

UNITED STATES BANKRUPTCY COURT
MIDDLE DISTRICT OF FLORIDA
JACKSONVILLE DIVISION

In re: REO SPECIALISTS, LLC, Debtor	Chapter 11 Case No.: 3:09-bk-10022-JAF
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DEBTOR'S MONTHLY OPERATING REPORTS FOR
THE PERIOD FROM JANUARY 1, 2010 THROUGH JANUARY 31, 2010

The Debtor files its Monthly Operating Report in accordance with the Guidelines established by the United States Trustee and FRBP 2015.

/s/ Edward J. Peterson

Edward J. Peterson

Florida Bar No. 0014612

Russell M. Blain

Florida Bar No. 236314

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REO Specialists, LLC
(Debtor In Possession)
Debtor's Monthly Operating Reports (Business)
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REO SPECIALISTS, LLC
 RECEIPTS AND DISBURSEMENTS - UNAUDITED
 AS OF JANUARY 31, 2010

SCHEDULE OF RECEIPTS AND DISBURSEMENTS

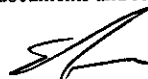
FOR THE PERIOD BEGINNING JANUARY 1, 2010 AND ENDING JANUARY 31, 2010

Name of Debtor: REO Specialists, LLC
 Date of Petition: 11/25/2009

Case No.: 3:09-bk-10022-JAF

	CURRENT MONTH	CUMULATIVE PETITION TO DATE
1. FUNDS AT BEGINNING OF PERIOD	\$ 566,945.68 (a)	\$ 566,945.68
2. RECEIPTS:		
A. Cash Sales		
Minus: Cash Refunds		
Net Cash Sales		
B. Accounts Receivable		
C. Other Receipts (see MOR-3)		
(If you receive rental income, you must attach a rent roll)		
3. TOTAL RECEIPTS (lines 2A+2B+2C)	\$ -	\$ -
4. TOTAL FUNDS AVAILABLE FOR OPERATIONS (line 1+line 3)	\$ 566,945.68	\$ 566,945.68
5. DISBURSEMENTS		
A. Advertising		
B. Bank Charges		
C. Contract Labor		
D. Fixed Asset Payments (not included in "N")		
E. Insurance		
F. Inventory Payments (see attachment 2)		
G. Leases		
H. Manufacturing Supplies		
I. Office Supplies		
J. Payroll - Net (see attachment 4B)		
K. Professional Fees (accounting & legal)		
L. Rent		
M. Repairs & Maintenance		
N. Secured Creditor Payments (see attachment 2)		
O. Taxes Paid - Payroll (see attachment 4C)		
P. Taxes Paid - Sales & Use		
Q. Taxes Paid - Other (see attachment 4C)		
R. Telephone		
S. Travel & Entertainment		
T. U.S. Trustee Quarterly Fees		
U. Utilities		
V. Vehicle Expenses		
W. Other Operating Expenses (see MOR-3)		
6. TOTAL DISBURSEMENTS (sum of 5A-W)	-	-
7. ENDING BALANCE (line 4 minus line 6)	\$ 566,945.68 (c)	\$ 566,945.68

I declare under penalty of perjury that this statement and the accompanying documents and reports are true and correct to the best of my knowledge and belief dated this 20 day of February, 2010.



 Signature

(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 figure will not change from month to month. It is always the amount of funds on hand as of the date of the petition.
 (c) These two amounts will always be the same if form is completed correctly.

REO SPECIALISTS, LLC
SCHEDULE OF ASSETS & LIABILITIES - UNAUDITED (In \$000s)
AS OF JANUARY 31, 2010

CASE #: 3:09-bk-10022-JAF
(DEBTOR IN POSSESSION)

Description	REO Specialists, LLC	
Assets		
Cash and cash equivalents	\$	567
Accounts receivable, net		-
Property and equipment, net		-
Prepaid expenses and security deposits		-
Total Assets	<u>\$</u>	<u>567</u>
Liabilities		
Accounts payable and accrued liabilities Subject to Compromise	\$	2,602
Income taxes payable		-
Total Liabilities		<u>2,602</u>
Stockholders Equity		<u>(2,035)</u>
Total Liabilities and Stockholder's Equity	<u>\$</u>	<u>567</u>

Notes

ATTACHMENT 1

NOT APPLICABLE

MONTHLY ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

Name of Debtor: REO Specialists, LLC
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Case No.: 3:09-bk-10022-JAF

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:

	(In \$000's)	
Beginning of Month Balance	-	(a)
PLUS: Current Month New Billings	-	
MINUS: Collection During the Month	-	(b)
PLUS/MINUS: Adjustments or Write-offs	-	*
End of Month Balance	-	(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 90 days	Total
-	-	-	-	- (c)

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

Customer	Receivable Date	Status (Collection efforts taken, estimate of collectability, disputed accounts, write-off, etc.)
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

(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.

ATTACHMENT 3**NOT APPLICABLE****INVENTORY AND FIXED ASSETS REPORT**

Name of Debtor: REO Specialists, LLC
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Case No.: 3:09-bk-10022-JAF

INVENTORY REPORT

INVENTORY BALANCE AT PETITION DATE:	<u>(in \$000)'s</u>
INVENTORY RECONCILIATION:	
Inventory Balance at Beginning of Month	(a)
PLUS: Inventory Purchased During Month	-
MINUS: Inventory Used or Sold	
PLUS/MINUS: Adjustments or Write-downs	*
Inventory on Hand at End of Month	<u>-</u>

METHOD OF COSTING INVENTORY: LOCOM

*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
<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0%</u>

*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: NBV - (b)
 (includes Property, Plant and Equipment)

BRIEF DESCRIPTION (First Report Only):

FIXED ASSETS RECONCILIATION:	
Fixed Asset Book Value at Beginning of Month	<u>\$ -</u> (a)(b)
MINUS: Disposals	
PLUS: New Purchased	-
PLUS/MINUS: Adjustments or Write-downs	- *
Ending Monthly Balance	<u>\$ -</u>

*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 & 4A-1

MONTHLY SUMMARY OF BANK ACTIVITY - OPERATING ACCOUNT

Name of Debtor: REO Specialists, LLC Case No.: 3:09-bk-10022-JAF
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

NAME OF BANK: Regions Bank BRANCH: Ocala
 ACCOUNT NAME: REO Specialists, LLC ACCOUNT NO.: ***187
 PURPOSE OF ACCOUNT: OPERATING

Ending Bank Balance per Bank Statement	<u>\$ 566,945.68</u>
Plus Total Amount of Outstanding Deposits	<u>0</u>
Minus Total Amount of Outstanding Checks and Other Debits	<u>0</u>
Minus Service Charges	<u>0</u>
Ending Balance per Check Register	<u>\$ 566,945.68 (a)</u>

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)

Regions Bank
 Orlando Main Office
 111 North Orange Ave
 Orlando, FL 32801

 00111192 01 AT 0.357 001
 REO SPECIALISTS LLC
 DEBTOR IN POSSESSION
 315 NE 14TH ST
 Ocala FL 34470-4112

 ACCOUNT # XXXXXXXXXX 187

	092
Cycle	26
Enclosures	0
Page	1 of 1

COMMERCIAL ANALYZED CHECKING
 December 30, 2009 through January 29, 2010

SUMMARY			
Beginning Balance	\$0.00	Minimum Balance	\$0
Deposits & Credits	\$566,945.68 +		
Withdrawals	\$0.00 -		
Fees	\$0.00 -		
Automatic Transfers	\$0.00 +		
Checks	\$0.00 -		
Ending Balance	\$566,945.68		

DEPOSITS & CREDITS		
01/06	Deposit - Thank You	566,945.68

DAILY BALANCE SUMMARY					
<u>Date</u>	<u>Balance</u>	<u>Date</u>	<u>Balance</u>	<u>Date</u>	<u>Balance</u>
01/06	566,945.68				

You may request account disclosures containing terms, fees, and rate information (if applicable) for your account by contacting any Regions office.

For all your banking needs, please call 1-800-REGIONS (734-4667), or visit us on the Internet at www.regions.com.
 Thank You For Banking With Regions!

ATTACHMENT 4B
NOT APPLICABLE
MONTHLY SUMMARY OF BANK ACTIVITY - PAYROLL ACCOUNT

Name of Debtor: REO Specialists, LLC
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Case No.: 3:09-bk-10022-JAF

NAME OF BANK:

BRANCH:

ACCOUNT NAME:

ACCOUNT NO.:

PURPOSE OF ACCOUNT: PAYROLL

Ending Bank 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 are used by:

**If Closing Balance is negative, provide explanation:

NOT APPLICABLE - Payments made through a leasing company

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 Cash Disbursement
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(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
NOT APPLICABLE
MONTHLY SUMMARY OF BANK ACTIVITY - TAX ACCOUNT

Name of Debtor: REO Specialists, LLC
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Case No.: 3:09-bk-10022-JAF

NAME OF BANK:

BRANCH:

ACCOUNT NAME:

ACCOUNT NO.:

PURPOSE OF ACCOUNT: TAX

Ending Bank 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 Cash Disbursement
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

(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 4D

NOT APPLICABLE

INVESTMENT ACCOUNTS AND PETTY CASH REPORT

Name of Debtor: REO Specialists, LLC

Case No.: 3:09-bk-10022-JAF

Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

INVESTMENTS 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	(In \$000's)	(In \$000's)	Date of Purchase	(In \$000's)
	Face Value	Purchase Price		Current Market Value
	_____	_____	_____	_____
TOTAL	<u>0</u>	<u>0</u>		<u>0 (a)</u>

PETTY CASH REPORT

The following Petty Cash Drawers/Accounts are maintained:

Location of Box/ Account	(Column 2) Maximum Amount of Cash in Drawer/ Account	(Column 3) Amount of Petty Cash on Hand at End of Month	(Column 4) Difference Between (Column 2) and (Column 3) \$ -
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
TOTAL			<u>_____ (b)</u>

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)	<u>(In \$000s)</u> 0 (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 5A

NOT APPLICABLE

CHECK REGISTER - OPERATING ACCOUNT

Name of Debtor: REO Specialists, LLC

Case No.: 3:09-bk-10022-JAF

Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Name of Bank:

Branch:

Account Name:

Account No.:

Purpose of Account: OPERATING

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.

Date	Check Number	Payee	Purpose	Amount
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL				\$ _____

ATTACHMENT 5B
NOT APPLICABLE
CHECK REGISTER - PAYROLL ACCOUNT

Name of Debtor: REO Specialists, LLC Case No.: 3:09-bk-10022-JAF
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Name of Bank: **N/A** Branch:
 Account Name: Account No.:
 Purpose of Account: **PAYROLL**

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.

Date	Check Number	Payee	Purpose	Amount
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL				\$ =====

ATTACHMENT 5C

NOT APPLICABLE

CHECK REGISTER - TAX ACCOUNT

Name of Debtor: REO Specialists, LLC
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

Case No.: 3:09-bk-10022-JAF

Name of Bank: **N/A**

Branch:

Account Name:

Account No.:

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.

Date	Check Number	Payee	Purpose	Amount
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
TOTAL				\$ _____ (d)

SUMMARY OF TAXES PAID

Payroll Taxed Paid	_____ (a)
Sales & Use Taxes Paid	_____ (b)
Other Taxes Paid	_____ (c)
TOTAL	0 (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 6
NOT APPLICABLE
MONTHLY TAX REPORT

Name of Debtor: REO Specialists, LLC

Case No.: 3:09-bk-10022-JAF

Reporting Period Beginning January 1, 2010 and Ending January 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.

Name of Taxing Authority	Date Payment Due	Description	Amount	Date Last Tax Return Filed	Tax Return Period
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
TOTAL					\$ _____

ATTACHMENT 7

SUMMARY OF OFFICER OR OWNER COMPENSATION

Name of Debtor: REO Specialists, LLC Case No.: 3:09-bk-10022-JAF
 Reporting Period Beginning January 1, 2010 and Ending January 31, 2010

SUMMARY OF PERSONNEL AND INSURANCE COVERAGES

Report all forms of compensation received by or paid on behalf of the Officer or Owner during the month. Include car allowance, 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>
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PERSONNEL REPORT

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

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

NOT APPLICABLE

SIGNIFICANT DEVELOPMENTS DURING REPORTING PERIOD

Information to be provided on this page, includes, but is not limited to: (1) financial transaction 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.

The bank account balance was transferred from RBC Bank to Regions Bank. The balance is unchanged.

Memo



TO: Matt Rubin
FROM: Sarah Wood
DATE: December 31, 2009
RE: New Accounts

Please let this memo serve as confirmation that the two new accounts for REO Specialists, LLC and Home America Mortgage, Inc. have been opened as DIP accounts with Regions Bank as requested. The account numbers are as follows:

REO Specialists, LLC - [REDACTED] 187

Home America Mortgage, Inc. - [REDACTED] 195

Please do not hesitate to contact me at the phone number or email address below if you have any questions.

Thank you,

A handwritten signature in cursive script, appearing to read "Sarah Wood".

Sarah Wood
Commercial Banking Assistant
407-246-8924
sarahr.wood@regions.com