

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

FORM 8-K

CURRENT REPORT PURSUANT
TO SECTION 13 OR 15(D) OF THE
SECURITIES EXCHANGE ACT OF 1934

Date of report (Date of earliest event reported) July 15, 2013

KIT DIGITAL, INC.

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

001-34437

(Commission File Number)

11-3447894

(IRS Employer Identification No.)

**26 West 17th Street 2nd Floor
New York, New York**

(Address of Principal Executive Offices)

10011

(Zip Code)

(646) 553-4845

(Registrant's Telephone Number, Including Area Code)

Not Applicable

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (*see* General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 7.01 – Regulation FD Disclosure.

As previously disclosed, on April 25, 2013, KIT digital, Inc. (the “Company”) filed a voluntary petition for reorganization (the “Bankruptcy Filing”) under chapter 11 of title 11 of the United States Bankruptcy Code (the “Bankruptcy Code”) in the United States Bankruptcy Court for the Southern District of New York (the “Bankruptcy Court”). The chapter 11 case has been assigned to the Honorable Judge Robert E. Gerber and is being administered under the caption “In re KIT digital, Inc.,” Case No. 13-11298 (REG).

On July 15, 2013, the Company filed its monthly operating report as of and for the period ending June 30, 2013 (the “Monthly Operating Report”) with the Bankruptcy Court. The Monthly Operating Report is attached as Exhibit 99.1.

Limitation on Incorporation by Reference

The information set forth in this Item 7.01 and the attached Exhibit 99.1 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Securities Exchange Act”), or otherwise subject to the liabilities in that section.

Cautionary Statement Regarding Financial Operating Data

The Monthly Operating Report is limited in scope, covers limited time periods and has been prepared solely for the purpose of complying with the Bankruptcy Court’s monthly reporting requirements, including the Company’s uses of assets and cash position. The Monthly Operating Report was not prepared in accordance with U.S. GAAP, has not been audited or reviewed by independent accountants, is in a format prescribed by applicable bankruptcy laws and is subject to future adjustment and reconciliation.

The Company cautions investors and potential investors not to place undue reliance on the information contained in the Monthly Operating Report, which was not prepared for the purpose of providing the basis for an investment decision relating to any of the securities of the Company. Unlike the information required in a public company’s quarterly and annual financial statements filed pursuant to the Securities Exchange Act, the Monthly Operating Report contains information that may not be indicative of the Company’s financial condition or operating results for the periods that would typically be reflected in financial statements or reports filed pursuant to the Securities Exchange Act, and are not comparable with filings of that type. There can be no assurance that, from the perspective of an investor or potential investor in the Company’s securities, the Monthly Operating Reports is complete. Results set forth in the Monthly Operating Report should not be viewed as indicative of future results.

Item 9.01 – Financial Statements and Exhibits.

(d) Exhibits

The following is furnished as an Exhibit to this Current Report on Form 8-K.

<u>Exhibit Number</u>	<u>Description</u>
99.1	Monthly Operating Report for the period ended June 30, 2013 filed with the United States Bankruptcy Court for the Southern District of New York.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

KIT DIGITAL, INC.

By: /s/ Fabrice Hamaide _____
Name: Fabrice Hamaide
Title: Chief Financial Officer

Date: July 15, 2013

EXHIBIT INDEX

Exhibit

Exhibit
Number

Description

99.1 Monthly Operating Report for the period ended June 30, 2013 filed with the United States Bankruptcy Court for the Southern District of New York.

UNITED STATES BANKRUPTCY COURT
 DISTRICT OF _____

In re KIT digital, Inc.
Debtor

Case No. 13-11298 (REG)
Reporting Period: June 1 2013 to June 30 2013

Federal Tax I.D. # 11-3447894

CORPORATE MONTHLY OPERATING REPORT

File with the Court and submit a copy to the United States Trustee within 20 days after the end of the month and submit a copy of the report to any official committee appointed in the case.

(Reports for Rochester and Buffalo Divisions of Western District of New York are due 15 days after the end of the month, as are the reports for Southern District of New York.)

REQUIRED DOCUMENTS	Form No.	Document Attached	Explanation Attached
Schedule of Cash Receipts and Disbursements	MOR-1		
Bank Reconciliation (or copies of debtor's bank reconciliations)	MOR-1 (CON'T)		
Copies of bank statements			
Cash disbursements journals			
Statement of Operations	MOR-2		
Balance Sheet	MOR-3		
Status of Post-petition Taxes	MOR-4		
Copies of IRS Form 6123 or payment receipt			
Copies of tax returns filed during reporting period			
Summary of Unpaid Post-petition Debts	MOR-4		
Listing of Aged Accounts Payable			
Accounts Receivable Reconciliation and Aging	MOR-5		
Taxes Reconciliation and Aging	MOR-5		
Payments to Insiders and Professional	MOR-6		
Post Petition Status of Secured Notes, Leases Payable	MOR-6		
Debtor Questionnaire	MOR-7		

I declare under penalty of perjury (28 U.S.C. Section 1746) that this report and the attached documents are true and correct to the best of my knowledge and belief.

Signature of Debtor _____ Date _____



Signature of Authorized Individual* _____ Date 7/15/2013

Printed Name of Authorized Individual: Fabrice Hamaide Date 7/15/2013

*Authorized individual must be an officer, director or shareholder if debtor is a corporation; a partner if debtor is a partnership; a manager or member if debtor is a limited liability company.

SCHEDULE OF CASH RECEIPTS AND DISBURSEMENTS

Amounts reported should be from the debtor's books and not the bank statement. The beginning cash should be the ending cash from the prior month or, if this is the first report, the amount should be the balance on the date the petition was filed. The amounts reported in the "CURRENT MONTH - ACTUAL" column must equal the sum of the four bank account columns. Attach copies of the bank statements and the cash disbursements journal. The total disbursements listed in the disbursements journal must equal the total disbursements reported on this page. A bank reconciliation must be attached for each account. [See MOR-1 (CON'T)]

<u>ACCOUNT NUMBER (LAST 4)</u>	<u>BANK ACCOUNTS</u>				<u>CURRENT MONTH ACTUAL (TOTAL OF ALL ACCOUNTS)</u>
	<u>OPER</u>	<u>PAYROLL</u>	<u>TAX</u>	<u>OTHER</u>	
CASH BEGINNING OF MONTH	56,412.26				56,412.26
RECEIPTS					
CASH SALES					-
ACCOUNTS RECEIVABLE - PREPETITION					-
ACCOUNTS RECEIVABLE - POSTPETITION					-
LOANS AND ADVANCES	560,000.00				560,000.00
SALE OF ASSETS					-
OTHER (ATTACH LIST)					-
TRANSFERS (FROM DIP ACCTS)					-
TOTAL RECEIPTS	<u>560,000.00</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>560,000.00</u>
DISBURSEMENTS					
NET PAYROLL	71,000.00				71,000.00
PAYROLL TAXES					-
SALES, USE, & OTHER TAXES					-
INVENTORY PURCHASES					-
SECURED/ RENTAL/ LEASES					-
INSURANCE	344,703.08				344,703.08
ADMINISTRATIVE	32,900.74				32,900.74
SELLING					-
OTHER (ATTACH LIST)					-
OWNER DRAW *					-
TRANSFERS (TO DIP ACCTS)					-
PROFESSIONAL FEES	148,742.70				148,742.70
U.S. TRUSTEE QUARTERLY FEES					-
COURT COSTS					-
TOTAL DISBURSEMENTS	<u>597,346.52</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>597,346.52</u>
NET CASH FLOW (RECEIPTS LESS DISBURSEMENTS)	(37,346.52)	-	-	-	(37,346.52)
CASH - END OF MONTH	19,065.74	-	-	-	19,065.74

* COMPENSATION TO SOLE PROPRIETORS FOR SERVICES RENDERED TO BANKRUPTCY ESTATE

**THE FOLLOWING SECTION MUST BE COMPLETED
DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES: (FROM CURRENT MONTH ACTUAL COLUMN)**

TOTAL DISBURSEMENTS	<u>597,346.52</u>
LESS: TRANSFERS TO OTHER DEBTOR IN POSSESSION ACCOUNTS	-
PLUS: ESTATE DISBURSEMENTS MADE BY OUTSIDE SOURCES (i.e. from escrow accounts)	-
TOTAL DISBURSEMENTS FOR CALCULATING U.S. TRUSTEE QUARTERLY FEES	<u>597,346.52</u>

In re KIT digital, Inc.
Debtor

Case No. 13-11298 (REG)
Reporting Period: June 1 2013 to June 30 2013

BANK RECONCILIATIONS

Continuation Sheet for MOR-1

A bank reconciliation must be included for each bank account. The debtor's bank reconciliation may be substituted for this page.
(Bank account numbers may be redacted to last four numbers.)

	Operating	Payroll	Tax	Other
	#	#	#	#
BALANCE PER BOOKS	19,065.74			
BANK BALANCE	19,065.74			
(+) DEPOSITS IN TRANSIT (<i>ATTACH LIST</i>)	0			
(-) OUTSTANDING CHECKS (<i>ATTACH LIST</i>):	0			
OTHER (<i>ATTACH EXPLANATION</i>)	0			
ADJUSTED BANK BALANCE *	19,065.74			

*"Adjusted Bank Balance" must equal "Balance per Books"

DEPOSITS IN TRANSIT	Date	Amount	Date	Amount

CHECKS OUTSTANDING	Ck. #	Amount	Ck. #	Amount

OTHER

STATEMENT OF OPERATIONS(Income Statement)

The Statement of Operations is to be prepared on an accrual basis. The accrual basis of accounting recognizes revenue when it is realized and expenses when they are incurred, regardless of when cash is actually received or paid.

REVENUES	MONTH	CUMULATIVE - FILING TO DATE
Gross Revenues		
Less: Returns and Allowances		
Net Revenue		
COST OF GOODS SOLD		
Beginning Inventory		
Add: Purchases		
Add: Cost of Labor		
Add: Other Costs (<i>attach schedule</i>)		
Less: Ending Inventory		
Cost of Goods Sold		
Gross Profit		
OPERATING EXPENSES		
Advertising		
Auto and Truck Expense		
Bad Debts		
Contributions		
Employee Benefits Programs	(11,659.97)	620.80
Officer/Insider Compensation*	80,000.00	207,975.00
Insurance	27,640.00	55,280.00
Management Fees/Bonuses		
Office Expense	8.64	81.29
Pension & Profit-Sharing Plans		
Repairs and Maintenance	1,143.19	2,286.38
Rent and Lease Expense		
Salaries/Commissions/Fees	64,635.76	180,513.88
Supplies	619.85	860.90
Taxes - Payroll	3,091.80	9,704.27
Taxes - Real Estate		
Taxes - Other		
Travel and Entertainment	794.24	1,010.02
Utilities	7,099.54	10,798.54
Other (<i>attach schedule</i>)	17,966.45	22,124.72
Total Operating Expenses Before Depreciation		
Depreciation/Depletion/Amortization	136,976.20	340,788.32
Net Profit (Loss) Before Other Income & Expenses	(328,315.70)	(832,044.12)
OTHER INCOME AND EXPENSES		
Other Income (<i>attach schedule</i>)		
Interest Expense	12,886.06	265,114.79
Other Expense (<i>attach schedule</i>)	-	125,000.00
Net Profit (Loss) Before Reorganization Items	(341,201.76)	(1,222,158.91)
REORGANIZATION ITEMS		
Professional Fees	1,604,934.92	2,031,498.09
U. S. Trustee Quarterly Fees		
Interest Earned on Accumulated Cash from Chapter 11 (<i>see continuation sheet</i>)		
Gain (Loss) from Sale of Equipment		
Other Reorganization Expenses (<i>attach schedule</i>)		
Total Reorganization Expenses		
Income Taxes		
Net Profit (Loss)	(1,946,136.68)	(3,253,657.00)

*"Insider" is defined in 11 U.S.C. Section 101(31).

BREAKDOWN OF "OTHER" CATEGORY

OTHER COSTS

Monthly Bank fee	1,857.76	6,016.03
Corporate and Shareholder Services	14,318.69	14,318.69
Merger and Acquisitions	1,600.00	1,600.00
Other Misc exp	190.00	190.00

OTHER OPERATIONAL EXPENSES

OTHER INCOME

OTHER EXPENSES

DIP Loan Fee	-	125,000.00
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OTHER REORGANIZATION EXPENSES

Legal Fees	1,604,934.92	2,031,498.09
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Reorganization Items - Interest Earned on Accumulated Cash from Chapter 11:

Interest earned on cash accumulated during the chapter 11 case, which would not have been earned but for the bankruptcy proceeding, should be reported as a reorganization item.

BALANCE SHEET

The Balance Sheet is to be completed on an accrual basis only. Pre-petition liabilities must be classified separately from post-petition obligations.

ASSETS	BOOK VALUE AT END OF CURRENT REPORTING MONTH	BOOK VALUE AT END OF PRIOR REPORTING MONTH	BOOK VALUE ON PETITION DATE OR SCHEDULED	Comments
CURRENT ASSETS				
Unrestricted Cash and Equivalents	19,065.74	56,412.26	172.67	
Restricted Cash and Cash Equivalents <i>(see continuation sheet)</i>	2,000,482.24	2,000,424.91	2,089,119.93	
Accounts Receivable (Net)	-	-	-	
Notes Receivable	-	-	-	
Inventories	-	-	-	
Prepaid Expenses	580,518.30	695,151.00	528,002.29	
Professional Retainers	-	-	-	
Other Current Assets <i>(attach schedule)</i>	17,191,721.24	17,295,738.58	17,604,502.39	
TOTAL CURRENT ASSETS	19,791,787.52	20,047,726.75	20,221,797.28	
PROPERTY & EQUIPMENT				
Real Property and Improvements	-	-	-	
Machinery and Equipment	1,559,399.56	1,559,399.56	1,559,399.56	
Furniture, Fixtures and Office Equipment	62,824.09	62,824.09	62,824.09	
Leasehold Improvements	-	-	-	
Vehicles	-	-	-	
Less: Accumulated Depreciation	(898,124.81)	(860,543.59)	(822,906.69)	
TOTAL PROPERTY & EQUIPMENT	724,098.84	761,680.06	799,316.96	
OTHER ASSETS				
Amounts due from Insiders*	-	-	-	
Other Assets <i>(attach schedule)</i>	220,886,486.82	220,886,486.82	220,886,486.82	
TOTAL OTHER ASSETS	220,886,486.82	220,886,486.82	220,886,486.82	
TOTAL ASSETS	241,402,373.18	241,695,893.63	241,907,601.06	
LIABILITIES AND OWNER EQUITY				
LIABILITIES NOT SUBJECT TO COMPROMISE				
(Postpetition)				
Accounts Payable	131,558.30	463,109.89	-	
Taxes Payable <i>(refer to FORM MOR-4)</i>	-	-	-	
Wages Payable	-	-	-	
Notes Payable	-	-	-	
Rent / Leases - Building/Equipment	-	-	-	
Secured Debt / Adequate Protection Payments	-	-	-	
Professional Fees	1,709,000.00	204,750.00	29,750.00	
Amounts Due to Insiders*	-	-	10,000.00	
Other Post-petition Liabilities <i>(attach schedule)</i>	2,750,808.57	2,190,611.37	1,500,000.00	
TOTAL POST-PETITION LIABILITIES	4,591,366.87	2,858,471.26	1,539,750.00	
LIABILITIES SUBJECT TO COMPROMISE (Pre-Petition)				
Secured Debt	10,226,355.18	10,226,355.18	10,226,355.18	
Priority Debt	78,799.43	78,799.43	78,799.43	
Unsecured Debt	45,960,423.42	46,040,702.80	46,314,000.71	Includes \$32.2 M of equity related liabilities, such as Acquisition/Earnouts, which the debtor believes will be subordinated pursuant to section 510(b) of the Bankruptcy Code
TOTAL PRE-PETITION LIABILITIES	56,265,578.03	56,345,857.41	56,619,155.32	
TOTAL LIABILITIES	60,856,944.90	59,204,328.67	58,158,905.32	
OWNERS' EQUITY				
Capital Stock	6,089.37	6,089.37	6,089.37	
Additional Paid-In Capital	568,067,878.68	568,067,878.68	568,067,878.68	
Partners' Capital Account	-	-	-	
Owner's Equity Account	-	-	-	
Retained Earnings - Pre-Petition	(384,274,882.77)	(384,274,882.77)	(384,274,882.77)	
Retained Earnings - Post-petition	(3,253,657.00)	-	(50,389.54)	
Adjustments to Owner Equity <i>(attach schedule)</i>	-	-	-	
Post-petition Contributions <i>(attach schedule)</i>	-	-	-	

NET OWNERS' EQUITY	<u>180,545,428.28</u>	<u>183,799,085.28</u>	<u>183,748,695.74</u>
TOTAL LIABILITIES AND OWNERS' EQUITY	<u>241,402,373.18</u>	<u>243,003,413.95</u>	<u>241,907,601.06</u>

*"Insider" is defined in 11 U.S.C. Section 101(31).

(0.00)

BALANCE SHEET - continuation section

<u>ASSETS</u>	<u>BOOK VALUE AT END OF CURRENT REPORTING MONTH</u>	<u>BOOK VALUE AT END OF PRIOR REPORTING MONTH</u>	<u>BOOK VALUE ON PETITION DATE</u>
Other Current Assets			
Investments	639,506.00	639,506.00	639,506.00
Earnout Receivable- ST	1,690,000.00	1,690,000.00	1,690,000.00
Intercompany, net	14,862,215.24	14,966,232.58	15,274,996.39
Total	<u>17,191,721.24</u>	<u>17,295,738.58</u>	<u>17,604,502.39</u>

Other Assets			
Goodwill	15,485,347.30	15,485,347.30	15,485,347.30
Investments in Subsidiaries	197,807,230.87	197,807,230.87	197,807,230.87
Earnout Receivable, LT	6,510,000.00	6,510,000.00	6,510,000.00
Note Receivable, LT	1,083,908.65	1,083,908.65	1,083,908.65
Total	<u>220,886,486.82</u>	<u>220,886,486.82</u>	<u>220,886,486.82</u>

<u>LIABILITIES AND OWNER EQUITY</u>	<u>BOOK VALUE AT END OF CURRENT REPORTING MONTH</u>	<u>BOOK VALUE AT END OF PRIOR REPORTING MONTH</u>	<u>BOOK VALUE ON PETITION DATE</u>
Other Post-petition Liabilities			
Liability on Escrow in Respect of Plan Sponsor Group Deposit	1,500,000.00	1,500,000.00	1,500,000.00
DIP Loan plus interest	1,250,808.57	690,611.37	-
Total	<u>2,750,808.57</u>	<u>2,190,611.37</u>	<u>1,500,000.00</u>

Adjustments to Owner's Equity

Post-Petition Contributions

Restricted Cash: Cash that is restricted for a specific use and not available to fund operations. Typically, restricted cash is segregated into a separate account, such as an escrow account. Includes \$1.5m Escrow Account in Respect of Plan Sponsor Group Deposit

In re KIT digital, Inc.
Debtor

Case No. 13-11298 (REG)
Reporting Period: June 1 2013 to June 30 2013

STATUS OF POST-PETITION TAXES

The beginning tax liability should be the ending liability from the prior month or, if this is the first report, the amount should be zero.

Attach photocopies of IRS Form 6123 or payment receipt to verify payment or deposit of federal payroll taxes.

Attach photocopies of any tax returns filed during the reporting period.

Federal	Beginning Tax	Amount Withheld and/or Accrued	Amount Paid	Date Paid	Check # or EFT	Ending Tax
Withholding						
FICA-Employee						
FICA-Employer						
Unemployment						
Income						
Other:						
Total Federal Taxes						
State and Local						
Withholding						
Sales						
Excise						
Unemployment						
Real Property						
Personal Property						
Other:						
Total State and Local						
Total Taxes						

SUMMARY OF UNPAID POST-PETITION DEBTS

Attach aged listing of accounts payable.

	Current	Number of Days Past Due				Total
		0-30	31-60	61-90	Over 91	
Accounts Payable	131,558.30					131,558.30
Wages Payable						-
Taxes Payable						-
Rent/Leases-Building						-
Rent/Leases-Equipment						-
Secured Debt/Adequate Protection Payments						-
Professional Fees	1,709,000.00					1,709,000.00
Amounts Due to Insiders						-
Other:						-
Other:						-
Total Post-petition Debts	1,840,558.30	-	-	-	-	1,840,558.30

Explain how and when the Debtor intends to pay any past due post-petition debts.

In re KIT digital, Inc.
Debtor

Case No. 13-11298 (REG)
Reporting Period: June 1 2013 to June 30 2013

ACCOUNTS RECEIVABLE RECONCILIATION AND AGING

<u>Accounts Receivable Reconciliation</u>	<u>Amount</u>
Total Accounts Receivable at the beginning of the reporting period	<u>none</u>
Plus: Amounts billed during the period	
Less: Amounts collected during the period	
Total Accounts Receivable at the end of the reporting period	

<u>Accounts Receivable Aging</u>	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Accounts Receivable					
Less: Bad Debts (Amount considered uncollectible)					
Net Accounts Receivable					

TAXES RECONCILIATION AND AGING

<u>Taxes Payable</u>	<u>0-30 Days</u>	<u>31-60 Days</u>	<u>61-90 Days</u>	<u>91+ Days</u>	<u>Total</u>
0 - 30 days old					
31 - 60 days old					
61 - 90 days old					
91+ days old					
Total Taxes Payable					
Total Accounts Payable					

PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown on the Cash Receipts and Disbursements Report (MOR-1) list the amount paid to insiders (as defined in Section 101(31) (A)-(F) of the U.S. Bankruptcy Code) and to professionals. 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

NAME	TYPE OF PAYMENT	AMOUNT PAID	TOTAL PAID TO DATE
Fabrice Hamaide	Salary for CFO	35,000.00	70,000.00
Greg Peterson	BOD Fees	15,000.00	30,000.00
Seth Hamot	BOD Fees	15,000.00	30,000.00
William Russell	BOD Fees	15,000.00	30,000.00
TOTAL PAYMENTS TO INSIDERS		80,000.00	160,000.00

PROFESSIONALS

NAME	DATE OF COURT ORDER AUTHORIZING PAYMENT	AMOUNT APPROVED	AMOUNT PAID	TOTAL PAID TO DATE	TOTAL INCURRED & UNPAID*
American Legal Claims			11,534.00	96,534.00	14,577.03
Husch Blackwell LLP			-	10,000.00	0
Special Counsel			12,718.09	32,718.09	9,292.50
Kaufhold Gaskin LLP			-	10,000.00	7,661.70
Simon, Ray & Winikka LLP			63,939.14	93,777.14	0
Rubin, Hay & Gould, P.C.			-	5,000.00	0
Hamilton Brook Smith Reynold			-	5,600.00	0
Broadridge ICS			13,735.69	13,735.69	0
Williams Mullen Clark & Dobbins, P.C.					1,738.29
Rottenberg Lipman Rich, PC					1,602.00
Richards, Layton & Finger					25,676.94
TOTAL PAYMENTS TO PROFESSIONALS			101,926.92	267,364.92	60,548.46

payment made on 6/14/2013

* INCLUDE ALL FEES INCURRED, BOTH APPROVED AND UNAPPROVED

POST-PETITION STATUS OF SECURED NOTES, LEASES PAYABLE AND ADEQUATE PROTECTION PAYMENTS

NAME OF CREDITOR	SCHEDULED MONTHLY PAYMENT DUE	AMOUNT PAID DURING MONTH	TOTAL UNPAID POST-PETITION
WTI Interest / Fee		-	-
DIP Loan Interest	6/17/2013	12,746.19	-
DIP Loan Interest	7/15/2013		12,588.33
TOTAL PAYMENTS		12,746.19	12,588.33

DEBTOR QUESTIONNAIRE

Must be completed each month. If the answer to any of the questions is "Yes", provide a detailed explanation of each item. Attach additional sheets if necessary.	Yes	No	Comments
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 this reporting period?		X	
3 Is the Debtor delinquent in the timely filing of any post-petition tax returns?		X	
4 Are workers compensation, general liability or other necessary insurance coverages expired or cancelled, or has the debtor received notice of expiration or cancellation of such policies?	X		<i>DO insurance was renewed on 5-6-13 with payments to be made in June (std.terms)</i>
5 Is the Debtor delinquent in paying any insurance premium payment?		X	
6 Have any payments been made on pre-petition liabilities this reporting period?		X	
7 Are any post petition receivables (accounts, notes or loans) due from related parties?		X	
8 Are any post petition payroll taxes past due?		X	
9 Are any post petition State or Federal income taxes past due?		X	
10 Are any post petition real estate taxes past due?		X	
11 Are any other post petition taxes past due?		X	
12 Have any pre-petition taxes been paid during this reporting period?		X	
13 Are any amounts owed to post petition creditors delinquent?		X	
14 Are any wage payments past due?		X	
15 Have any post petition loans been received by the Debtor from any party?		X	
16 Is the Debtor delinquent in paying any U.S. Trustee fees?		X	
17 Is the Debtor delinquent with any court ordered payments to attorneys or other professionals?		X	
18 Have the owners or shareholders received any compensation outside of the normal course of business?		X	