



U.S. Department of Justice

Office of the United States Trustee

District of Minnesota

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Minneapolis, Minnesota 55415 FAX 612-335-4032

**OPERATING GUIDELINES AND REPORTING REQUIREMENTS
OF THE UNITED STATES TRUSTEE**

FOR CHAPTER 11 DEBTORS IN POSSESSION

I. INTRODUCTION

A. United States Trustee's Authority to Supervise Debtor in Possession

Pursuant to 28 U.S.C. § 586 and 11 U.S.C. § 704(8), the United States Trustee has established these **Operating Guidelines and Reporting Requirements** (the "requirements") for chapter 11 debtors in possession (the "debtor" or "debtors"). Under these requirements, debtors must establish and observe certain operating procedures and file certain financial reports with the Bankruptcy Court, the United States Trustee, and any committee appointed in the case by the United States Trustee. Counsel should carefully review these requirements with debtor upon receipt.

B. Compliance, Amendments or Modifications

Timely compliance with each of the requirements contained herein is mandatory. Failure to comply with any requirement may result in the filing of a motion to dismiss or convert the case or a motion to appoint a chapter 11 trustee or examiner.

Any request to amend or modify these requirements for a particular chapter 11 case must be made in writing. To be effective, approval by the United States Trustee must be in writing.

C. Duties of Debtor in Possession

With the filing of a chapter 11 petition, a debtor becomes a new entity called a debtor in possession. The debtor in possession has fiduciary and statutory responsibilities to preserve and maintain the estate and to operate its business as efficiently as possible in order to maximize ultimate payments on pre-petition debts while keeping post-petition debt current. (See 11 U.S.C. §§ 1106 and 1107.)

II. OPERATING GUIDELINES

A. Bank Accounts/Money of the Estate

1. The debtor must immediately close pre petition bank accounts and open new “debtor in possession” bank accounts. All receipts must flow through the debtor in possession account(s). All disbursements should be by check.
2. The account name on the bank’s records must include the words “Debtor in Possession.” Checks for the new accounts must be pre-numbered by the printer, and must be **imprinted** with the words “Debtor in Possession” and the bankruptcy case number. Handwritten, typewritten, or hand-stamped versions are not acceptable. (See **Exhibit 1**.)
3. All money of the estate must be deposited or invested in accordance with 11 U.S.C. § 345. Examples of deposits and investments that comply with § 345(b) include, but may not be limited to, the following:
 - a. Deposits that are fully insured by the Federal Deposit Insurance Corporation or the National Credit Union Administration.
 - b. Investments in United States Treasury securities.
 - c. Deposits and investments with an entity that has posted a surety bond in favor of the United States, or pledged securities of the kind specified in 31 U.S.C. § 9303, to secure the funds invested or on deposit.

B. Insurance

The debtor must maintain without interruption all insurance customarily carried in the debtor’s line of business or required by law or regulation. In most cases, the debtor will be required to carry liability, workers’ compensation, and property insurance, i.e., fire and extended coverage. The property insurance coverage must be for no less than the fair market value or replacement cost of the insured assets. The debtor must immediately notify the United States Trustee of any lapse, cancellation, modification, or renewal of insurance coverage. Failure by the debtor to maintain appropriate insurance that poses a risk to the estate or to the public is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(c).

C. Taxes

The debtor must remain current on all post petition federal, state, and local taxes and file all tax returns on a timely basis. If the debtor has payroll tax obligations, the debtor may be required to open a special tax account and report payroll tax deposits to the appropriate taxing authority. Failure by the debtor to timely pay post-petition taxes or to file post-petition tax returns is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(l).

D. Quarterly Fees

Pursuant to 28 U.S.C. § 1930(a)(6), debtors are required to pay certain fees for each calendar quarter (or portion thereof) until the case is dismissed or converted or in a confirmed case, when the case is closed. (See **Exhibit 2**.) Failure to pay quarterly fees when due is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(K).

E. Legal Documents to Be Transmitted to the United States Trustee

Pursuant to Federal Rules of Bankruptcy Procedure 2002 and 9034, it is the responsibility of the debtor and the debtor's counsel to keep the United States Trustee apprised of all matters pertaining to the case at all times. This includes ensuring that the United States Trustee is served with copies of all papers (motions, applications, etc.) filed in the case.

F. Initial Debtor Interview

The United States Trustee will schedule an Initial Debtor Interview ("IDI") with the debtor and counsel shortly after the case is filed. (See 11 U.S.C. § 1116(2) for specific requirements in small business cases.) The IDI will generally be conducted either at the debtor's place of business or at the office of the United States Trustee. At the IDI, a bankruptcy analyst from the United States Trustee's office will seek to become familiar with the debtor's case as well as with the debtor's business plan and operations, assets, liabilities, and accounting methods. Accordingly, the debtor's representative(s) at the IDI should have personal knowledge and information regarding the debtor's pre-petition and post-petition operations, accounting records, tax returns and financial statements. The analyst will also discuss the role of the United States Trustee, explain the Operating Guidelines and Reporting Requirements. Prior to the IDI, the debtor must ensure that the United States Trustee has a copy of the debtor's Statement of Financial Affairs and Schedules and the debtor's Initial Financial Report. (See Section III, **Reporting Requirements**.) Failure by the debtor to attend meetings reasonably requested by the United States Trustee is cause for conversion or dismissal of the bankruptcy case. 11 U.S.C. § 1112(b)(4)(H).

G. Additional Legal Requirements

The debtor's attention is directed to the following selected provisions of the Bankruptcy Code:

1. Meeting of Creditors

A meeting of creditors will generally be held 21 to 40 days after the petition is filed. The debtor or one of the debtor's officers, directors, or general partners must attend and respond, under oath, to questions from the United States Trustee and creditors regarding the debtor's business and financial affairs, the cause of the bankruptcy, and the status of the debtor's reorganization efforts. (See 11 U.S.C. §§ 341 and 343.) Failure by the debtor to attend the meeting of creditors without good cause shown is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(G).

2. Unsecured Creditors' Committee

- a. As soon as possible after the entry of an order for relief, the United States Trustee will contact the 20 largest unsecured creditors for the purpose of forming an unsecured creditors' committee. (See 11 U.S.C. § 1102.)
- b. If a committee is appointed by the United States Trustee, the debtor must provide the committee with copies of all financial reports required by the United States Trustee.

3. Cash Collateral

The debtor may not use "cash collateral" unless the secured creditor agrees to such use, or such use is authorized by the court after notice and a hearing. (See 11 U.S.C. § 363(c)(2).) Unauthorized use of cash collateral by the debtor that is substantially harmful to a creditor is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(D).

4. Obtaining Credit

The debtor may not obtain credit other than in the ordinary course of business without court authorization after notice and a hearing. (See 11 U.S.C. § 364.)

5. Use, Sale or Lease of Property of the Estate

The debtor may not use, sell, or lease property of the estate when such use, sale, or lease is not in the ordinary course of business, except after notice and a hearing. (See 11 U.S.C. § 363(b)).

6. Employment and Compensation of Professionals

The debtor may not employ or compensate professional persons, including the debtor's attorney, without court approval. (See 11 U.S.C. §§ 326-331, 503 and 1107.)

7. Prohibition on Payment of Pre Petition Debts

The debtor must not pay any pre petition debts without court approval. (See 11 U.S.C. § 549).

III. REPORTING REQUIREMENTS

In addition to the reports described below, the United States Trustee may require the submission of any additional information that may be necessary to properly monitor the administration of the estate. **The Initial Financial Report is to be submitted to the United States Trustee only; it is not to be filed with the Clerk of Court. The Monthly Operating Reports bearing an original signature is to be submitted to the United States Trustee. A copy of the report must be filed with the Clerk of Court. 11 U.S.C. § 704(8)** Copies of Monthly Operating Reports must also be provided to any committee appointed by the United States Trustee. The debtor's unexcused failure to satisfy timely any filing or reporting requirement is cause for conversion or dismissal of the case. 11 U.S.C. § 1112(b)(4)(F).

A. Initial Financial Report

1. The Initial Financial Report is due **fifteen days** after the petition is filed. It is submitted only to the United States Trustee.
2. The Initial Financial Report consists of the following:
 - a. **Cover Sheet (Form 1).**
 - b. **Latest fiscal year financial statements and tax returns.** The debtor must provide a complete set of financial statements for its most recent fiscal year. Publicly-held corporations must submit the most recent Form 10-K. Audited statements should be submitted if available. If audited statements are not available, the debtor should submit its last two federal income tax returns, along with unaudited statements.
 - c. **Balance sheet as of the end of the month immediately prior to filing.**
(Debtors in small business cases are required to append their most recent balance sheet to the petition. 11 U.S.C. § 1116(1)(A). If the balance sheet was filed with the petition, the debtor may check the “previously submitted” box on Form 1.)
 - d. **Profit and loss statement (statement of operations) for the month immediately prior to filing and the year to date, through the end of that month.**
 - e. **Proof of insurance coverage.** The debtor must provide a certificate(s) of insurance, signed by an authorized representative of the carrier or agent, with the United States Trustee named as a party to be notified in the event of cancellation. All documents provided as evidence of insurance must clearly indicate the policy expiration date, the types and amounts of coverage, the location(s) covered, the deductible, the named insured, the insurer, and the name, address, and telephone number of the local agent.
 - f. **Projections.** The debtor must submit a projected statement of monthly revenue, expenses, and cash flow that covers the first 180 days of post-petition operations. Significant assumptions used in the projections must be described. The statement must provide sufficient detail to support a review of reasonableness when compared with other financial statements provided with the report.
 - g. **Information concerning debtor in possession account(s).** The debtor must submit a sample voided check for each debtor in possession account. If a sample check is not yet available, the debtor must, in the interim, provide the account number and name and address of financial institution where the account is located. The debtor must also submit a completed, original signature Bank Account Reporting Form (attached) and copies of signature cards for all bank accounts open as of the filing date, and opened since the filing date.

B. Monthly Operating Reports

1. A Monthly Operating Report must be submitted for each month (or portion thereof) after the petition is filed until a plan is confirmed or the case is dismissed or converted. The Monthly Operating Report submitted for the month in which an order confirming the plan is entered should cover the entire month.
2. The Monthly Operating Report is due **twenty-one (21) days** after the end of the month covered by the report. The Monthly Operating Report bearing an original signature is submitted to the United States Trustee. A copy of the report must be filed with the Clerk of Court. 11 U.S.C. § 704(8) Copies must also be provided to any committee appointed in the case.
3. The Monthly Operating Report consists of the following:
 - a. **Cover Sheet (Form 2-A).**
 - b. **Cash Receipts and Disbursements Statements (Form 2-B).** The Cash Reconciliation (page 1 of Form 2-B) requires information for the monthly reporting period along with cumulative information from the petition date through the end of the reporting period.
 - c. **Balance Sheet (Form 2-C).** Comparative balance sheets as of the last month-end and the petition date must be provided.
 - d. **Profit and Loss Statement (Form 2-D).** Information must be provided for the monthly reporting period along with cumulative information from the petition date through the end of the reporting period.
 - e. **Supporting Schedules (Form 2-E):**
 - 1) Post Petition Taxes Payable Schedule
 - 2) Insurance Schedule
 - 3) Accounts Receivable and Post Petition Payable Aging Summary (debtor must attach detailed agings)
 - 4) Schedule of Payments to Attorneys and Other Professionals
 - 5) Schedule of Payments to Principals/Executives
 - f. **Quarterly Fee Summary (Form 2-F).**
 - g. **Narrative (Form 2-G).**
 - h. **Complete copies of bank statements for all accounts.**
 - i. **Bank statement reconciliations for all accounts.**
4. Reports must include detailed reporting of all financial activity of the bankruptcy estate, including transactions generated by post-petition earnings from operation of the business, and sales of property of the estate.
5. Each Monthly Operating Report must be prepared on the attached forms. Computerized versions of these forms are available from the United States Trustee. System-generated

reports may be attached as exhibits if prior approval from the United States Trustee has been obtained.

6. The Monthly Operating Report must be legible. If possible, the report should be typed. No entries should be left blank; if an item does not apply, enter "0" or "N/A".

7. Reports prepared on the accrual basis of accounting are **strongly** recommended. The debtor may not switch from accrual to cash basis reports without the prior written approval of the United States Trustee.

8. Regardless of who prepared the Monthly Operating Report, the report must be signed, under penalty of perjury, by a corporate officer, or the general partner, as appropriate.

C. Reports Regarding Entities In Which Debtor Holds An Interest.

Pursuant to Fed.R.Bankr.P. 2015.3, the debtor must file periodic financial reports of the value, operations, and profitability of each other entity that debtor holds a substantial or controlling interest (except that the debtor does not need to file reports regarding any entity that is either a publicly traded corporation or is in bankruptcy). It is presumed that the debtor holds a substantial or controlling interest if the debtor controls or owns at least a 20% interest in the entity.

1. The periodic financial report must be prepared on the attached form (Official Form 426). Form 426 is also available at: <http://www.mnb.uscourts.gov/>.
2. The first report shall be filed no later than seven (7) days before the first date set for the §341 meeting of creditors. Subsequent reports shall be filed at least every six (6) months thereafter. The obligation to file the periodic reports terminates upon the effective date of the plan, or conversion or dismissal of the case.
3. In addition to filing the periodic financial report with the Court, copies of the report shall be served on the United States Trustee, any committee appointed in the case, and any other party in interest that has filed a request therefor.

D. Reports on Cases Converted to Chapter 7

Pursuant to Fed.R.Bankr.P. 1019(5), the debtor must: 1) within fourteen days after entry of an order converting the case to a case under chapter 7, file a schedule of unpaid debts incurred after commencement of the chapter 11 case, such list to include the name and address of each post petition creditor; and 2) within 30 days after entry of the order of conversion, file with the court and transmit to the United States Trustee a final report and account.

E. Post Confirmation Reporting Requirements

Pursuant to 11 U.S.C. Sec. 1106(a)(7), the debtor must file a Post Confirmation Quarterly Report (**Form 3**) for every post-confirmation calendar quarter, including the quarter in which the plan was confirmed and the quarter in which the debtor files its application for final decree. The first report should be for the entire calendar quarter, not just the post-confirmation period. The final report should include all activity through the date of the application for final decree. The Post Confirmation Quarterly Report is due **twenty-one (21) days** after the end of each quarter, except for the **final** Post-Confirmation Quarterly Report, which should be filed at the same time as the Chapter 11 Final Report and Motion for Final Decree.

DEBTOR IN POSSESSION ACCOUNTS

This is an example of a correctly styled check for a debtor in possession bank account. Please use it as a guide in setting up your account and ordering checks.

The words "Debtor in Possession" and the bankruptcy case number must be *imprinted on all* checks issued by a debtor. Handwritten, typewritten and hand-stamped versions are *not* acceptable. The use of the abbreviation "DIP" for "debtor in possession" is *not* acceptable. In addition, the checks must be pre-numbered by the printer.

John Doe Holding, Inc., dba USA GOODS 1001
Debtor in Possession
Case No. 05C-20000
1400 Every Street 11-7/1000
Anytown, CO 80000
(303) 111-1111

PAY
TO THE
ORDER OF _____, \$()
DOLLARS

Solvent National Bank
1 Finance Street
Metropolis, CO 80001

FOR _____
|:3 25079486|:57670 008641811 - 0801

CHAPTER 11 QUARTERLY FEES

Under 28 U.S.C. § 1930(a)(6), a quarterly fee shall be paid to the United States Trustee System Fund at Treasury in each case under chapter 11 (except small business cases under Subchapter V of chapter 11) for each calendar quarter, or portion thereof, between the date a bankruptcy petition is filed and the date the court enters a final decree closing the case, dismisses the case, or converts the case to another chapter in bankruptcy.

Quarterly Fee Calculation

The quarterly fee is calculated by totaling the reported disbursements for the three-month calendar quarter, or portion thereof, according to the fee schedules shown below. The quarterly fee amount will be estimated if disbursements for all of the months of a calendar quarter that the case is open have not been reported to the United States Trustee. The estimated fee is based on: a) the reported disbursement history, b) the debtor's initial financial data submitted when the case was filed, or c) the United States Trustee's estimate. If there is a disagreement with the estimated quarterly fee noted on the billing statement, then Monthly Operating Reports or actual disbursement reports supporting a different calculation must be filed with the bankruptcy court and served on the United States Trustee office. A minimum fee of \$325.00 is due even if there were no disbursements during a calendar quarter. The fee is not prorated.

The Bankruptcy Judgeship Act of 2017, Pub. L. No. 115-72, temporarily amended the calculation of chapter 11 quarterly fees effective January 1, 2018. Under this amendment, during each of fiscal years 2018 through 2022, if the balance in the United States Trustee System Fund (Fund) as of September 30 of the most recent full fiscal year is less than \$200 million, the quarterly fee payable for a calendar quarter in which disbursements equal or exceed \$1 million shall be the lesser of 1 percent of such disbursements or \$250,000.

FEE SCHEDULE FOR CALENDAR QUARTERS BEGINNING JANUARY 1, 2018 THROUGH SEPTEMBER 30, 2020

The balance in the Fund as of September 30, 2017, was less than \$15 million. Accordingly, the amended chapter 11 quarterly fee schedule below applies for calendar quarters beginning January 1, 2018 through September 30, 2018.

The balance in the Fund as of September 30, 2018, was less than \$45 million. Accordingly, the amended chapter 11 quarterly fee schedule below applies for calendar quarters beginning October 1, 2018 through September 30, 2019.

The balance in the Fund as of September 30, 2019, was less than \$135 million. Accordingly, the amended chapter 11 quarterly fee schedule below applies for the calendar quarters beginning October 1, 2019 through September 30, 2020.

TOTAL QUARTERLY DISBURSEMENTS	QUARTERLY FEE
\$0 to \$14,999.99	\$325.00
\$15,000 to \$74,999.99	\$650.00
\$75,000 to \$149,999.99	\$975.00
\$150,000 to \$224,999.99	\$1,625.00

[Type here]

[Type here]

Exhibit 2
Rev. 1/1/20

TOTAL QUARTERLY DISBURSEMENTS	QUARTERLY FEE
\$225,000 to \$299,999.99	\$1,950.00
\$300,000 to \$999,999.99	\$4,875.00
\$1,000,000 or more	1% of quarterly disbursements or \$250,000, whichever is

**FEE SCHEDULE FOR CALENDAR QUARTERS BEGINNING
JANUARY 1, 2008 THROUGH DECEMBER 31, 2017**

TOTAL QUARTERLY DISBURSEMENTS	QUARTERLY FEE
\$0 to \$14,999.99	\$325.00
\$15,000 to \$74,999.99	\$650.00
\$75,000 to \$149,999.99	\$975.00
\$150,000 to \$224,999.99	\$1,625.00
\$225,000 to \$299,999.99	\$1,950.00
\$300,000 to \$999,999.99	\$4,875.00
\$1,000,000 to \$1,999,999.99	\$6,500.00
\$2,000,000 to \$2,999,999.99	\$9,750.00
\$3,000,000 to \$4,999,999.99	\$10,400.00
\$5,000,000 to \$14,999,999.99	\$13,000.00
\$15,000,000 to \$29,999,999.99	\$20,000.00
\$30,000,000 or more	\$30,000.00

Fee Due Date

Quarterly fees are due no later than one month following the end of each calendar quarter. Failure to pay quarterly fees may result in the conversion or dismissal of the case. Payment of that quarter's fees and any past due fees and interest, if applicable, must be made before the effective date of a confirmed plan of reorganization and quarterly fees will continue to accrue until entry of the final decree, or until the case is converted or dismissed. Failure to pay these fees may result in a motion by the United States Trustee to dismiss or convert the case to a chapter 7 case.

Payment Options

[Type here]

[Type here]

Exhibit 2
Rev. 1/1/20

A billing statement from the United States Trustee Program is mailed to the debtor or other designated party for each calendar quarter before the payment due date. Chapter 11 quarterly fees may be paid online at <https://www.pay.gov/public/form/start/672415208> or by mailing the tear off portion of the statement and a check, made payable to "United States Trustee".

The address to use to mail quarterly fee payments is:

United States Trustee Payment Center
P.O. Box 6200-19
Portland, OR 97228-6200

The address to use for overnight delivery is:

U.S. Bank
Attn Government Lockbox – U.S. Trustee Payment Center 6200-19
17650 N.E. Sandy Blvd
Portland, OR 97230-5000

The addresses shown above are a lockbox at a bank. Do not use these addresses for service of process, correspondence, or any purpose other than paying quarterly fees. Any other correspondence or documents sent to the lockbox other than the payment form will be destroyed.

Each quarterly fee must be timely paid. Failure to receive a bill from the Executive Office for United States Trustees does not excuse timely payment. Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case pursuant to 11 U.S.C. § 1112(b)(4)(K) (for cases filed on or after October 17, 2005) or 11 U.S.C. § 1112(b)(10) (for cases filed before October 17, 2005).

BANK ACCOUNT REPORTING FORM

Case Name _____ Case No. _____

(This is a master form. Signed copies of this form should be used for providing information if the debtor has more than four accounts. Copies should also be used for reporting on accounts which the debtor opens or closes after the submission of the initial form.)

<u>DEPOSITORY INSTITUTION</u>	<u>ACCOUNT DESCRIPTION</u> (ie. Payroll or tax acct. etc.)	<u>ACCOUNT NO.</u>	<u>DATE</u> <u>ACCOUNT</u> <u>OPENED</u>
Name: _____ Address: _____ Phone: _____ Contact Person: _____	_____	_____	_____
Name: _____ Address: _____ Phone: _____ Contact Person: _____	_____	_____	_____
Name: _____ Address: _____ Phone: _____ Contact Person: _____	_____	_____	_____
Name: _____ Address: _____ Phone: _____ Contact Person: _____	_____	_____	_____

I/we certify that the above is a complete report of all bank accounts/investments owned by the debtor as of the date of the filing of debtor's petition or, where applicable, opened or closed by debtor after the submission of the initial form.

I/we certify that all above-listed depository institutions have been notified of the date and place of the filing of this chapter 11 petition.

In addition, I/we hereby authorize any accredited representative of the United States Trustees Office to obtain any information from the above listed financial institutions. This information may include, but is not limited to, bank statements, signature cards, canceled checks, correspondence and other documentation for all accounts listed hereon.

THE UNDERSIGNED DECLARES UNDER PENALTY OF PERJURY THAT THE ABOVE INFORMATION IS TRUE, COMPLETE AND ACCURATE.

DATE: _____

SIGNATURE(S): _____

(A copy of this form must be signed by all persons who are authorized signatories on the accounts listed above.)

Fill in this information to identify the case:

Debtor Name _____
United States Bankruptcy Court for the: _____ District of _____
(State)
Case number: _____

Official Form 426

**Periodic Report Regarding Value, Operations, and Profitability of Entities
in Which the Debtor's Estate Holds a Substantial or Controlling Interest**

12/17

This is the *Periodic Report* as of on the value, operations, and profitability of those entities in which a Debtor holds, or two or more Debtors collectively hold, a substantial or controlling interest (a "Controlled Non-Debtor Entity"), as required by Bankruptcy Rule 2015.3. For purposes of this form, "Debtor" shall include the estate of such Debtor.

[Name of Debtor] holds a substantial or controlling interest in the following entities:

Name of Controlled Non-Debtor Entity	Interest of the Debtor	Tab #

This *Periodic Report* contains separate reports (*Entity Reports*) on the value, operations, and profitability of each Controlled Non-Debtor Entity.

Each *Entity Report* consists of five exhibits.

Exhibit A contains the most recently available: balance sheet, statement of income (*loss*), 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 B describes the Controlled Non-Debtor Entity's business operations.

Exhibit C describes claims between the Controlled Non-Debtor Entity and any other Controlled Non-Debtor Entity.

Exhibit D describes how federal, state or local taxes, and any tax attributes, refunds, or other benefits, have been allocated between or among the Controlled Non-Debtor Entity and any Debtor or any other Controlled Non-Debtor Entity and includes a copy of each tax sharing or tax allocation agreement to which the Controlled Non-Debtor Entity is a party with any other Controlled Non-Debtor Entity.

Exhibit E describes any payment, by the Controlled Non-Debtor Entity, of any claims, administrative expenses or professional fees that have been or could be asserted against any Debtor, or the incurrence of any obligation to make such payments, together with the reason for the entity's payment thereof or incurrence of any obligation with respect thereto.

This *Periodic Report* must be signed by a representative of the trustee or debtor in possession.

Debtor Name _____

Case number _____

The undersigned, having reviewed the *Entity Reports* for each Controlled Non-Debtor Entity, and being familiar with the Debtor's financial affairs, verifies under the penalty of perjury that to the best of his or her knowledge, (i) this *Periodic Report* and the attached *Entity Reports* are complete, accurate, and truthful to the best of his or her knowledge, and (ii) the Debtor did not cause the creation of any entity with actual deliberate intent to evade the requirements of Bankruptcy Rule 2015.3

For non-individual Debtors:

X _____

Signature of Authorized Individual

Printed name of Authorized Individual

Date _____
MM / DD / YYYY

For individual Debtors:

X _____

Signature of Debtor 1

Printed name of Debtor 1

Date _____
MM / DD / YYYY

X _____

Signature of Debtor 2

Printed name of Debtor 2

Date _____
MM / DD / YYYY

Debtor Name _____

Case number _____

Exhibit A: Financial Statements for [Name of Controlled Non-Debtor Entity]

Debtor Name _____

Case number _____

Exhibit A-1: Balance Sheet for [Name of Controlled Non-Debtor Entity] as of [date]

[Provide a balance sheet dated as of the end of the most recent 3-month period of the current fiscal year and as of the end of the preceding fiscal year.

Describe the source of this information.]

Exhibit A-2: Statement of Income (*Loss*) for [Name of Controlled Non-Debtor Entity] for 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 3-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.

Describe the source of this information.]

Exhibit A-3: Statement of Cash Flows for [Name of Controlled Non-Debtor Entity] for period ending [date]

[Provide a statement of changes in cash position 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 3-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.

Describe the source of this information.]

**Exhibit A-4: Statement of Changes in Shareholders'/Partners' Equity (*Deficit*) for [Name of Controlled Non-Debtor Entity]
for period ending [date]**

[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 3-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.

Describe the source of this information.]

Debtor Name _____

Case number _____

Exhibit B: Description of Operations for [Name of Controlled Non-Debtor Entity]

[Describe the nature and extent of the Debtor's interest in the Controlled Non-Debtor Entity.

Describe the business conducted and intended to be conducted by the Controlled Non-Debtor Entity, focusing on the entity's dominant business segments.

Describe the source of this information.]

Debtor Name _____

Case number _____

Exhibit C: Description of Intercompany Claims

[List and describe the Controlled Non-Debtor Entity's claims against any other Controlled Non-Debtor Entity, together with the basis for such claims and whether each claim is contingent, unliquidated or disputed.

Describe the source of this information.]

Debtor Name _____

Case number _____

Exhibit D: Allocation of Tax Liabilities and Assets

[Describe how income, losses, tax payments, tax refunds, or other tax attributes relating to federal, state, or local taxes have been allocated between or among the Controlled Non-Debtor Entity and one or more other Controlled Non-Debtor Entities.

Include a copy of each tax sharing or tax allocation agreement to which the entity is a party with any other Controlled Non-Debtor Entity.

Describe the source of this information.]

Debtor Name _____

Case number _____

Exhibit E: Description of Controlled Non-Debtor Entity's payments of Administrative Expenses, or Professional Fees otherwise payable by a Debtor

[Describe any payment made, or obligations incurred (or claims purchased), by the Controlled Non-Debtor Entity in connection with any claims, administrative expenses, or professional fees that have been or could be asserted against any Debtor.

Describe the source of this information.]

DEBTOR: _____

MONTHLY OPERATING REPORT

CHAPTER 11

CASE NUMBER: _____

**Form 2-A
COVER SHEET**

For Period Ending _____

Accounting Method: Accrual Basis Cash Basis

THIS REPORT IS DUE 21 DAYS AFTER THE END OF THE MONTH

Mark One Box for Each
Required Document:

Debtor must attach each of the following reports/documents unless the U. S. Trustee has waived the requirement in writing. Submit the original Monthly Operating Report bearing an original signature, to the U. S. Trustee. A copy of the Report must be filed with the Clerk of Court. 11 U.S.C. § 704(8)

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts
<input type="checkbox"/>	<input type="checkbox"/>	8. Bank Statement Reconciliations for all Bank Accounts

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

Executed on: _____

Print Name: _____

Signature: _____

Title: _____

DEBTOR: _____

CASE NO: _____

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: _____ to _____

CASH FLOW SUMMARY

	Current Month	Accumulated
1. Beginning Cash Balance	\$ _____	_____ (1)
2. Cash Receipts		
Operations	_____	_____
Sale of Assets	_____	_____
Loans/advances	_____	_____
Other	_____	_____
Total Cash Receipts	\$ _____	_____
3. Cash Disbursements		
Operations	_____	_____
Debt Service/Secured loan payment	_____	_____
Professional fees/U.S. Trustee fees	_____	_____
Other	_____	_____
Total Cash Disbursements	\$ _____	_____
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	_____	_____
5 Ending Cash Balance (to Form 2-C)	\$ _____	_____ (2)

CASH BALANCE SUMMARY

	Financial Institution	Book Balance
Petty Cash	_____	\$ _____
DIP Operating Account	_____	_____
DIP State Tax Account	_____	_____
DIP Payroll Account	_____	_____
Other Operating Account	_____	_____
Other Interest-bearing Account	_____	_____
TOTAL (must agree with Ending Cash Balance above)		\$ _____

(1) Accumulated beginning cash balance is the cash available at the commencement of the case.

Current month beginning cash balance should equal the previous month's ending balance.

(2) All cash balances should be the same.

DEBTOR: _____

CASE NO: _____

Form 2-C
COMPARATIVE BALANCE SHEET
For Period Ended: _____

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ _____	_____
Accounts Receivable (from Form 2-E)	_____	_____
Receivable from Officers, Employees, Affiliates	_____	_____
Inventory	_____	_____
Other Current Assets :(List) _____	_____	_____
_____	_____	_____
Total Current Assets	\$ _____	_____
Fixed Assets:		
Land	\$ _____	_____
Building	_____	_____
Equipment, Furniture and Fixtures	_____	_____
Total Fixed Assets	_____	_____
Less: Accumulated Depreciation	(_____)	(_____)
Net Fixed Assets	\$ _____	_____
Other Assets (List): _____	_____	_____
_____	_____	_____
TOTAL ASSETS	\$ _____	_____
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ _____	_____
Post-petition Accrued Professional Fees (from Form 2-E)	_____	_____
Post-petition Taxes Payable (from Form 2-E)	_____	_____
Post-petition Notes Payable	_____	_____
Other Post-petition Payable(List): _____	_____	_____
_____	_____	_____
Total Post Petition Liabilities	\$ _____	_____
Pre Petition Liabilities:		
Secured Debt	_____	_____
Priority Debt	_____	_____
Unsecured Debt	_____	_____
Total Pre Petition Liabilities	\$ _____	_____
TOTAL LIABILITIES	\$ _____	_____
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ _____	_____
Retained Earnings - Prepetition	_____	_____
Retained Earnings - Post-petition	_____	_____
TOTAL OWNERS' EQUITY	\$ _____	_____
TOTAL LIABILITIES AND OWNERS' EQUITY	\$ _____	_____

(1) Petition date values are taken from the Debtor's balance sheet as of the petition date or are the values listed on the Debtor's schedules.

DEBTOR: _____

CASE NO: _____

Form 2-D
PROFIT AND LOSS STATEMENT

For Period _____ to _____

	Current Month	Accumulated Total (1)
Gross Operating Revenue	\$ _____	_____
Less: Discounts, Returns and Allowances	(_____)	_____)
Net Operating Revenue	\$ _____	_____
Cost of Goods Sold	_____	_____
Gross Profit	\$ _____	_____
Operating Expenses		
Officer Compensation	\$ _____	_____
Selling, General and Administrative	_____	_____
Rents and Leases	_____	_____
Depreciation, Depletion and Amortization	_____	_____
Other (list): _____	_____	_____
_____	_____	_____
Total Operating Expenses	\$ _____	_____
Operating Income (Loss)	\$ _____	_____
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ _____	_____
Gains (Losses) on Sale of Assets	_____	_____
Interest Income	_____	_____
Interest Expense	_____	_____
Other Non-Operating Income	_____	_____
Net Non-Operating Income or (Expenses)	\$ _____	_____
Reorganization Expenses		
Legal and Professional Fees	\$ _____	_____
Other Reorganization Expense	_____	_____
Total Reorganization Expenses	\$ _____	_____
Net Income (Loss) Before Income Taxes	\$ _____	_____
Federal and State Income Tax Expense (Benefit)	_____	_____
NET INCOME (LOSS)	\$ _____	_____

(1) Accumulated Totals include all revenue and expenses since the petition date.

DEBTOR: _____

CASE NO: _____

Form 2-E
SUPPORTING SCHEDULES
For Period: _____ to _____

POST PETITION TAXES PAYABLE SCHEDULE

	<u>Beginning Balance (1)</u>	<u>Amount Accrued</u>	<u>Amount Paid</u>	<u>Date Paid</u>	<u>Check Number</u>	<u>Ending Balance</u>
Income Tax Withheld:						
Federal \$	_____	_____	_____	_____	_____	_____
State	_____	_____	_____	_____	_____	_____
FICA Tax Withheld	_____	_____	_____	_____	_____	_____
Employer's FICA Tax	_____	_____	_____	_____	_____	_____
Unemployment Tax						
Federal	_____	_____	_____	_____	_____	_____
State	_____	_____	_____	_____	_____	_____
Sales, Use & Excise Taxes	_____	_____	_____	_____	_____	_____
Property Taxes	_____	_____	_____	_____	_____	_____
Accrued Income Tax:						
Federal	_____	_____	_____	_____	_____	_____
State	_____	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____	_____
TOTALS \$	=====	=====	=====			=====

(1) For first report, Beginning Balance will be \$0; thereafter, Beginning Balance will be Ending Balance from prior report.

INSURANCE SCHEDULE

	<u>Carrier</u>	<u>Amount of Coverage</u>	<u>Expiration Date</u>	<u>Premium Paid Through</u>
Workers' Compensation	_____	\$ _____	_____	\$ _____
General Liability	_____	\$ _____	_____	\$ _____
Property (Fire, Theft)	_____	\$ _____	_____	\$ _____
Vehicle	_____	\$ _____	_____	\$ _____
Other (list):	_____	\$ _____	_____	\$ _____
	_____	\$ _____	_____	\$ _____

DEBTOR: _____

CASE NO: _____

Form 2-E
SUPPORTING SCHEDULES

For Period: _____ to _____

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ _____	_____
30 to 60 days	_____	_____
61 to 90 days	_____	_____
91 to 120 days	_____	_____
Over 120 days	_____	_____
Total Post Petition	_____	_____
Pre Petition Amounts	_____	_____
Total Accounts Receivable	\$ _____	_____
Less: Bad Debt Reserve	_____	_____
Net Accounts Receivable (to Form 2-C)	\$ _____	_____
	Total Post Petition Accounts Payable	\$ _____

* Attach a detail listing of accounts receivable and post-petition accounts payable

SCHEDULE OF PAYMENTS TO ATTORNEYS AND OTHER PROFESSIONALS

	<u>Month-end Retainer Balance</u>	<u>Current Month's Accrual</u>	<u>Paid in Current Month</u>	<u>Date of Court Approval</u>	<u>Month-end Balance Due *</u>
Debtor's Counsel	\$ _____	_____	_____	_____	_____
Counsel for Unsecured Creditors' Committee	_____	_____	_____	_____	_____
Trustee's Counsel	_____	_____	_____	_____	_____
Accountant	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____
Total	\$ _____	\$ _____	\$ _____	_____	\$ _____

*Balance due to include fees and expenses incurred but not yet paid.

SCHEDULE OF PAYMENTS AND TRANSFERS TO PRINCIPALS/EXECUTIVES**

<u>Payee Name</u>	<u>Position</u>	<u>Nature of Payment</u>	<u>Amount</u>
_____	_____	_____	\$ _____
_____	_____	_____	_____
_____	_____	_____	_____

**List payments and transfers of any kind and in any form made to or for the benefit of any proprietor, owner, partner, shareholder, officer or director.

DEBTOR: _____

CASE NO: _____

Form 2-F
QUARTERLY FEE SUMMARY *
For the Month Ended: _____

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	_____	\$ _____	_____	_____	_____
February	_____	_____	_____	_____	_____
March	_____	_____	_____	_____	_____
TOTAL 1st Quarter		\$ _____	\$ _____	_____	_____
April	_____	\$ _____	_____	_____	_____
May	_____	_____	_____	_____	_____
June	_____	_____	_____	_____	_____
TOTAL 2nd Quarter		\$ _____	\$ _____	_____	_____
July	_____	\$ _____	_____	_____	_____
August	_____	_____	_____	_____	_____
September	_____	_____	_____	_____	_____
TOTAL 3rd Quarter		\$ _____	\$ _____	_____	_____
October	_____	\$ _____	_____	_____	_____
November	_____	_____	_____	_____	_____
December	_____	_____	_____	_____	_____
TOTAL 4th Quarter		\$ _____	\$ _____	_____	_____

FEE SCHEDULE

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 or more.....	1% of quarterly disbursements or \$250,000, whichever is less
\$15,000 to \$74,999.....	\$650		
\$75,000 to \$149,999.....	\$975		
\$150,000 to \$224,999.....	\$1,625		
\$225,000 to \$299,999.....	\$1,950		
\$300,000 to \$999,999.....	\$4,875		

* This summary is to reflect the current calendar year's information cumulative to the end of the reporting period

** Should agree with line 3, Form 2-B. Disbursements are net of transfers to other debtor in possession bank accounts

Failure to pay the quarterly fee is cause for conversion or dismissal of the chapter 11 case. [11 U.S.C. Sec. 1112(b)(10)]

DEBTOR: _____

CASE NUMBER: _____

INITIAL FINANCIAL REPORT
CHAPTER 11

COVER SHEET

Date of Report

THIS REPORT IS DUE 15 DAYS AFTER THE PETITION FILING DATE

Mark One Box for Each
Required Document:

Debtor must attach each of the following documents or a satisfactory explanation for failure to attach a document. **Submit original report to U.S. Trustee.** Do not file report with Clerk of Court.

Document Attached	Previously Submitted	Explanation Attached	REQUIRED DOCUMENTS
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. Latest Fiscal Year Financial Statements or Tax Returns
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet as of Month End Immediately Preceding Filing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement for Month and Year Immediately Preceding Filing
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	4. Proof of Insurance Coverage:
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	a. General Liability Insurance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	b. Property (Fire, Theft, etc.) Insurance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	c. Workers' Compensation Insurance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	d. Vehicle Insurance
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	e. Other:
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5. Projected Revenue, Expenses and Cash Flow for First 180 Days of Post Petition Operations
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6. Name and Address of Financial Institution, Account Number and Sample Voided Check for Each Debtor in Possession Bank Account and Bank Account Reporting Form
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	a. General Account
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	b. Tax Account (if required)
<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	c. Bank Account Reporting Form

I declare under penalty of perjury that the following Initial Financial Report, and any attachments thereto, are true and correct to the best of my knowledge and belief.

Executed on: _____

Debtor(s): _____

By: _____

Position: _____

**Office of the United States Trustee
District of Minnesota**

Case Name:
Case Number:

**Summary of Cash Receipts and Disbursements
For the Quarter Ending**

	<u>Month</u>	<u>Month</u>	<u>Month</u>	<u>Total for Calendar Quarter</u>
Total Receipts	\$ -	\$ -	\$ -	\$ -
Total Disbursements	\$ -	\$ -	\$ -	\$ -

**I CERTIFY UNDER PENALTY OF PERJURY THAT THE INFORMATION PROVIDED IN THIS
QUARTERLY REPORT IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE.**

Preparer's Signature

Debtor or Officer of Debtor

Print Name of Preparer

Print Name of Signature

Date