	<u>NONE</u>	(a)(b)
MINUS: Depreciation Expense	\$	_____	
PLUS: New Purchases	\$	_____	
PLUS/MINUS: Adjustments or Write-downs	\$	_____	*
Ending Monthly Balance	\$	_____	

\*For any adjustments or write-downs, provide explanation and supporting documentation, if applicable.

**BRIEF DESCRIPTION OF FIXED ASSETS PURCHASED OR DISPOSED OF DURING THE REPORTING PERIOD:**

(a) This number is carried forward from last month's report. For the first report only, this number will be the balance as of the petition date.

(b) Fair Market Value is the amount at which fixed assets could be sold under current economic conditions. Book Value is the cost of the fixed assets minus accumulated depreciation and other adjustments.



**ATTACHMENT 4A**

**MONTHLY SUMMARY OF BANK ACTIVITY - OPERATING ACCOUNT**

Name of Debtor: RC MAGNOLIA OWNER, LLC

Case Number: 10-12198-R

Reporting Period beginning May 1, 2010

Period ending May 31, 2010

Attach a copy of current month bank statement and bank reconciliation to this Summary of Bank Activity. A standard bank reconciliation form can be found at <http://www.justice.gov/ust/r20/index.htm>. If bank accounts other than the three required by the United States Trustee Program are necessary, permission must be obtained from the United States Trustee prior to opening the accounts. Additionally, use of less than the three required bank accounts must be approved by the United States Trustee.

NAME OF BANK: N/A BRANCH:

ACCOUNT NAME: \_\_\_\_\_ ACCOUNT NUMBER:

PURPOSE OF ACCOUNT: N/A

Ending Balance per Bank Statement	\$	<u>N/A</u>	
Plus Total Amount of Outstanding Deposits	\$	_____	
Minus Total Amount of Outstanding Checks and other debits	\$	_____	*
Minus Service Charges	\$	_____	
Ending Balance per Check Register	\$	<u>N/A</u>	** <sup>(a)</sup>

\*Debit cards are used by

\*\*If Closing Balance is negative, provide explanation:

The following disbursements were paid in Cash (do not include items reported as Petty Cash on Attachment 4D:  Check here if cash disbursements were authorized by United States Trustee)

Date	Amount	Payee	Purpose	Reason for Cash Disbursement
------	--------	-------	---------	------------------------------

**TRANSFERS BETWEEN DEBTOR IN POSSESSION ACCOUNTS**

"Total Amount of Outstanding Checks and other debits", listed above, includes:

\$ \_\_\_\_\_ Transferred to Payroll Account  
 \$ \_\_\_\_\_ Transferred to Tax Account

(a) The total of this line on Attachment 4A, 4B and 4C plus the total of 4D must equal the amount reported as "Ending Balance" on Schedule of Receipts and Disbursements (Page MOR-2, Line 7).



**ATTACHMENT 4B**

**MONTHLY SUMMARY OF BANK ACTIVITY - PAYROLL ACCOUNT**

Name of Debtor: RC MAGNOLIA OWNER, LLC Case Number: 10-12198-R

Reporting Period beginning May 1, 2010 Period ending May 31, 2010

Attach a copy of current month bank statement and bank reconciliation to this Summary of Bank Activity. A standard bank reconciliation form can be found at <http://www.justice.gov/ust/r20/index.htm>.

NAME OF BANK: N/A BRANCH:

ACCOUNT NAME: \_\_\_\_\_ ACCOUNT NUMBER:

PURPOSE OF ACCOUNT: PAYROLL

Ending Balance per Bank Statement	_____ \$
Plus Total Amount of Outstanding Deposits	_____ \$
Minus Total Amount of Outstanding Checks and other debits	_____ \$ *
Minus Service Charges	_____ \$
Ending Balance per Check Register	_____ \$ ** (a)

**\*Debit cards must not be issued on this account.**

**\*\*If Closing Balance is negative, provide explanation:**

The following disbursements were paid by Cash: ( Check here if cash disbursements were authorized by United States Trustee)

Date	Amount	Payee	Purpose	Reason for Cash Disbursement
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

The following non-payroll disbursements were made from this account:

Date	Amount	Payee	Purpose	Reason for disbursement from this account
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(a) The total of this line on Attachment 4A, 4B and 4C plus the total of 4D must equal the amount reported as "Ending Balance" on Schedule of Receipts and Disbursements (Page MOR-2, Line 7).



**ATTACHMENT 4C**

**MONTHLY SUMMARY OF BANK ACTIVITY - TAX ACCOUNT**

Name of Debtor: RC MAGNOLIA OWNER, LLC Case Number: 10-12198-R

Reporting Period beginning May 1, 2010 Period ending May 31, 2010

Attach a copy of current month bank statement and bank reconciliation to this Summary of Bank Activity. A standard bank reconciliation form can be found on the United States Trustee website, <http://www.justice.gov/ust/r20/index.htm>.

NAME OF BANK: N/A BRANCH: \_\_\_\_\_  
 ACCOUNT NAME: \_\_\_\_\_ ACCOUNT NUMBER: \_\_\_\_\_  
 PURPOSE OF ACCOUNT: TAX

Ending Balance per Bank Statement	\$	_____
Plus Total Amount of Outstanding Deposits	\$	_____
Minus Total Amount of Outstanding Checks and other debits	\$	_____*
Minus Service Charges	\$	_____
Ending Balance per Check Register	\$	_____**(a)

\*Debit cards must not be issued on this account.

\*\*If Closing Balance is negative, provide explanation:

The following disbursements were paid by Cash: ( Check here if cash disbursements were authorized by United States Trustee)

Date	Amount	Payee	Purpose	Reason for Cash Disbursement
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

The following non-tax disbursements were made from this account:

Date	Amount	Payee	Purpose	Reason for disbursement from this account
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(a)The total of this line on Attachment 4A, 4B and 4C plus the total of 4D must equal the amount reported as "Ending Balance" on Schedule of Receipts and Disbursements (Page MOR-2, Line 7).

**ATTACHMENT 5C**

**CHECK REGISTER - TAX ACCOUNT**

Name of Debtor: RC MAGNOLIA OWNER, LLC Case Number: 10-12198-R

Reporting Period beginning May 1, 2010 Period ending May 31, 2010

NAME OF BANK: N/A BRANCH:

ACCOUNT NAME: \_\_\_\_\_ ACCOUNT #

PURPOSE OF ACCOUNT: TAX

Account for all disbursements, including voids, lost checks, stop payments, etc. In the alternative, a computer-generated check register can be attached to this report, provided all the information requested below is included.

<u>DATE</u>	<u>CHECK NUMBER</u>	<u>PAYEE</u>	<u>PURPOSE</u>	<u>AMOUNT</u>
_____	_____	_____	_____	_____
_____	_____	N/A	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

TOTAL \_\_\_\_\_(d)

**SUMMARY OF TAXES PAID**

Payroll Taxes Paid	_____ (a)
Sales & Use Taxes Paid	_____ (b)
Other Taxes Paid	_____ (c)
TOTAL	_____ (d)

(a) This number is reported in the "Current Month" column of Schedule of Receipts and Disbursements (Page MOR-2, Line 5O).  
 (b) This number is reported in the "Current Month" column of Schedule or Receipts and Disbursements (Page MOR-2, Line 5P).  
 (c) This number is reported in the "Current Month" column of Schedule of Receipts and Disbursements (Page MOR-2, Line 5Q).  
 (d) These two lines must be equal.

**ATTACHMENT 4D**

**INVESTMENT ACCOUNTS AND PETTY CASH REPORT**

**INVESTMENT ACCOUNTS**

Each savings and investment account, i.e. certificates of deposits, money market accounts, stocks and bonds, etc., should be listed separately. Attach copies of account statements.

Type of Negotiable

Instrument	Face Value	Purchase Price	Date of Purchase	Current Market Value
N/A				

TOTAL \_\_\_\_\_ (a)

**PETTY CASH REPORT**

The following Petty Cash Drawers/Accounts are maintained:

Location of Box/Account	(Column 2) Maximum Amount of Cash in Drawer/Acct.	(Column 3) Amount of Petty Cash On Hand At End of Month	(Column 4) Difference between (Column 2) and (Column 3)
N/A			

TOTAL \$ N/A (b)

**For any Petty Cash Disbursements over \$100 per transaction, attach copies of receipts. If there are no receipts, provide an explanation**

**TOTAL INVESTMENT ACCOUNTS AND PETTY CASH(a + b) \$ N/A (c)**

(c)The total of this line on Attachment 4A, 4B and 4C plus the total of 4D must equal the amount reported as "Ending Balance" on Schedule of Receipts and Disbursements (Page MOR-2, Line 7).

**ATTACHMENT 6**

**MONTHLY TAX REPORT**

Name of Debtor: RC MAGNOLIA OWNER, LLC Case Number: 10-12198-R

Reporting Period beginning May 1, 2010 Period ending May 31, 2010

**TAXES OWED AND DUE**

Report all unpaid post-petition taxes including Federal and State withholding FICA, State sales tax, property tax, unemployment tax, State workmen's compensation, etc.

<b>Name of Taxing Authority</b>	<b>Date Payment Due</b>	<b>Description</b>	<b>Amount</b>	<b>Date Last Tax Return Filed</b>	<b>Tax Return Period</b>
N/A					
<b>TOTAL</b>			<b>\$</b>		



**ATTACHMENT 7**

**SUMMARY OF OFFICER OR OWNER COMPENSATION**

**SUMMARY OF PERSONNEL AND INSURANCE COVERAGES**

Name of Debtor: RC MAGNOLIA OWNER, LLC

Case Number: 10-12198-R

Reporting Period beginning May 1, 2010

Period ending May 31, 2010

Report all forms of compensation received by or paid on behalf of the Officer or Owner during the month. Include car allowances, payments to retirement plans, loan repayments, payments of Officer/Owner's personal expenses, insurance premium payments, etc. Do not include reimbursement for business expenses Officer or Owner incurred and for which detailed receipts are maintained in the accounting records.

<u>Name of Officer or Owner</u>	<u>Title</u>	<u>Payment Description</u>	<u>Amount Paid</u>
<u>NONE</u>			

**PERSONNEL REPORT**

	<u>Full Time</u>	<u>Part Time</u>
Number of employees at beginning of period	<u>0</u>	
Number hired during the period	<u>0</u>	
Number terminated or resigned during period	<u>0</u>	
Number of employees on payroll at end of period	<u>0</u>	

**CONFIRMATION OF INSURANCE**

List all policies of insurance in effect, including but not limited to workers' compensation, liability, fire, theft, comprehensive, vehicle, health and life. For the first report, attach a copy of the declaration sheet for each type of insurance. For subsequent reports, attach a certificate of insurance for any policy in which a change occurs during the month (new carrier, increased policy limits, renewal, etc.).

<u>Agent and/or Carrier</u>	<u>Phone Number</u>	<u>Policy Number</u>	<u>Coverage Type</u>	<u>Expiration Date</u>	<u>Date Premium Due</u>
<u>NONE</u>					

The following lapse in insurance coverage occurred this month:

<u>Policy Type</u>	<u>Date Lapsed</u>	<u>Date Reinstated</u>	<u>Reason for Lapse</u>

Check here if U. S. Trustee has been listed as Certificate Holder for all insurance policies.

**ATTACHMENT 8**

**SIGNIFICANT DEVELOPMENTS DURING REPORTING PERIOD**

Information to be provided on this page, includes, but is not limited to: (1) financial transactions that are not reported on this report, such as the sale of real estate (*attach closing statement*); (2) non-financial transactions, such as the substitution of assets or collateral; (3) modifications to loan agreements; (4) change in senior management, etc. Attach any relevant documents.

NONE

We anticipate filing a Plan of Reorganization and Disclosure Statement on or before \_\_\_\_\_.