

DEBTOR: Castle Arch Real Estate Investment Company, LLC. **MONTHLY OPERATING REPORT**
 CHAPTER 11

CASE NUMBER: 11-35082

**Form 2-A
 COVER SHEET**

For Period Ending 11/30/2011

Accounting Method: Accrual Basis Cash Basis

THIS REPORT IS DUE 14 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. File the original with the Clerk of Court.
 Submit a duplicate, with original signature, to the U. S. Trustee.

Report/Document Attached	Previously Waived	REQUIRED REPORTS/DOCUMENTS
<input checked="" type="checkbox"/>	<input type="checkbox"/>	1. Cash Receipts and Disbursements Statement (Form 2-B)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. Balance Sheet (Form 2-C)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. Profit and Loss Statement (Form 2-D)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	4. Supporting Schedules (Form 2-E)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	5. Quarterly Fee Summary (Form 2-F)
<input checked="" type="checkbox"/>	<input type="checkbox"/>	6. Narrative (Form 2-G)
<input type="checkbox"/>	<input type="checkbox"/>	7. Bank Statements for All Bank Accounts IMPORTANT: Redact account numbers and remove check images
<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: Glen A. Martinsen

Signature: 

Title: Principal Accounting Officer

DEBTOR: Castle Arch Real Estate Investment Company, LLC. **CASE NO:** 11-35082

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT
 For Period: 11/1/11 to 11/30/11

CASH FLOW SUMMARY

	Current Month	Accumulated
1. Beginning Cash Balance	\$ <u>250,496.48</u> (1)	\$ <u>250,496.48</u> (1)
2. Cash Receipts		
Operations	-	-
Sale of Assets	-	-
Loans/advances	-	-
Other	1.63	1.63
Total Cash Receipts	\$ <u>1.63</u>	\$ <u>1.63</u>
3. Cash Disbursements		
Operations	33,167.12	33,167.12
Debt Service/Secured loan payment	-	-
Professional fees/U.S. Trustee fees	-	-
Other	3,098.00	3,098.00
Total Cash Disbursements	\$ <u>36,265.12</u>	\$ <u>36,265.12</u>
4. Net Cash Flow (Total Cash Receipts less Total Cash Disbursements)	<u>(36,263.49)</u>	<u>(36,263.49)</u>
5 Ending Cash Balance (to Form 2-C)	\$ <u>214,232.99</u> (2)	\$ <u>214,232.99</u> (2)

CASH BALANCE SUMMARY

	<u>Financial Institution</u>	<u>Book Balance</u>
Petty Cash	_____	\$ -
DIP Operating Account	_____	-
DIP State Tax Account	_____	-
DIP Payroll Account	_____	-
Other Operating Account	<u>Zions Bank - DIP Account</u>	214,232.99
Other Interest-bearing Account	_____	-
TOTAL (must agree with Ending Cash Balance above)		\$ <u>214,232.99</u> (2)

(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: Castle Arch Real Estate Investment Company, LLC. CASE NO: 11-35082

Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT

For Period: 11/1/11 to 11/30/11

CASH RECEIPTS DETAIL
(attach additional sheets as necessary)

Account No:

Date	Payer	Description	Amount
11/1/2011	TD Ameritrade	Interest Income	1.63

\$

Total Cash Receipts \$ - (1)

(1) Total for all accounts should agree with total cash receipts listed on Form 2-B, page 1

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-B
CASH RECEIPTS AND DISBURSEMENTS STATEMENT**

For Period: 11/1/11 to 11/30/11

CASH DISBURSEMENTS DETAIL
(attach additional sheets as necessary)

Account No:

Date	Check No.	Payee	Description (Purpose)	Amount
				\$
11/14/2011	001	Trent Waddoups, P.C.	PR 10/16-10/31/11	6,250.00
11/14/2011	002	Austin, Jeff	PR 10/16-10/31/11	2,796.62
11/14/2011	003	Martinsen, Glen	PR 10/16-10/31/11	5,324.79
11/17/2011	9900247	American Corporate Enterprises	Registered Agent CAOPI&II	178.00
11/17/2011	9900097	Nevada Secretary of State	CAOPI	1,360.00
11/17/2011	9900095	Nevada Secretary of State	CAOPII	1,560.00
11/18/2011	1001	Trent Waddoups, P.C.	PR 11/1-11/15	6,250.00
11/18/2011	1002	Austin, Jeff	PR 11/1-11/15	2,796.62
11/18/2011	1003	Martinsen, Glen	PR 10/16-10/31/11	5,324.79
11/18/2011	1004	Dan Benson	IT work	255.77
11/18/2011	1005	David Gillette	Web Work	375.00
11/21/2011	1006	CenturyLink	account 801-355-3660 690B	265.56
11/21/2011	1007	Travelers	#3174L7160 & 5494C241 660 1 year	1,660.00
11/21/2011	1008	Judge Building LLC	rent and parking - November	1,592.97
11/30/2011	Manual	Paychex	Set up and processing fee	250.00
11/1/2011	Manual	TD Ameritrade	Bank Fee	25.00

Total Cash Disbursements \$ 36,265.12 (1)

(1) Total for all accounts should agree with total cash disbursements listed on Form 2-B, page 1

**Form 2-C
COMPARATIVE BALANCE SHEET**

For Period Ended: 11/30/2011

	Current Month	Petition Date (1)
ASSETS		
Current Assets:		
Cash (from Form 2-B, line 5)	\$ 214,232.99	\$ 250,496.48
Accounts Receivable (from Form 2-E)	800.00	800.00
Receivable from Officers, Employees, Affiliates	-	-
Inventory	-	-
Other Current Assets :(List)		
<u>Pre-Paid Legal</u>	257,500.00	257,500.00
<u>Notes Receivable</u>	442,497.95	442,497.95
 Total Current Assets	 <u>\$ 915,030.94</u>	 <u>\$ 951,294.43</u>
Fixed Assets:		
Land	\$ -	\$ -
Building	-	-
Equipment, Furniture and Fixtures	16,381.24	16,381.24
 Total Fixed Assets	 <u>16,381.24</u>	 <u>16,381.24</u>
Less: Accumulated Depreciation	(6,262.88)	(6,262.88)
 Net Fixed Assets	 <u>\$ 10,118.36</u>	 <u>\$ 10,118.36</u>
Other Assets (List):		
<u>Star Valley Property</u>	401,730.95	401,730.95
<u>Land Deposits CAK, CAS</u>	13,500.00	13,500.00
 TOTAL ASSETS	 <u>\$ 1,340,380.25</u>	 <u>\$ 1,376,643.74</u>
LIABILITIES		
Post-petition Accounts Payable (from Form 2-E)	\$ 95.93	\$ -
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	 <u>\$ 95.93</u>	 <u>\$ -</u>
Pre Petition Liabilities:		
Secured Debt	343,380.71	343,380.71
Priority Debt	-	-
Unsecured Debt	9,757,971.06	9,829,414.69
 Total Pre Petition Liabilities	 <u>\$ 10,101,351.77</u>	 <u>\$ 10,172,795.40</u>
 TOTAL LIABILITIES	 <u>\$ 10,101,447.70</u>	 <u>\$ 10,172,795.40</u>
OWNERS' EQUITY		
Owner's/Stockholder's Equity	\$ 29,513,308.01	\$ 29,513,308.01
Retained Earnings - Prepetition	(38,309,459.67)	(38,309,459.67)
Retained Earnings - Post-petition	35,084.21	-
 TOTAL OWNERS' EQUITY	 <u>\$ (8,761,067.45)</u>	 <u>\$ (8,796,151.66)</u>
 TOTAL LIABILITIES AND OWNERS' EQUITY	 <u>\$ 1,340,380.25</u>	 <u>\$ 1,376,643.74</u>

(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: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

Form 2-D
PROFIT AND LOSS STATEMENT
For Period 11/1/2011 **to** 11/30/2011

	Current <u>Month</u>	Accumulated <u>Total (1)</u>
Gross Operating Revenue	\$ 48,472.07	\$ 68,362.93
Less: Discounts, Returns and Allowances	(<u> - </u>)	(<u> - </u>)
Net Operating Revenue	\$ <u>48,472.07</u>	\$ <u>68,362.93</u>
Cost of Goods Sold	<u> -</u>	<u> -</u>
Gross Profit	\$ <u>48,472.07</u>	\$ <u>68,362.93</u>
Operating Expenses		
Officer Compensation	\$ 18,093.24	\$ 18,093.24
Selling, General and Administrative	13,381.28	13,664.84
Rents and Leases	1,497.27	1,497.27
Depreciation, Depletion and Amortization	-	-
Other (list): _____	-	-
	<u> -</u>	<u> -</u>
Total Operating Expenses	\$ <u>32,971.79</u>	\$ <u>33,255.35</u>
Operating Income (Loss)	\$ <u>15,500.28</u>	\$ <u>35,107.58</u>
Non-Operating Income and Expenses		
Other Non-Operating Expenses	\$ -	\$ -
Gains (Losses) on Sale of Assets	-	-
Interest Income	1.63	1.63
Interest Expense	(25.00)	(25.00)
Other Non-Operating Income	<u> -</u>	<u> -</u>
Net Non-Operating Income or (Expenses)	\$ <u>(23.37)</u>	\$ <u>(23.37)</u>
Reorganization Expenses		
Legal and Professional Fees	\$ -	\$ -
Other Reorganization Expense	<u> -</u>	<u> -</u>
Total Reorganization Expenses	\$ <u> -</u>	\$ <u> -</u>
Net Income (Loss) Before Income Taxes	\$ <u>15,476.91</u>	\$ <u>35,084.21</u>
Federal and State Income Tax Expense (Benefit)	<u> -</u>	<u> -</u>
NET INCOME (LOSS)	\$ <u><u>15,476.91</u></u>	\$ <u><u>35,084.21</u></u>

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

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-E
SUPPORTING SCHEDULES
For Period: 11/1/2011 to 11/30/2011**

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	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00
State	0.00	0.00	0.00			0.00
FICA Tax Withheld	0.00	0.00	0.00			0.00
Employer's FICA Tax	0.00	0.00	0.00			0.00
Unemployment Tax						
Federal	0.00	0.00	0.00			0.00
State	0.00	0.00	0.00			0.00
Sales, Use & Excise Taxes	0.00	0.00	0.00			0.00
Property Taxes	0.00	0.00	0.00			0.00
Accrued Income Tax:						
Federal	0.00	0.00	0.00			0.00
State	0.00	0.00	0.00			0.00
Other: _____	0.00	0.00	0.00			0.00
TOTALS	\$ 0.00	\$ 0.00	\$ 0.00			\$ 0.00

(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	None	\$ -		
General Liability	Travelers	\$ 2,000,000.00	10/18/2012	10/18/2012
Property (Fire, Theft)	Travelers	\$ 25,000.00	10/27/2012	10/27/2012
Vehicle	None	\$ -		
Other (list): D&O	HUB Intl	\$ 5,000,000.00	12/20/2011	12/20/2011
		\$		

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-E
SUPPORTING SCHEDULES**

For Period 11/1/2011 to 11/30/2011

ACCOUNTS RECEIVABLE AND POST PETITION PAYABLE AGING

<u>Due</u>	<u>Accounts Receivable</u>	<u>Post Petition Accounts Payable</u>
Under 30 days	\$ 0.00	\$ 95.93
30 to 60 days	0.00	0.00
61 to 90 days	800.00	0.00
91 to 120 days	0.00	0.00
Over 120 days	0.00	0.00
Total Post Petition	800.00	
Pre Petition Amounts	0.00	
Total Accounts Receivable	\$ 800.00	
Less: Bad Debt Reserve	0.00	
Net Accounts Receivable (to Form 2-C)	\$ 800.00	
	Total Post Petition Accounts Payable	\$ 95.93

* 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	\$ 0.00	\$ 0.00	\$ 0.00		\$ 0.00
Counsel for Unsecured Creditors' Committee	0.00	0.00	0.00		0.00
Trustee's Counsel	0.00	0.00	0.00		0.00
Accountant	0.00	0.00	0.00		0.00
Other: _____	257,500.00	0.00	0.00		0.00
Total	\$ 257,500.00	\$ 0.00	\$ 0.00		\$ 0.00

*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>
<u>Trent Waddoups, P.C.</u>	<u>Receiver</u>	<u>Salary</u>	\$ 12,500.00
<u>Austin, Jeff</u>	<u>CEO</u>	<u>Salary</u>	5,593.24

**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: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-F
QUARTERLY FEE SUMMARY ***
For the Month Ended: 11/30/2011

<u>Month</u>	<u>Year</u>	<u>Cash Disbursements **</u>	<u>Quarterly Fee Due</u>	<u>Check No.</u>	<u>Date Paid</u>
January	_____	\$ 0.00			
February	_____	\$ 0.00			
March	_____	\$ 0.00			
TOTAL 1st Quarter		\$ <u>0.00</u>			
April	_____	\$ 0.00			
May	_____	\$ 0.00			
June	_____	\$ 0.00			
TOTAL 2nd Quarter		\$ <u>0.00</u>			
July	_____	\$ 0.00			
August	_____	\$ 0.00			
September	_____	\$ 0.00			
TOTAL 3rd Quarter		\$ <u>0.00</u>			
October	<u>2011</u>	\$ 0.00			
November	<u>2011</u>	\$ 36,265.12			
December	<u>2011</u>	\$ 0.00			
TOTAL 4th Quarter		\$ <u>36,265.12</u>			

FEE SCHEDULE (as of JANUARY 1, 2008)

Subject to changes that may occur to 28 U.S.C. §1930(a)(6)

<u>Quarterly Disbursements</u>	<u>Fee</u>	<u>Quarterly Disbursements</u>	<u>Fee</u>
\$0 to \$14,999.....	\$325	\$1,000,000 to \$1,999,999.....	\$6,500
\$15,000 to \$74,999.....	\$650	\$2,000,000 to \$2,999,999.....	\$9,750
\$75,000 to \$149,999.....	\$975	\$3,000,000 to \$4,999,999.....	\$10,400
\$150,000 to \$224,999.....	\$1,625	\$5,000,000 to \$14,999,999	\$13,000
\$225,000 to \$299,999.....	\$1,950	\$15,000,000 to \$29,999,999....	\$20,000
\$300,000 to \$999,999.....	\$4,875	\$30,000,000 or more	\$30,000

* 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)]

In addition, unpaid fees are considered a debt owed to the United States and will be assessed interest under 31 U.S.C. §3717

DEBTOR: Castle Arch Real Estate Investment Company, LLC.

CASE NO: 11-35082

**Form 2-G
NARRATIVE**

For Period Ending: 11/30/2011

Please provide a brief description of any significant business and legal actions taken by the debtor, its creditors, or the court during the reporting period, any unusual or non-recurring accounting transactions that are reported in the financial statements, and any significant changes in the financial condition of the debtor which have occurred subsequent to the report date.

Castle Arch Real Estate Investment Company, LLC receives management fee income via CAOP Managers, LLC as a pass-through entity. CAOP Managers, LLC is owned 100% by Castle Arch Real Estate Investment Company, LLC. The two entities are combined for tax purposes and historically all transactions have bypassed CAOP Managers, LLC as it would be redundant, counter productive and would have resulted in unnecessary costs to have recorded the same transaction twice. While CAOP Managers holds the operating and management contracts with Castle Arch Opportunity Partners, I & II, Castle Arch Real Estate Investment Company wholly owns, operates and consolidates CAOP Managers into its operation.